The Influence of Brand Image, Promotion, and Product Quality on Customer Loyalty at Starbucks Study on Starbucks Karawang Product Customers

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Article Info	Abstract
	This research is motivated by the phenomenon of Starbucks Karawang which continues to compete in the coffee retail business, Head of Corporate Communication PT Mitra Adi Perkasa Tbk. (MAPI) said with brand awareness strong, Starbucks continues to improve its business and performance so that it remains afloat amidst high competition which not only comes from coffee, but also from other types of drinks. In facing this competition, Starbucks remains focused on customer satisfaction and strives to provide a greater variety of products and services by improving its brand image, promotion and product quality to increase customer loyalty. This research using quantitative methods with associative techniques was carried out in Starbucks Karawang with a population and sample of 100 Starbucks customers with data collection techniques using questionnaires. The research results show that there is an influence between Brand Image (X1), Promotion (X2), and Product Quality (X3) on Customer Loyalty (Y) of 73.4%, meaning that 73.4% of the variation in Customer Loyalty can be explained by variations in Brand Image (X1), Promotion (X2), and Product Quality (X3), the remaining 26.6% is determined by other factors outside Brand Image (X1), Promotion (X2), and Product Quality (X3)

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1. INTRODUCTION

The increasingly rapid development of science and technology from time to time means that customers receive good information about products offered. Various industrial sectors ranging from design, *fashion* films, crafts and culinary began to show its existence respectively, these changes are marked by increasing people's thought patterns and lifestyles as well as technological advances. This means that consumers have a choice in purchasing the products or services offered and customers will try new things in any aspect, one of which is culinary products. Apart from food as a culinary menu that is very popular with customers, drinks are no less famous as culinary offerings today. There are various drinks with many variations, including coffee or tea. One of the culinary delights that is currently popular is coffee, a contemporary culinary drink. Currently in Indonesia there are many coffee shops standing.

In 2015 Angga Dwimas Sasongkong directed a film entitled Coffee Philosophy (2015), this film talks about the skill of making coffee. That's when coffee consumption increased, especially young people who wanted to enjoy the sensation of blended coffee. There is not

only an increase in coffee lovers but also an increase in coffee shops in Indonesia. The phenomenon of the emergence of coffee shops in Indonesia has caused the number of coffee shops in Indonesia to increase, based on research collected TOFFIN, a company providing business solutions in the form of goods and services in the HOREKA (Hotel, Restaurant, Cafe) industry, together with MIX MarCom magazine stated that in Indonesia it had more than 2,950 coffee outlets in August 2019. This number is very high compared to 2016 which was only around 1000 outlets. Increasing business in the culinary field of coffee drinks, p this too increase coffee consumption among Indonesian young people (Generation Y and Z). According to sources, the International *Coffee Organization* (ICO) stated that in 2015 the growth of coffee consumption in Indonesia reached 8% compared to only 6%. In 2018, there was an increase in national coffee consumption of 2.49% (Sianggaran, 2019).

Research conducted by *Vice President Sales and Marketing Toffin Indonesia*, there are a number of interesting facts about seven factors that are able to encourage the current growth of the coffee shop business in Indonesia. The first factor is the habit (culture) of hanging out while drinking coffee. Second, increasing consumer power in the middle class and RTD prices (*ready to drink*) *Coffee* in the store are more affordable and modern. Third, the dominance of Indonesia's young population, in this case Generation Y and Z, is creating a new lifestyle in consuming coffee. Fourth, the presence of social media makes it easier for businesses to carry out marketing and promotional activities. Fifth, presence platform ride hailing like Gofood and Grabfood which makes the online sales process easier. Sixth, the low *entry barrier* in the coffee business supported the availability of materials standard, equipment, and resources in building a coffee business. And finally, the seventh factor, the coffee shop business margins are relatively high at the moment.

