# A COMPARATIVE STUDY OF CONSUMER PREFERENCES OF COFFEE SHOP IN MANADO (CASE STUDY: STARBUCKS AND EXCELSO COFFEE SHOP) 

STUDI PERBANDINGAN PREFERENSI KONSUMEN TERHADAP KEDAI KOPI DI MANADO (STUDI KASUS: KEDAI KOPI STARBUCKS DAN EXCELSO)

## By

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#### Abstract

The presence of coffee house modern or coffee shop has given a change of culture in Indonesia, where it is no longer only a big fan of coffee who wants to go to a coffee shop because nowadays it is not only to fulfill the functional needs but it leads to emotional needs. Consequently coffee consumption in Indonesia continues to increase, and increase consumer demand for Coffee business. The aim of this research is to analyze consumer preferences of coffee shop between Starbucks and Excelso in Manado measure by brand image, brand loyalty, price and word of mouth. This research is quantitative type of research, which uses primary data obtained through questionnaires and uses independent sample $t$-test as the analytical tool. The population of this research is peoples in Manado who has experience in Starbucks and Excelso coffee shop, where the sample size is taken from 100 respondents who also has experience with both stores. The result from this research found that there is no significant difference between Starbucks and Excelso coffee shop measured by brand image, brand loyalty, price and word of mouth. Starbucks and Excelso coffee shop should more considering on the factors that influence the consumer buying behavior.


Keywords: comparative study, consumer preferences, coffee shop, starbucks and excelso


#### Abstract

Abstrak: Kehadiran kedai kopi modern atau rumah kopi telah memberikan perubahan budaya di Indonesia, di mana tidak lagi hanya penggemar berat kopi yang ingin pergi ke kedai kopi karena saat ini tidak hanya untuk memenuhi kebutuhan fungsional. tetapi itu mengarah pada kebutuhan emosional. Konsekuensinya konsumsi kopi di Indonesia terus meningkat, dan meningkatkan permintaan konsumen akan bisnis Kopi. Tujuan dari penelitian ini adalah untuk menganalisis preferensi konsumen kedai kopi antara Starbucks dan Excelso di Manado dengan mengukur citra merek, loyalitas merek, harga dan dari mulut ke mulut. Penelitian ini merupakan jenis penelitian kuantitatif, yang menggunakan data primer yang diperoleh melalui kuesioner dan menggunakan independent sample t-test sebagai alat analisis. Populasi dalam penelitian ini adalah masyarakat di Manado yang memiliki pengalaman di kedai kopi Starbucks dan Excelso, di mana ukuran sampel diambil dari 100 responden yang juga memiliki pengalaman dengan kedua toko tersebut. Hasil dari penelitian ini menemukan bahwa tidak ada perbedaan yang signifikan antara kedai kopi Starbucks dan Excelso yang diukur dengan citra merek, loyalitas merek, harga dan dari mulut ke mulut. Kedai kopi Starbucks dan Excelso sebaiknya lebih mempertimbangkan faktor-faktor yang mempengaruhi perilaku pembelian konsumen.


Kata Kunci: studi perbandingan, preferensi konsumen, kedai kopi, starbucks dan excelso

## Research Backround

Today coffee shop has become a lifestyle for everyone in the world. Its not only because of coffee drinking, but it also because of the comfortable, and unique design of the coffee shop that could make the consumers feel relax and comfortable visiting the coffee shop and coffee shop is currently a most rapid developing business in the world and become a famous trend in foodservice.

Each coffee shop has a different type of target market starting from low, medium and high. From medium to high coffee shop target market there are local and international company that compete in indonesia. Because of the tight competition of local and international coffee shop in Indonesia, each of coffee shop giving the consumers a good product and the best services in order to get consumers heart.

There are so many coffee shop in Indonesia, not only a local coffee shop but also a franchise of western coffee shop. The Coffee Shop business will not grow and continue to grow if not followed by the acceptance of the community itself, with changes in culture and lifestyle of people in Indonesia to make this business promising and very potential. Therefore, most coffee shops today not only give priority to the taste of coffee but also make the atmosphere of coffee shop to be as comfortable as possible and make consumers feel the experience while in the coffee shop. Coffee Shop now not only sells coffee but also sells experience. Because of the different consumer preferences and business people can not forever predict what consumers want, plus the constantly changing preferences and influenced by many factors, internal factors from within the consumer itself or external, from others or environment.

