The Effect of Brand Awareness, Brand Image, and Perceived Quality on Customer Loyalty Through Customer Satisfaction

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Abstract

The service business solution provider company HOREKA (Hotels, restaurants, and cafes), together with MIX MarCom magazine, has recorded the number of coffee shops in Indonesia in August 2019 with 2,950 outlets. The number of this research can increase threefold or reach around 1,950 outlets from 2016 which was only around 1000 (Sugianto, detikFinance, 2019). The pandemic that occurred around the world, changed people's habits to stay at home & work from home (WFH), with the current economic condition's consumers tend to spend their money on primary needs compared to non-primary needs, this has also changed people's habits of enjoying coffee in a shop or cafe. there is a shift in consumer coffee consumption from high-class cafes to simpler places such as roadside coffee shops with open spaces" (Katadata, 2021). Starbucks as an upscale coffee shop must find a way to keep customers satisfied and loyal to Starbucks, by providing take-out services. away and delivery in collaboration with online motorcycle taxi providers. The method used in this research is descriptive quantitative method. Sampling uses the probability sampling method of random sampling with 100 respondents. Data processing is carried out by SEM-PLS and using path analysis. The results of the analysis show that the relationship between variables does not all show a positive and significant relationship, only the relationship between brand awareness and customer satisfaction, brand image and customer satisfaction, perceived quality and customer satisfaction, and customer satisfaction with an customer loyalty which shows a positive and significant relationship.

Keywords
Brand Awareness, Brand Image, Perceived Quality, Customer Satisfaction, Customer Loyalty

1. Introduction
The COVID-19 pandemic in early 2020 had a significant impact on Starbucks. The government has implemented a Large-Scale Social Restriction (PSBB) policy that prohibits people from doing activities that are crowding in nature. This makes Starbucks have to keep customers satisfied and loyal to Starbucks, with take away and delivery order services. The number of complaints experienced by Starbucks customers in the city of Bandung (Google review, 2021) and the decline in brand awareness of Starbucks due to the COVID-19 pandemic (Putra, 2021), the researchers are interested in making Starbucks in Bandung the object of research.

Researchers chose Starbucks in Bandung because Bandung residents have a high level of consumerism (Bandung People's Welfare Statistics, 2019) and the number of coffee shops in Bandung is increasing very quickly (katadata.co.id, 2021), but Starbucks remains the top brand in Indonesia. for the international brand category. Based on the explanation of the background described above, this study will discuss "The Effect of Brand Awareness, Brand Image, and Perceived Quality on Customer Loyalty through Starbucks Customer Satisfaction in Bandung"**.**

The purpose of this research is to identify and analyze Brand Awareness, Brand Image, Perceived Quality, Customer Loyalty and Customer Satisfaction at Starbucks in Bandung, Indonesia. The formulation of the research problem is:

1. The Influence of Brand Awareness on Customer Satisfaction at Starbucks Bandung
2. The Influence of Brand Image on Starbucks Bandung Customer Satisfaction

3. The Influence of Perceived Quality on Starbucks Bandung Customer Satisfaction
4. The Influence of Brand Awareness on Customer Loyalty Starbucks Bandung
5. The Influence of Brand Image on Customer Loyalty Starbucks Bandung
6. The Influence of Perceived Quality on Customer Loyalty Starbucks Bandung
7. The Influence of Customer Satisfaction on Customer Loyalty Starbucks Bandung
8. The Influence of Brand Awareness, Brand Image, and Perceived Quality on Customer Loyalty through Starbucks Bandung Customer Satisfaction

2. Literature Review

2.1. Marketing Management
According to Kotler (2015:146) marketing management is an analysis, implementation, and supervision of the designs used to organize exchanges with the market to become a target so that the goals of an organization can be achieved. In meeting market needs and wants, an organization can determine effective pricing, communication, and distribution to inform, incentivize, and serve the market.

2.2. *Brand Awareness*
According to Kotler and Keller (2016: 587) Brand Awareness is a customer awareness of a brand to recognize and remember the brand with the end of the customer making a product purchase on the brand. According to Hermawan (in Vera Yusi, 2021:25) Brand Awareness has several levels, namely:

1. Unaware of Brand
2. Brand Recognition
3. Brand Recall
4. Top of Mind
5.

2.3. Brand Image
According to Kotler (in Rangkuti, 2002) Brand Image is the customer's view of the brand that is formed in the message and customer experience so that the brand will get a good image in the minds of customers.

According to Sangadji and Sopiah (in Vera Yusi, 2021: 27-28) say that there are 5 dimensions that affect the image of a brand, namely:Brand Identity.