In Indonesia, various coffee shops are growing rapidly with different coffee variant strategies to suit consumer needs. The increasing competition for coffee shops from *brand* big or *brand* small means producers have to own more creativity, innovation, and excellent product excellence offered to customers. Based on Statista.com, the number of coffee shop outlets in Indonesia in the range from August 2019 to April 2020, based on brand, found 10 coffee shops that have many outlets. throughout Indonesia includes:

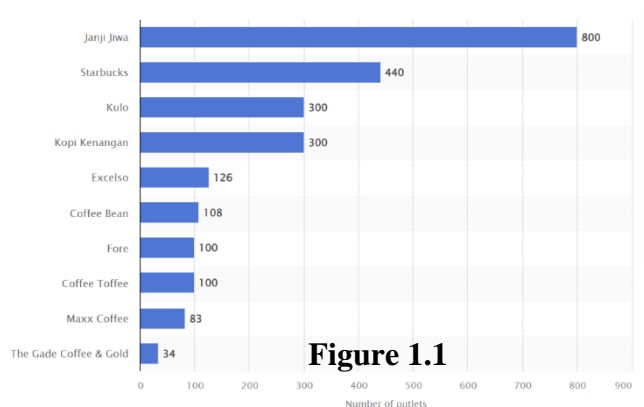|	
1. Soul promise: 800	6. Coffee Bean: 108
2. Starbucks: 440	7. Fore: 100
3. Here: 300	8. Coffee Cool: 100
4. Memories Coffee: 300	9. Max Coffee: 83
5. Excellent: 126	10. The Gade Coffee & Gold: 34

Figure 1.1

(Source : https://www.statista.com/statistics/1034500/indonesia-coffee-shop-outlets-number-by-brand/ accessed 22 September 2023)

One of ten brands that has the most outlets is Starbucks. Starbucks is in second place with 440 outlets in Indonesia.

Responding to the growing competition in the coffee retail business, *Head of Corporate* Communication PT Mitra Adi Perkasa Tbk. (MAPI) said with *brand awareness* strong, Starbucks continues to improve its business and performance so that it remains afloat amidst high competition which not only comes from coffee, but also from other types of drinks (Fetty Kwartati, 2019). In facing this competition, Starbucks remains focused on customer satisfaction and strives to provide a greater variety of products and services. Starbucks strategy in increasing sales Starbucks creates *Campaign* special every month, creating drinks *Seasonal* new interesting, create *merchandise* Unique and varied Starbucks, BYOT promotion *(Bring Your Own Tumbler)*, promotional cooperation with *Digital Wallet*, building on the Starbucks concept *Reserve Store*, optimizing promotions through Starbucks *Loyalty Card* and optimizing promotions for online purchases via Grabfood and Gofood or other online markets.

Local coffee shops focus on middle-class consumers with a grab-and-go model, Starbucks Indonesia invests in larger spaces by providing comfortable seating areas in locations targeting high-income consumers. During the Covid-19 outbreak, Starbucks' strategy seems to be more successful because some of their customers work from home. Starbucks *innovated* by adapting to selling iced milk coffee packaged in one-liter bottles that had been mixed and collaborating with companies such as Tokopedia, Traveloka, Go-jek, Shoppe and Grab to deliver coffee to them.

Covid-19 did not destroy Starbucks coffee shops when the pandemic hit many companies, especially coffee shops, which closed their outlets. The services provided by Starbucks have made many changes, previously Starbucks published *Loyalty Cards* in physical form and currently Starbucks provides a Starbucks Card application that can be downloaded via cellphone. Technology is forcing people all over the world, especially Indonesia, to *understand* and be closer to technology. The Starbucks application makes it easier for customers to order through the application and customers still get transaction points that can be exchanged for *reward*. Starbucks Indonesia updates the system *Drive Thru* and increases that when the pandemic requires no physical contact, customers can make purchases while remaining in the vehicle.

The price of Starbucks coffee is quite premium among other local coffee shops. In *Indonesia*, the price of a Starbucks coffee is estimated at between IDR 30,000 to IDR. 70,000 rupiah. For the size of a coffee, this price is quite expensive, but Starbucks is still able to survive in Indonesia with hundreds of branches, the number of which may continue to increase. PT Sari Coffee Indonesia as the Starbucks Indonesia license holder prioritizes service quality and marketing strategy.

This strategy is Product Quality, Starbucks always positions them as *Brand Premium* which relies on the quality of the unique taste of coffee, apart from offering products in the form of coffee, Starbucks also provides comfortable and comfortable facilities *merchandise* which is unique. Starbucks really cares about customer comfort by providing a comfortable place with separate rooms *nonsmoking* and *smoking area* and Starbucks Indonesia outlets also provide Wifi *facilities* that can be accessed for free and the availability of electrical outlets to accompany customers to work or charge their devices.