In Manado itself, the development of Coffee Shop has been widespread and responded well by the community. One of the most famous Coffee Shop that has entered Manado is Starbucks Coffee Shop. Starbucks is an American coffee shop that has been very well known both the quality of coffee and services. Starbucks then opened its 238th store in North Sulawesi, Manado for the first time on 21 October 2015, precisely in Manado Town Square 3. No doubt the name of Starbucks is very famous and some consumers in Manado are aware of this brand so Starbucks is positively welcomed by Manado community. Before Starbucks, had entered in Manado as well as Local Coffee Shop is Excelso. Excelso is part of Coffee Ship, the largest coffee producer in Indonesia. Excelso in Manado itself opened in 2012 and just as with Starbucks, the people of Manado welcomed positively and Excelso crowded by consumers in Manado. Both Coffee Shop has the same segmentation that is middle and above and the type of coffee served is not much different, but excelso more varied in serving the food menu. Researchers are interested in researching the consumer preferences of both Coffee Shop to see how the consumer preferes.

The phenomenon described above makes it interesting for researchers to examine consumer preferences in Manado to the existing Coffee Shop, and this research is supported by several variables that affect consumer preferences such as Brand Image, where strong Brand Image can influence consumers in buying something, if the consumer is not aware of the Brand or the Brand has a bad or bad image, then the consumer does not want to buy the product of the brand. Then brand loyalty, where if the customer is loyal and has entered the stage of commitment with high trust in the brand then the consumer will always return and repurchase the brand, that's why it is very important for each company to maintain relationships with consumers.

One customer who is always loyal to re-buy on one company is much better than five new customers. Because if the consumer has reached the point of loyalty and believe in the product then the consumer will share his experience about the product and recommend it to their closest relatives or through social media. It talks about other researchers' variables of Word of Mouth (WOM) or that are developing now is e-WOM.

The next variables are related to coffee shop segmentation itself, Price, for high end coffee shop then the price given is more expensive than other coffee shop, the consumer must choose according to their income and the need. But there are some consumers who are willing to pay dearly just for a cup of coffee because not only want to drink coffee but also want to experience the coffee shop. Based on the backround above, the researcher made a research by substance "A Comparative Study of Consumer Preference of Coffee Shop in Manado (Case Study: Starbucks and Excelso Coffee Shop)"

## Research Objective

To determine if there any difference in consumer preference based on brand image, brand loyalty, price and word of mouth factor between Excelso coffee shop and Starbucks coffee shop consumer in Manado.

## THEORETICAL REVIEW

## Marketing

Marketing is the core and the main theory that affected all factors and variable in this research. According to Kotler (2008) Marketing is a process of planning and executing the perception, pricing, promoting and distribution of ideas, good and services to create exchange that satisfy individual and organizational goals. Marketing defined by Drucker (2010) is not only much boarder than selling; it is not a specialized activity at all. It encompasses the entire business. It is the whole business seen from the point of view of the final result, that is, from the consumer point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise.

## Consumer Behavior

According to Belch and Belch (2012), consumer behavior can be defined as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires. Shiffman and Kanuk (2004:8) defined consumer behavior as the behavior that consumers display in searching for, buying, using, evaluating and disposing of product and services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. That includes what consumer buy, why consumer want to buy it, when consumer buy it, where consumer buy and how often they will buy it.

## Consumer Preferences

The concept of preferences comes from economic theory, with preferences defined as individuals 'utility' for consuming goods and services (Philips,Jhonson and Mandala, 2002). Consumer preference is a general term applied to all facets of marketing products and services. This is not to be confused with the morespecific term brand over competing brands. If one brand is unavailable, consumer will likely choose another brand to fill the gap. According to Rajpurohit and Vasita (2011), Preferences indicate choices among neutral or more valued option available. Consumer as an important factor in marketplace has a preference when their making a decision. Consumer preferences exist when consumer make some comparative, evaluating and judgment among various choice available, and after that making decision.

## Brand Image

As we know that the brand is the difference between one product with another product. We keep our minds the memory of a product with the contents of the familiar with these products, not about what products are the same functions and their role. Brand has become crucial elements that contribute to the success of a marketing organization, both business enterprise and service provider, local and global organizations. As for the consumers, the brand serves as a source of product identification, determination of responsibility on the manufacturer or distributor particular, risk reduction, suppression of internal and external search costs, appointments and special bond with manufactures, tool projecting symbolic self-image, the signal quality. According to Kotler (2004: 460) brand is a name, term, sign, symbols, design or a combination of these things, which are intendedto identify the goods or services of a person or group of sellers and to differentiate the from competitor's products.