1. Brand Personality
2. Brand Association
3. Brand Attitude
4. Brand Benefit

2.4. Perceived Quality
According to Aaker (in Rahmawati, 2019:20) perceived quality is the view that consumers have of the products or services offered by a brand, whether the quality and excellence of the products or services offered are in accordance with consumer expectations.

according to David A. garvin (in rahmawati, 2019:20-21) perceived quality has seven dimensions, namely:

1. Performance
2. Service
3. Durability
4. Reliability
5. Characteristic
6. Conformance to specific
7. Result

2.5. Customer Satisfaction

According to Kotler and Keller (2016: 153), customer satisfaction is something that is felt by customers, whether it's feelings of pleasure or disappointment from the products or services offered in accordance with expectations. If a product or service meets customer expectations, the customer will feel happy, and vice versa.

According to Tjiptono (2014: 368) there are five dimensions that can measure customer satisfaction, namely:

1. 1.Overall customer satisfaction
2. 2.Confirm consumer expectations
3. 3. Interest in repurchasing products or services
4. 4. Willingness of consumers to recommend
5. Consumer dissatisfaction

2.6. Customer Loyalty

Customer Loyalty according to Griffin, 2003: 31 (in Amelia, 2018) says that loyal customers are customers who have made repeated purchases more than once and do so regularly, will recommend products or services to others, buy inter-line products, and do not interest in the products or services of competitors.

According to Hurriyati (2015:130) to form consumer loyalty requires four dimensions, namely:

1. Repurchase
2. Purchase
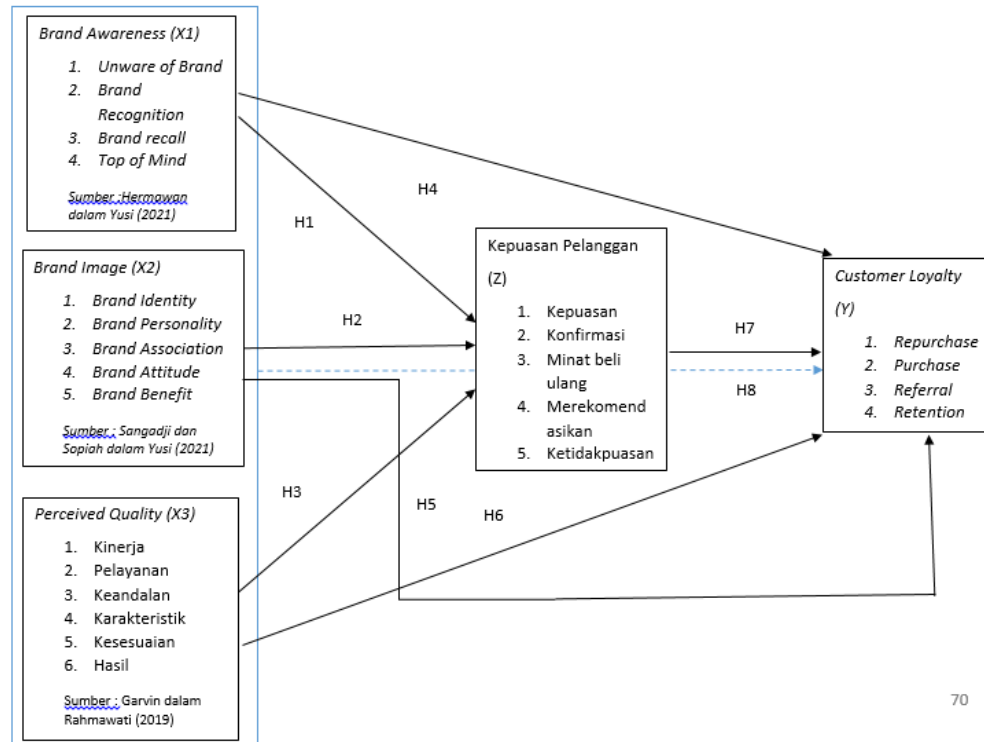3. Referral
4. Retention

2.7. Framework

Figure 1. Research Model

Based on the framework Figure 1 of thought above, the relationship between the variables in this study has the following hypothesis:

- H1: Brand awareness influences customer satisfaction at Starbucks Bandung
- H2 : Brand image affects customer satisfaction Starbucks Bandung
- H3: Perceived quality affects customer satisfaction at Starbucks Bandung
- H4 : Brand awareness affects customer loyalty Satrbucks Bandung
- H5: Brand image affects customer loyalty Starbucks Bandung
- H6: Perceived quality affects customer loyalty Starbucks Bandung
- H7 : Customer satisfaction affects customer loyalty Starbucks Bandung
- H8: Brand awareness, brand image, and perceived quality affect customer loyalty   through customer satisfaction Starbucks Bandung.