Another strategy is Unusual Marketing, an application created by Starbucks Indonesia

for loyal customers by providing *rewards* according to the point level, the higher the points achieved, the more benefits the customer will get. *Gimmick* Starbucks style is one of Starbucks' strategies, this is a pioneer of customers in every cup of coffee. One way to make them feel 'close' to customers. Apart from writing names on glasses, Starbucks baristas provide writing *in* the form of encouragement or motivation for customers, this is something that is popular with customers, especially Generation Y & Z customers. Many young people take photos of writings made by Starbucks baristas and upload them to their social media channels. Customers will feel special from Starbucks. Apart from that, every year Starbucks improves its increasingly advanced technology to make it easier for consumers to collect points for exchange *reward* which can be enjoyed by loyal consumers, one of which is that in September 2023 consumers will get points *reward* when ordering on the Grabfood Application where consumers connect their email and Starbucks Application password *Card* into the Grab application. Previously, consumers only got reward points when ordering online *online* on the Starbucks Card application or online *offline*.

Starbucks Indonesia innovation apart from providing product variations, Starbucks Indonesia is committed to significantly reducing the waste produced and always strives to create a sustainable business. Starbucks invites customers to reduce the use of plastic media with the Program *Tumbler Day* which is held on the 22nd of every month which is inspired by Earth Day which is celebrated on April 22, and the program *Green Day* which is held on Thursday every week. This program is quite special because customers are given a 30 – 50% discount on drinks *favorite* to the customer if the customer brings *Tumbler Official* Starbucks (Promo Tumbler day starbucks.co.id accessed 23 September 2023). This program is one of Starbucks' steps to reduce the use of single-use plastic in stores. Starbucks sells *Tumbler Official* every movement with various designs and shapes that are innovative in Indonesia and the world, in addition to promotions on certain dates and days for customers who bring them *Tumbler Official* Starbucks on weekdays will still give a discount of IDR 5,000. With this program, customers will also take advantage of promotions provided by Starbucks every day and on certain days. Due to the existing background, the author is interested in conducting research about **"The Influence of Brand Image, Promotion, and Product Quality on Customer Loyalty at Starbucks** (Study on Starbucks Karawang Product Customers)**"**

2. RESEARCH METHOD

Research design is a plan for how research will be carried out. This design is used to obtain answers to the formulated research questions. This research falls into two types of research, namely:

1. Descriptive Research

Descriptive research is research conducted to determine the value of each variable, either one or more (independent) variables without making comparisons, or connecting them with other variables (Sujarweni, 2019).

Based on this theory, quantitative descriptive research is data obtained from a sample of the research population analyzed according to the statistical methods used. The descriptive research in this research is intended to get an idea of what the brand image is at Starbucks Karawang and what promotions are at Starbucks Karawang and what the product quality is at Starbucks Karawang. In other words, problem formulations number one, two and three will be answered.

2. Associative Research

Associative research is research that aims to determine the relationship between two

or more variables and determine their influence (Sujarweni, 2014). This research has the highest level compared to descriptive and comparative because with this research a theory can be built that can function to explain, predict and control a phenomenon. The aim of associative research is to determine influence *Brand Image, Promotion, and Product Quality on Starbucks Customer Loyalty* Karawang, in other words, problem formulation number four will be answered. The design that the author uses in this research is a quantitative analysis method. Quantitative research methods are research methods that are based on the philosophy of positivism, used to research certain populations or samples. Sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative/statistical with the aim of testing predetermined hypotheses (Sugiyono, 2016). Based on this theory, the data obtained from this research sample was analyzed according to the statistical methods used. This means that both descriptive research and associative research in this study were analyzed using statistical methods.