## Brand Loyalty

Reichheld's (2001) definition emphasizes somewhat different aspects in defining loyalty as the willingness of someone to make a personal sacrifice or other investment for the strengthening of a relationship. One of the newest definitions of brand loyalty comes from Chegini (2010) who described it as "theory and guidance leadership and positive behavior including, repurchase, support and offer to purchase which may control a new potential customer". Furthermore, the American Marketing Association defines brand loyalty as "the situation in which a consumer generally buys the same manufacturer originated product or service repeatedly over time rather than buying from multiple suppliers within the category" or "the degree to which a consumer consistently purchases the same brand within a product class" (Moisescu, 2006).

## Price

Pricing refers to method companies use to price their products or services. Almost all companies, large or small, based on the price of their products and services on production, labor and advertising expenses and then add on a certain percentage so they can make a profit (Suttle, 2017). Price is the value that is put to a product or service and is the result of a complex set of calculations, research and understanding and risk taking ability. A pricing strategy takes into account segments, ability to pay, market conditions, competitor actions, trade margins and input costs amongst others. It is targeted at the defined customers and against competitors (the economic times, 2017).

## Word of Mouth

Consumers are not assume to create, revise and record pre written coversional exchange about product and services. Nor do they ordinarily use poetry or song to discuss consumption. Arndt (1967) was one of the earliest researchers into the influence of WOM on consumer behavior. He characterized WOM as oral, person-to-person, communication between a receiver and a communicator whom the receiver perceive as non commercial, regarding a brand, product or service (Arndt,1967). This was an attempt to identify the domain of WOM research. More recently, WOM by drawing on its distinctiveness from advertising (Stern,1994). She wrote that WOM differs from advertising in its lack of boundaries. WOM involves the exchange of ephemeral oral or spoken messages between contigous source and a recepient who communicate directlty in real life.

## Previous Research

Roshini (2016) Starbucks Vs CCD: A comparison the great coffee shop battle in Chennai city, currently Chennai city residents have not entirely shifted from CCD to Starbucks as CCD is a well - established brand in India since 1996 and Starbucks has entered India in 2012 only. Starbucks and CCD are totally different in respect with their target segment, pricing, strategies adopted, etc.

Cheng (2015) The attraction of mermaid: The preference for Starbucks coffee than Mr.Brown and Dante coffee shop conclude in his research that good environment and good services are always the characteristics of every Starbucks' stores worldwide. These two factors are commonly known to the two of major reasons why Starbucks is able to become such a successful chain.

## Conceptual Framework

Brand Image
Brand Loyalty
Price
Word of Mouth

Figure 1. Conceptual Framework
Source: Analytical Method (2018)

## Hyphotheses

Ha: There is difference in Consumer Preference based on Brand Image, Brand Loyalty, Price and Word of Mouth factors between Starbucks coffee shop and Excelso coffee shop in Manado

## RESEARCH METHOD

## Research Approach

This research is a quantitative research. Quantitative research is the systematic empirical investigation of observable phenomena via statistical, mathematical or computational techniques. This research use comparative analysis to investigate the consumer's preferences between Starbucks coffee shop and Excelso
coffee shop in Manado. This research used the Independent Samples T-Test to analyze whether there is a significant difference among the variables.

## Population, Sample and Sampling Technique

The population of this research is peoples in Manado who has experience visiting starbucks coffee shop and excelso coffee shop in Manado. By using the purposive sampling, the samples of this research are 50 respondents who has experience with Starbucks Coffee shop and 50 respondents who has experience with Excelso Coffee shop. By studying the sample, researcher should be able to draw conclusions that can be generalized to the population of interest (Sekaran, 2003). The questionnaire is given directly to the respondents as written above and after collecting the questionnaire, researcher proceed to tabulation and processing the data.

## Data Collection Method

This research comes with two type of data collection method, the first one is primary data. It collected by a researcher to support the research, The researcher gets primary data from the result of questionnaires. Questionnaires are distributed to respondents so they can respond directly on the questionnaire. And secondly, secondary data, where the existing data which is collected by the previous researchers and use to support the statements that are used in the research analysis.

## Operational Definition of Research Variables

The operational definition of variables in this study was used to understand more deeply the variable in this research. This discussion is about the definition of all the variable and factors of this research. The variables are Consumer Preference, Brand Image, Brand Loyalty, Price and Word of Mouth.