3. Methods
The method used in this study is a descriptive quantitative method. Sampling using probability sampling method random sampling type with the number of respondents as many as 100 people. Data processing is carried out with SEM-PLS and using path analysis with the SmartPLS 3.0 analysis tool.

4. Result and Discussion

4.1 Descriptive Analysis
Based on the calculation results, the results of the descriptive analysis are as follows: :

Table 1 Descriptive Analysis Result

Variabel	VAlue	Category
Brand Awareness	85%	Best
Brand Image	78%	Good
Perceived Quality	88%	Best
Customer satisfaction	85%	Best
Customer Loyalty	78%	Good

Source: Researcher Data, 2022

Brand Table 1 and Customer loyalty are included in the good category, so it can be interpreted that Starbucks has a good image in the eyes of the people of Bandung. Brand awareness is included in the very good category, meaning that Starbucks is no stranger to the minds of the people of Bandung, everyone is familiar with it. Customer Satisfaction is included in the very good category as well because consumers are satisfied with the performance given by Starbucks.

4.2 Outer *Model*
In this study there are 5 latent variables measured by 38 indicators. Based on the Partial Least Square estimation method, a path diagram is obtained as shown in the following Figure 2:
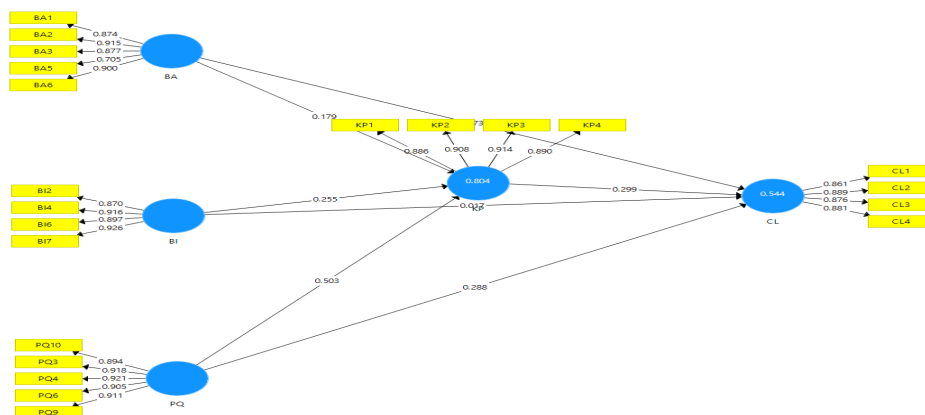

Figure 2 Outer Loading Results

a. Convergent Validity Results

Table 2 Diskriminan Validity

Table 2 Convergent Validity ResultsVariabel	AVE	
Brand Awareness	**0.736**	*Valid*
Brand Image	**0.815**	*Valid*
Customer Loyalty	**0.769**	*Valid*
Customer satisfaction	**0.809**	*Valid*
Perceived Quality	**0.828**	*Valid*

Sumber : Data Olaha Peneliti, 2022

In Table 2. The above shows that the results of the Average Variated Extracted (AVE) of the Brand Awareness, Brand Image, Perceived Quality, Customer Satisfaction, and Customer Loyalty variables have results of more than 0.5, so it can be said that these variables have valid results.

b. Diskriminan Validity

Table 2 Diskriminan Validity

	Brand Awareness	Brand Image	Customer Loyalty	Customer satisfaction	Perceived Quality
Brand Awareness	0.858				
Brand Image	0.856	0.903			
Customer Loyalty	0.668	0.681	0.877		
Customer satisfaction	0.811	0.858	0.707	0.900	
Perceived Quality	0.824	0.897	0.709	0.878	0.910

Sumber : Data Olaha Peneliti, 2022

Based on the results from Table 3 above, it shows that the results of each indicator are in accordance with the conditions that have been determined. So, it can be stated that the indicators used have good results.