3. RESULT AND DISCUSSION

1. The results of the partial correlation calculation of the relationship between Brand Image (X1) and Customer Loyalty (Y) based on the calculation results shown in table 4.6, obtained a correlation coefficient of r = 0.708 and a coefficient of determination of R = r^2 = 0.501. Testing significance to the correlation obtained t_{count} (9,911) > t_{table} (2,000) on a = 0.05, indicating that the correlation coefficient is significant. Thus, the research hypothesis states that there is a relationship between image Brand with Customer Loyalty acceptable. This means the better the image Brand will be followed by high customer loyalty. Meanwhile, the coefficient of determination of 0.501 indicates that 50.1% of variations in Customer Loyalty can be explained by variations in Image Brand, the remaining 49.9% is determined by other factors outside Image Brand

2. The results of calculating the partial correlation between Promotion (X2) and Customer Loyalty (Y) based on the calculation results shown in table 4.7, obtained a correlation coefficient of r = 0.763 and a coefficient of determination of R = r^2 = 0.583. Testing significance to the correlation obtained t_{count} (11,700) < t_{table} (2,000) on a = 0.05, indicating that the correlation coefficient is significant. Thus, the research hypothesis which states that there is a relationship between Promotion and Customer Loyalty can be accepted. This means that the better the promotion will be followed by higher customer loyalty. Meanwhile, the coefficient of determination of 0.583 shows that 58.3% of variations in Customer Loyalty can be explained by variations in Promotions, the remaining 41.7% is determined by other factors outside Promotions.

3. The results of the partial correlation calculation of the relationship between Product Quality (X3) and Customer Loyalty (Y) based on the calculation results shown in table 4.8, obtained a correlation coefficient of r = 0.834 and a coefficient of determination of R = r^2 = 0.696 Testing significance to the correlation obtained t_{count} (14,967) < t_{table} (2,000) on a 0.05 indicates that the correlation coefficient is significant. Thus, the research hypothesis which states that there is a relationship between Product Quality and Customer Loyalty can be accepted. This means that the better the product quality, the higher the customer loyalty. Meanwhile, the coefficient of determination of 0.696 shows that 69.6% of variations in Customer Loyalty can be explained by variations in Product Quality, the remaining 30.4% is determined by other factors outside Promotion.

4. The results of the double correlation calculation of the relationship between Brand Image (X1), Promotion (X2), and Product Quality (X3) with Customer Loyalty (Y) based on the

calculation results shown in table 4.9, obtained a correlation coefficient of r = 0.857 and a coefficient of determination of R = r^2 = 0.734 Testing significance to the correlation obtained F_{count} (88,177) < F_{table} (2,000) on a=0.05, indicating that the correlation coefficient is significant. Thus, the research hypothesis which states that there is a relationship between Brand Image (X1), Promotion (X2), and Product Quality (X3) and Customer Loyalty (Y) can be accepted. This means that the better the Brand Image (X1), Promotion (X2), and Product Quality (X3) will be followed by higher Customer Loyalty (Y). Meanwhile, the coefficient of determination of 0.734 shows that 73.4% of variations in Customer Loyalty can be explained by variations in Brand Image (X1), Promotion (X2), and Product Quality (X3), the remaining 26.6% is determined by other factors outside Brand Image. (X1), Promotion (X2), and Product Quality (X3).

5. Based on the test results, the results of the partial influence regression significance test between Image Brand (X1) to Customer Loyalty (Y) based on the table ANOVA obtained F_{count} (98,22) > F_{table} (6.90) at a = 0.01. This shows that the regression equation model is significant. The linearity test results obtained were F_{count} (0,32) < F_{table} (1.82) at a = 0.05. These results indicate that the regression equation has the form linear. Based on the test results above, the regression equation Ý = 8.145+ 0.610X can be used to explain the form of linear relationships between images Brand with Customer Loyalty. This relationship shows that there is a direction of change in respondents' Customer Loyalty tendencies due to Image Brand. Equality regression Italy = 8.145 + 0.610X shows that if Citra Brand and Customer Loyalty is measured by the instrument used in this research, for every one unit increase in the Image score Brand (X) will be followed by an increase in Customer Loyalty score (Y) of 0.610 with a constant of 8.145.

6. Based on the test results, the regression significance test results of the partial influence between Promotion (X2) on Customer Loyalty (Y) are based on the table ANOVA obtained F_{count} (136,88) > F_{table} (6.90) at a = 0.01. This shows that the regression equation model is significant. The linearity test results obtained were F_{count} (2,59) < F_{table} (3.48) at a = 0.05. These results indicate that the regression equation has the form linear. Based on the test results above, the regression equation Ý = 0.05+0.960X can be used to explain the form of a linear relationship between Promotion and Customer Loyalty. This relationship shows that there is a direction of change in respondents' customer loyalty tendencies due to promotions. Equality regression Italy = 0.05 + 0.960X shows that if Promotion and Customer Loyalty are measured with the instruments used in this research, then every one unit increase in the Promotion score (X2) will be followed by an increase in the Customer Loyalty score (Y) of 0.960 with a constant of 0.05.