## Data Analysis Method

## Validity, Reliability, Normality, Homogeneity, and Descriptive Statistic

To analyze the validity of this research it requires the validity and reliability test. The validity test is the degree to which a test procedure accurately measures what it was designed to measure. The relation between reliability and validity is if the data are valid, they must be reliable. If people receive very different scores on a test every times its take, the test is not likely to predict anything. However, if a test is reliable, that does not mean that is valid. $>0,6$ indicates unsatisfactory internal consistency or consider that the data is unreliable. While 0,7 indicates that the data acceptable and 0,8 indicates good internal consistency or consider that the data result is reliable. Normality measured by Shapiro-Wilks test and One-Sample Kolmogrov-Smirnof test can be used to test assumption of nomarlity. From this test, the Sig. (p) value is compared to the prior alpha level (level of significance for the statistic)- and a determination is made as to reject ( $p \leq \alpha$ ) or retain ( $p>\alpha$ ) the null hypothesis.

## Independent Sample T Test

The independent sample T-test evaluates the difference between the means of two independent or unrelated groups. Horn (2008) stated the independent sample T-test evaluates the difference between the means of two independent or unrelated groups. A t-test is any statistical hypothesis test in which the test statistic follows a student's $t$ distribution, if the null hypothesis is supported. In this research, This T-test is used to analyse the consumer preference between Starbucks and Excelso Coffee shop.

## RESULTS AND DISCUSSIONS

## Validity Test Result

Table 1. Correlations

|  |  | Brand_Image | Brand_Loyalty | Price | Word_of <br> _Mouth | Total |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Brand_Image | Pearson |  | $.663^{* *}$ | $.611^{* *}$ | $.674^{* *}$ | $.875^{* *}$ |
|  | Correlation |  |  |  |  |  |
|  | Sig. (2- |  | .000 | .000 | .000 | .000 |
|  | tailed) | 100 | 100 | 100 | 100 | 100 |


| Brand_Loyalty | Pearson Correlation | . 663 ** | 1 | . $590 * *$ | . $651^{* *}$ | . $858{ }^{* *}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Price | Sig. (2tailed) | . 000 |  | . 000 | . 000 | . 000 |
|  | N | 100 | 100 | 100 | 100 | 100 |
|  | Pearson Correlation | . $611^{* *}$ | . $590 * *$ | 1 | . $572 * *$ | .806** |
|  | Sig. (2tailed) | . 000 | . 000 |  | . 000 | . 000 |
| Word_of_Mout h | N | 100 | 100 | 100 | 100 | 100 |
|  | Pearson Correlation | . $674 * *$ | . $651{ }^{* *}$ | . $572 * *$ | 1 | . $855{ }^{* *}$ |
|  | Sig. (2tailed) | . 000 | . 000 | . 000 |  | . 000 |
| Total | N | 100 | 100 | 100 | 100 | 100 |
|  | Pearson Correlation | . $875 * *$ | . $858{ }^{* *}$ | . $806 * *$ | . $855{ }^{* *}$ | 1 |
|  | Sig. (2tailed) | . 000 | . 000 | . 000 | . 000 |  |
|  | N | 100 | 100 | 100 | 100 | 100 |

**. Correlation is significant at the 0.01 level (2-tailed).
Source: IBM SPSS Statistic 22.0 Output (2018)
Validity test results in Table 1. are stated valid. Because based on Pearson Correlation Value $>0.5$ and the significant is $<0.05$.

Reliability Test Result
Table 2. Reliability Statistcis

| Cronbach's Alpha | $\mathbf{N}$ of Items | 4 |
| :--- | :--- | :--- |
| .870 | 4 |  |

Source: SPSS 22 Output (2018)
the Alpha Cronbach has a value 0.870 , it proves the data is reliable.

## Normality Test Result

Table 3. Normality Statistics

| Customer |  | Statistic |  |  |  | Df | Sig. |
| :--- | :--- | :---: | :---: | :---: | :---: | :---: | :---: |
|  | starbucks | .937 | 50 | .360 |  |  |  |
|  | Excelso | .930 | 50 | .220 |  |  |  |
|  | starbucks | .977 | 50 | .275 |  |  |  |
| Price | Excelso | .962 | 50 | .133 |  |  |  |
|  | Starbucks | .985 | 50 | .289 |  |  |  |
| Word of Mouth | Excelso | .982 | 50 | .345 |  |  |  |
|  | Starbucks | .953 | 50 | .109 |  |  |  |

Source: SPSS Output (2018)
Based on Shapiro Wilk Normality test, Brand Image, Brand Loyalty, Price, and Word of Mouth in both Starbucks and Excelso has Sig $>0.05$ then it can be concluded that the data are normally distributed.