Reliability Test

Table 4 Reliability Test Results

	Cronbach's Alpha		Composite Reliability
Brand Awareness	**0.907**	Reliable	**0.932**
Brand Image	**0.924**	Reliable	**0.946**
Customer Loyalty	**0.900**	Reliable	**0.930**
Customer satisfaction	**0.921**	Reliable	**0.944**
Perceived Quality	**0.948**	Reliable	**0.960**

Sumber : Data Olah Peneliti, 2022

Based on the Table 4 above, the results of construct reliability show that the results of Cronbach's Alpha and Composite Reliability of each variable have a value of more than 0.7, so it can be said that the measurement variables used in the study are declared reliable.
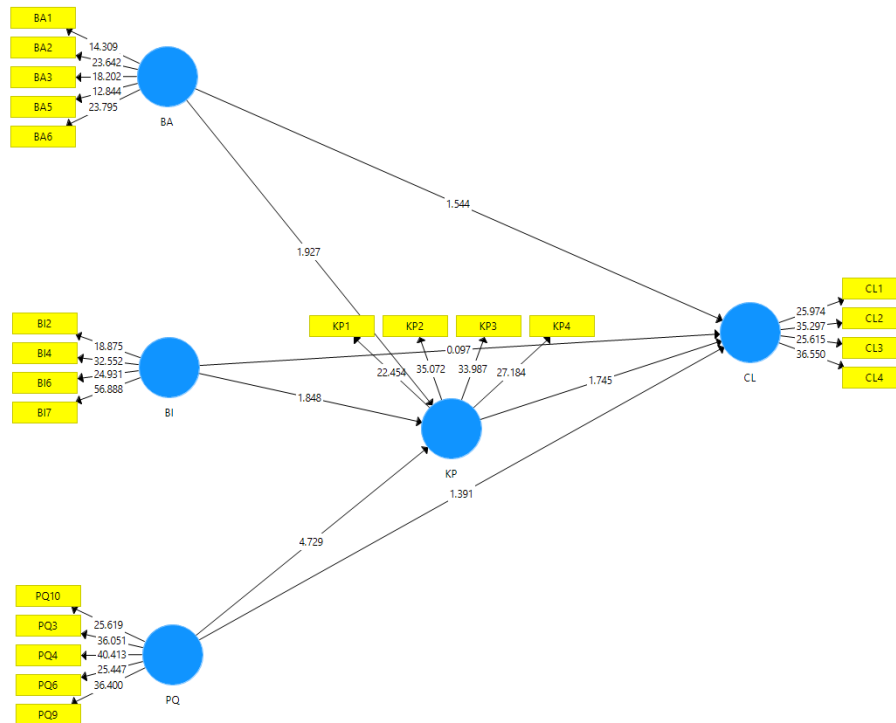
4.3. Inner Model

Figure 3 Inner Model

a. R-Square Test

Table 5 R-Square Test Results

	R Square
Customer Loyalty	0.544
Customer satisfaction	0.804

Source: Researcher Data, 2022

Based on the Table 5 above, the results of the R-Square show that the Customer Satisfaction variable has a value of 0.804 which is included in the strong category, it is said that the Brand Awareness, Brand Image, and Perceived Quality variables affect Customer Satisfaction by 80.4% and the difference of 19.6% is influenced by other variables not used in this study. The Customer Loyalty variable has a value of 0.544 which is included in the strong category, it can be said that the variables Brand Awareness, Brand Image, Perceived Quality, and Customer Satisfaction affect Customer Loyalty by 54.4% and the difference of 45.6% is influenced by other variables not used in this study.

b.Q-Square Test

Table 6 Q-Square. Test Results

	SSO	SSE	Q² (=1-SSE/SSO)
Brand Awareness	500.000	500.000	
Brand Image	400.000	400.000	
Perceived Quality	500.000	500.000	
Customer Loyalty	400.000	240.970	0.398
Customer satisfaction	400.000	146.425	0.634

Source: Researcher Data, 2022

Based on Table 6 above, the results of the Predictive Relevance Customer Loyalty variable are 0.398 and the customer satisfaction variable is 0.634. Then it can be stated that the model has a relevant and strong predictive value result, because it has a value of more than 0 and more than 0.35.

4.4 Hypothesis test

Table 7 Hypothesis Test Results

Hypothesis	connection	*Path coefficient*	T Statistics	P Value	Result
H1	BA -> KP	0.179	1.927	**0.123**	Positive & Significant
H2	BI -> KP	0.255	1.848	**0.065**	Positive & Significant
H3	PQ -> KP	0.503	4.729	**0.000**	Positive & Significant
H4	BA -> CL	0.173	1.544	**0.123**	Positive & Insignificant
H5	BI -> CL	0.017	0.097	**0.923**	Positive & Insignificant
H6	PQ -> CL	0.288	1.391	**0.165**	Positive & Insignificant
H7	KP -> CL	0.299	1.745	**0.082**	Positive & Significant
H8	BA -> KP -> CL	0.053	1.250	**0.212**	Positive & Not Significant (No Mediation)
	BI -> KP -> CL	0.076	1.287	**0.199**	Positive & Not Significant (No Mediation)
	PQ -> KP -> CL	0.150	1.625	**0.105**	Positive & Not Significant (No Mediation)