7. Based on the test results, the regression significance test results of the partial influence between Product Quality (X3) on Customer Loyalty (Y) are based on the table ANOVA obtained F_{count} (224,02) > F_{table} (6.90) at a = 0.01. This shows that the regression equation model is significant. The linearity test results obtained were F_{count} (0,61) < F_{table} (1.62) at a = 0.05. These results indicate that the regression equation has the form linear. Based on the test results above, the regression equation Ý = 0.817 + 1.009X can be used to explain the form of a linear relationship between Product Quality and Customer Loyalty. This relationship shows that there is a direction of change in respondents' customer loyalty tendencies due to promotions. Equality regression Ý = 0.817 + 1.009

8. Based on the results of testing the double influence between Citra Brand (X1), Promotion (X2), and Product Quality (X3) on Customer Loyalty (Y), the multiple linear regression equation Ý = 1.869 + 0.159X1 + 0.273 X2 + 0.634 Brand (X1), Promotion (X2), and Product Quality (X3) on Customer Loyalty (Y). The multiple linear regression equation

Ý = 1.869 + 0.159X1 + 0.273 Brand (X1), Promotion (X2), and Product Quality (X3) on Customer Loyalty (Y) are measured by the instruments used in this research, so for every one unit increase in the Image score Brand (X1) will be followed by an increase in Customer Loyalty score of 0.159 with a constant of 1.869. Every one unit increase in the Promotion score (X2) will be followed by an increase in the Customer Loyalty score of 0.273 with a constant of 1.869. Every one unit increase in Product Quality score (X3) will be followed by an increase in Customer Loyalty score of 0.634 with a constant of 1.869.

4. CONCLUSION

Based on the research findings and discussion presented previously, the following conclusions were obtained:
1. There is an influence between Citra Brand (X1) to Customer Loyalty (Y) of 50.1%, meaning that 50.1% of the variation in Customer Loyalty can be explained by variations in Image Brand, the remaining 49.9% is determined by other factors outside Image Brand
2. There is an influence between Promotion (X2) on Customer Loyalty (Y) of 58.3%, meaning that 58.3% of the variation in Customer Loyalty can be explained by variations in Promotion, the remaining 41.7% is determined by other factors outside of Promotion
3. There is an influence between Product Quality (X3) on Customer Loyalty (Y) of 69.6%, meaning that 69.6% of variations in Customer Loyalty can be explained by variations in Product Quality, the remaining 30.4% is determined by other factors outside Promotion.
4. There is an influence between Brand Image (X1), Promotion (X2), and Product Quality (X3) on Customer Loyalty (Y) of 73.4%, meaning that 73.4% of variations in Customer Loyalty can be explained by variations in Brand Image (X1) , Promotion (X2), and Product Quality (X3), the remaining 26.6% is determined by other factors outside Brand Image (X1), Promotion (X2), and Product Quality (X3)

5. SUGGESTION

Based on the conclusions stated above, the following suggestions can be given:
1. Suggestions for Management

Management needs to implement policies for the marketing division to improve Brand Image, Promotion and Product Quality so that Customer Loyalty can increase further because Brand Image, Promotion and Product Quality can influence Customer Loyalty. Efforts to implement this policy are as follows: (1) Management needs to provide rewards for marketing divisions that are able to improve Brand Image, Promotion and Product Quality. (2) Management also needs to provide *punishment* for marketing divisions that are unable to improve Brand Image, Promotion and Product Quality. (3) Management also needs to improve competence in salesmanship to improve the quality of Brand Image, Promotion and Product Quality in order to increase Customer Loyalty.
2. Suggestions for Further Research

Optimizing Brand Image, Promotion and Product Quality is an interesting study topic because Brand Image, Promotion and Product Quality have a significant influence on Customer Loyalty. By exploring and understanding the meaning and significance of Brand Image, Promotion and Product Quality, it is hoped that strengths can be developed to increase Customer Loyalty. In the next stage, research needs to be carried out to determine the influence of other variables besides Brand Image, Promotion and Product Quality in order to increase Customer Loyalty.

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