Table 4. Group Statistics

| Customer |  | N | Mean | Std. Deviation | Std. Error Mean |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Brand_image | Starbucks | 50 | 18.0200 | 3.37149 | . 47680 |
|  | Excelso | 50 | 19.0400 | 3.28857 | . 46507 |
| Brand_loyalty | Starbucks | 50 | 18.5800 | 2.41669 | . 34177 |
|  | Excelso | 50 | 18.3200 | 2.34251 | . 33128 |
| Price | Starbucks | $50$ | $19.5000$ | 2.34085 | . 33105 |
|  | Excelso |  | 18.7400 | 2.99530 | . 42360 |
| Word_of_mouth | Starbucks |  | 19.6400 | 2.26563 | . 32041 |
|  | Excelso | 50 | $18.8800$ | $2.74524$ | . 38824 |

## Source:SPSS Output (2018)

From table 4. shows that the mean of:

1. Brand image for Starbucks is 18.02 while mean of brand image for Excelso is 19.04
2. Brand loyalty for Starbucks is 18.58 and mean of brand loyalty for Excelso is 18.32.
3. Price for Starbucks is 19.50 whereas mean of price for Excelso is 18.74 .
4. Word of mouth for Starbucks is 19.64 and mean of word of mouth for Excelso is 18.88.

From the result above shows the mean of Starbucks on brand loyalty, price and word of mouth are bigger than Excelso. Just have the mean of brand image is Excelso bigger than Starbucks. It means customers prefer to buy coffee in Starbucks than Excelso.

## Idependent Sample T Test

Levene's Test for Equality of Variances

## t-test for Equality of Means

|  |  |  | ig. |  | f | ig.(2tailed) |  | Std.Err <br> or <br> Differe <br> nce |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  | S |  | Confidence <br> Interval of the Difference |  |
|  |  |  |  |  |  |  | Mean Difference |  | Lower | Upper |
| $\begin{aligned} & \hline \begin{array}{l} \text { Brand_im } \\ \text { age } \end{array} \\ & \hline \end{aligned}$ | Equal variances assumed | 058 | 811 | $\begin{aligned} & 1.53 \\ & 1 \end{aligned}$ | 8 | 129 | 1.02000 | 66606 | $\begin{aligned} & 2.769 \\ & 69 \end{aligned}$ | 72969 |
|  | Equal variances not assumed |  |  | $\begin{aligned} & 1.53 \\ & 1 \end{aligned}$ | 7.939 | 129 | 1.02000 | 66606 | $\begin{aligned} & 2.769 \\ & 71 \end{aligned}$ | 72971 |
| Brand_loy alty | Equal variances assumed | 232 | 631 | 546 | 8 | 586 | 6000 . 2 | 47598 | $\begin{aligned} & .9903 \\ & 6 \end{aligned}$ | . 51036 |


|  | Equal <br> variances <br> not <br> assumed |  |  | 546 | 7.905 | 586 | 6000 | . 2 | 47598 | $\begin{aligned} & .9903 \\ & 9 \end{aligned}$ | . 51039 | 1 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Price | Equal variances assumed | . 241 | 138 | . 414 | 8 | 161 | 6000 | . 7 | 53761 | $\begin{aligned} & .6522 \\ & 7 \end{aligned}$ | . 17227 | 2 |
|  | Equal variances not assumed |  |  | . 414 | 2.593 | 161 | 6000 | . 7 | 53761 | $\begin{aligned} & .6539 \\ & 1 \end{aligned}$ | . 17391 | 2 |
| Word_of_ mouth | Equal variances assumed | . 858 | 176 | . 510 | 8 | 134 | 6000 | . 7 | 50338 | $\begin{aligned} & .5623 \\ & 4 \end{aligned}$ | . 08234 | 2 |
|  | Equal variances not assumed |  |  | . 510 | 4.596 | 134 | 6000 | . 7 | 50338 | $\begin{aligned} & .5632 \\ & 8 \end{aligned}$ | . 08328 | 2 |