Source: Researcher Data, 2022

Brand Awareness is one of the important factors for customer satisfaction, because if the brand is already at the top of the customer's mind, then the customer will feel satisfied with the brand. Brand Awareness is one of the important things to increase Customer Satisfaction because with Brand Awareness, customers believe in the existence of the brand so that customers will be loyal to the brand and feel satisfied with a good Brand Awareness. This research is also supported by research conducted by Prisilia et al (2021) which says that Brand Awareness has a positive and significant effect on Customer Satisfaction. (Table 7)

With the Brand Image owned by Starbucks in the form of an identity that has been created, brand characteristics, and characters that have been created the better and stronger it will provide higher satisfaction for Starbucks customers in Bandung. Brand Image is one of the important factors for a company, because by providing a good and memorable image for customers so that customers will believe in the brand, customers tend to feel satisfied.

Brand Awareness does not have a role to influence customers to become loyal consumers. This research is also supported by research (Tandarto & Dharmayanti, 2017) which says that Brand Awareness has a positive and insignificant effect on Customer LoyaltyThe increases or decreases of Brand Image, there will be no effect on Customer Loyalty. This research

is supported by research (Alwi et.al, 2016) and (Chusniartiningsih & Andjarwati, 2019) which say that Brand Image has a positive and insignificant effect on Customer Loyalty.

According to (Durianto et al, 2001: 95) says that Perceived Quality will form a good or bad impression in the eyes of consumers. The overall perceived quality of the customer towards the product or service will determine the good or bad value of a product or service which will have a direct effect on the brand to customer loyalty and purchasing decisions. However, the research that has been done has results that are different from the existing theory, the results of the study say that Perceived Quality does not have a significant influence on Customer Loyalty.

So that the better the level of customer satisfaction, the customer loyalty at Starbucks Bandung will be higher. These results indicate that customers who are satisfied with the services and products provided by Starbucks Bandung will make repeat purchases and become loyal consumers to Starbucks Bandung.

Perceived Quality also has a positive and insignificant effect on Customer Loyalty through Customer Satisfaction with a path coefficient value of 0.150 and a T-Statistics value of 1.625. So that if the value of Brand Awareness, Brand Image, and Perceived Quality decreases or increases, then there is no significant effect on Customer Loyalty and Customer Satisfaction.

5. Conclusions

Based on the results of research and discussion that has been done regarding promotions and prices against impulse buying, the following conclusions are obtained:

1. Brand Awareness has a positive and significant result on Starbucks Customer Satisfaction in Bandung. With a good awareness value of Starbucks in Bandung, the level of Customer Satisfaction will be higher.
2. Brand Image has positive and significant results on Starbucks Customer Satisfaction in Bandung. This means that the Starbucks brand image has a good value in the eyes of customers, the level of Starbucks Customer Satisfaction in Bandung will be higher.
3. Perceived Quality has a positive and significant influence on Starbucks Customer Satisfaction in Bandung. This means that Perceived Quality is successfully fulfilled by the company, the level of Customer Satisfaction will be high.
4. Brand Awareness has a positive and insignificant effect on Customer Loyalty. This means that if Starbucks customer awareness increases or decreases, there is no effect on Starbucks Customer Loyalty in Bandung.
5. Brand Image has a positive and insignificant effect on Customer Loyalty. This means that if the Brand Image value increases or decreases, there will be no influence for the Bandung Starbucks Customer Loyalty.
6. Perceived Quality has a positive and insignificant effect on Customer Loyalty. This means that if Starbucks is able to meet customer quality perceptions, it will not affect Customer Loyalty.

7. Customer Satisfaction has a positive and significant impact on Customer Loyalty. This means that if the level of Starbucks Customer Satisfaction increases, it will affect the loyalty of Starbucks customers in Bandung.
8. Brand Awareness, Brand Image, and Perceived Quality have a positive and insignificant effect on Customer Satisfaction through Customer Loyalty. This means that if the value of Starbucks Brand Awareness, Brand Image, and Perceived Quality on Customer Loyalty increases or decreases, it will not affect through Customer Satisfaction.

6. Suggestions for Further Researchers

Researchers only examine the effect of Brand Awareness, Brand Image, Perceived Quality on Customer Loyalty through Customer Satisfaction. Therefore, the suggestion for further researchers is to add other variables that can affect Customer Loyalty. Future researchers can also research in a wider are

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