1. Sig. (2-tailed) $>0.05$ on variable Brand Image of Starbucks shows 0.129 and on variable brand image of Excelso shows 0.129 . This means $\mathrm{H}_{0}$ is accepted and $\mathrm{H}_{\mathrm{a}}$ is rejected and it also means that there is no difference in term of Brand Image between Starbucks and Excelso coffee shop in Consumer Preference.
2. Sig. (2-tailed) $>0.05$ on variable Brand Loyalty shows 0.586 on Starbucks and on variable brand loyalty of Excelso shows 0.586 . This means $\mathrm{H}_{0}$ is accepted and $\mathrm{H}_{\mathrm{a}}$ is rejected and it also means that there is no difference in term of Brand Loyalty between Starbucks and Excelso coffee shop in Consumer Preference.
3. Sig. (2-tailed) $>0.05$ on variable Price shows 0.161 on Starbucks and found on variable Price shows 0.161 on Excelso. This mean $\mathrm{H}_{0}$ is accepted and $\mathrm{H}_{\mathrm{a}}$ is rejected and it also means that there is no difference related to Price between Starbucks and Excelso coffee shop in Consumer Preference
4. Sig. (2-tailed) $>0.05$ on variable Word of Mouth shows 0.134 on Starbucks and Excelso coffee shop. This means also $\mathrm{H}_{0}$ is accepted and $\mathrm{H}_{\mathrm{a}}$ is rejected and it also means that there is no difference related to Word of Mouth between Starbucks and Excelso coffee shop in Consumer Preference.

## Discussion

Coffee shop is currently a most rapid developing business in the world and become a famous trend in foodservices. Coffee ranks fourth in the table of food categories in terms of annual turnover and the value of the coffee market is growing rapidly at rate of about $13 \%$ per year (also due to price increases). This in turn, means that the consumer is often spoilt for choice when choosing one product from among the many available on the market. The final decision as to the selection is determined by a complex set of factors such as the brand image of the product, it is loyal by consumer, convenience and the method of preparation, as well as the price. Consumer preference of coffee shop in Starbucks and Excelso is the observation of current research. The objective of the research is to find out whether there is a significant difference between Starbucks and Excelso coffee shop in Manado in terms of brand image, brand loyalty, price and word of mouth. For later can be used to have better understanding of the consumer to help developing economic and business strategy in the future to get customer buying behavior in order to expand the business. By looking at the mean result from table 4.4, the mean value of brand image in Excelso coffee shop is higher than Starbucks coffee shop. It indicates that, brand image in Excelso is more famous and affected by consumer, rather than Starbucks. This finding discloses that brand image in Starbucks did not famous and affects the customer equally. It is not a good result in fact, because the customer is not only the 100 respondents.

Definition brand loyalty comes from Chegini (2010) who described it as "theory and guidance leadership and positive behavior including, repurchase, support and offer to purchase which may control a new potential customer".

Price has a great effect on consumers' buying behavior. Definition of price comes from Suttle (2017), almost all companies, large or small, base the price of their products and services on production, labor and
advertising expenses and then add on a certain percentage so they can make a profit. By looking at the mean result from table 4.4, the mean value of price in Starbucks coffee shop is higher than Excelso coffee shop. It indicates that, Starbucks coffee shop is more affected by consumer, rather than Excelso coffee shop. Starbucks coffees are priced higher than most other brand coffee, but what makes consumer think that they prefer to buy coffee at Starbucks rather than Excelso coffee is because when quality coffee becomes the desire of the target market, then pricing is no longer much of an issue. That is somewhat the case of Starbucks.

Word of mouth mean all about promotion and how the companies communicate the value of their product to the customer. Definition of word of mouth comes from Arndt (1967), described WOM as oral, person- to-person, communication between a receiver and a communicator whom the receiver perceive as non commercial, regarding a brand, product or service. This was an attempt to identify the domain of WOM research. By looking at the mean result from table 4.4, the mean value of word of mouth in Starbucks coffee shop is higher than Excelso coffee shop. It indicates that, word of mouth of Starbucks more attracted customer rather than Excelso.Therefore, it does not mean Excelso coffee shop do not attract customer.

## CONCLUSION AND RECOMMENDATION

## Conclusion

It can be concluded that among the majority of coffee shop behavior continues dominate by Starbucks over Excelso. In accordance with the result of Independent T-Test by the mean value of the variables, Starbucks coffee shop is higher than Excelso coffee shop.

## Recommendations

Recommendations of this research are:

1. Both Coffee Shop, Starbucks and Excelso should more considering on the factors that influence the consumer behavior. So both Coffee Shop should continue to carry their rare and unique variety of coffee. New and different combination should be introduced to keep a good image from consumer and deliver the best result. Both store should have developed their promotion in order to deliver the information to the consumer.
2. The results of this study can be used as a reference for the development and deepening of knowledge management marketing, especially consumer preferences.

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