Measurement of Purchase Intention through Brand Awareness, Perceived Quality, Brand Loyalty: An Experience from Indonesia

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Abstract  
This study aims to determine the effect of Brand Awareness, Perceived Quality, Brand Loyalty on Purchase Intention of global brand coffee drinks, namely, Starbucks. People's buying behavior is influenced by these various conditions. Data collection was done using electronic questionnaire where a series of indicators. 298 respondents that participated in this research are Indonesian citizens that lives in Jakarta Area and Outside Jakarta area and therefore the data gathered from the respondents. The data is tested through reliability tests and validity shows valid and reliable. Based on the formation of the econometric model and hypothesis, robustness regression was carried out. The test results prove that the Brand Awareness, Perceived Quality, Brand Loyalty influences the Purchase Intention significantly. The results of this study also suggest that increasing of consumer’s brand awareness, consumer’s perceived quality, consumer’s brand loyalty intensively to achieve specific sales targets.

Keywords  
Brand Awareness, Perceived Quality, Brand Loyalty, Purchase Intention.

1. Introduction  
In the past, coffee shops were synonymous with stalls that were less comfortable, unattractive and had a monotonous atmosphere. Now the cafe is synonymous with a comfortable place, cosy atmosphere, complete facilities such as lounges, bars, air conditioning, Wi-Fi, even cafes with unique interior designs and combinations of functions that were previously unrelated, such as a library or reading room (Adirinekso, G.P., Purba, Budiono, & Rajagukguk, 2020). Nowadays people feel comfortable spending a lot of time with relatives in coffee shops or cafes. Coffee shops or cafes in Indonesia today have changed the way Indonesians drink coffee from just a daily routine in the household and entertaining guests, to a modern business that is growing rapidly (Budiono & Purba, 2020). Drinking coffee is not only a habit to reduce sleepiness, but also a lifestyle for adults and young people, both men and women in their daily activities.

The coffee industry in the form of coffee shops has recently been started by coffee drinkers who are then interested in turning this hobby into a business. Many coffee lovers make their coffee drinking hobby a business to increase their income, or even become their main source of income (Budiono & Purba, 2019). A few years ago, most people consumed coffee only at simple coffee shops, but as times change, coffee shops have developed into modern coffee shops. The rise of the coffee shop business causes competition to become increasingly fierce. Each trying to provide better facilities (Rahman & Noor, 2014).
The habit of sitting drinking coffee while talking was only available in local stalls until in recent years various types of coffee shops have been present in big cities in Indonesia, but there are still many traditional coffee shops around the local community (Rajagukguk et al, 2020). Now coffee drinks themselves can be enjoyed with various types of flavors by all groups ranging from teenagers, adults, office workers, students, and visitors who want to sit back and relax, surf while talking accompanied by coffee that has been purchased.

In Indonesia, the growth of the coffee business is experiencing rapid, this can be seen from the significant increase in the number of coffee shops in the past three years and offset by the increase in domestic coffee consumption (Budiono & Purba, (2020); (2019); Budiono, (2012)). Based on the results of research conducted by TOFFIN Indonesia (a company engaged in providing goods and services in the cafe, hotel, and restaurant industry), the number of coffee shops in Indonesia in August 2019 has exceeded 2,950 outlets, this data has recorded a threefold increase. more than in 2016 where there were only around 1000 outlets. This figure could be larger because the census carried out still did not cover traditional coffee shops in small areas and was only taken based on coffee shops with networks in representative cities (Purba & Budiono, (2019); Purba et al (2020)).

Based on the Agricultural Data and Information System Center of the Ministry of Agriculture, national coffee consumption in 2016 reached around 250 thousand tons and grew by 10.54% to 276 thousand tons. Indonesia's coffee consumption during the 2016-2021 period is predicted to grow by an average of 8.22%/year. In 2021, coffee supply is predicted to reach 795 thousand tons with consumption of 370 thousand tons, resulting in a surplus of 425,000 tons. Thus, Indonesia becomes a potential market for coffee drinks. Therefore, the authors want to analyze the effect of Brand Awareness, Perceived Quality, Brand Loyalty on Purchase Intention of global brand coffee drinks, one of international firm Starbucks.
2. Literature Review

2.1. Research Variable

Brand Awareness
Brand awareness is a picture that shows the ability of a potential consumer to associate and recall and recognize a brand as part of a particular product category they want to buy (Khuong & Kim Chau, 2017). Brand awareness includes several levels starting from unaware of a brand which is the lowest level where consumers are “Unaware of Brand”, “Brand Recognition” which is the minimum level when a buyer chooses a brand during a purchase transaction, “Brand Recall” as a reminder based on someone's request to mention the brand, and last “Top of Mind” where without the help of consumers, they can immediately remember the brand when they only hear the name (Pranata & Permana, 2021). Brand awareness is a form of awareness of a brand that has a positive impact on organizational perceptions held by everyone. Therefore, familiarity has an important role in building a company's reputation through virtue and reliability (Hur, Ahn, & Kim, 2011). The success of this form of brand awareness depends very much on how it can provide understanding in the minds of consumers that the brand was created to be able to meet the needs and how often they see and interact with the brand. Besides brand awareness is also often considered the benchmark of a product with a good reputation and value, therefore marketers must be smart in conducting promotions to their potential customers (Khuong & Kim Chau, 2017).

Perceived Quality
Perceived Quality is a view of the overall consumer perception of the brilliance and quality of a product or service compared to offerings from other competitors (Pappu & Quester, 2016). The higher the perceived quality is obtained, it indicates that consumers increasingly understand the differences and advantages of a product with other similar products, this can be obtained after going through several stages of the purchase and requires a long time (Severi & Ling, 2013). In creating a product brand it is very important to pay attention to quality, where this is an important resource for the company to be able to create a competitive advantage. Good perceived quality also has several benefits for a product brand which can be a factor in strengthening the existence of a product in the market, increasing the attractiveness of consumers, making the basic reason for consumers to be willing to pay a higher price, giving a distinctive characteristic difference that makes consumer reasons for making purchase transactions (Saleem et al, 2015; Steenkamp et al, 2003; Pappu & Quester, 2016). If perceived quality affects consumer purchasing decisions, so the thing to do is to give a good and favorable impression for consumers in the use of the products offered (Phua & Kim, 2018). Because if consumers feel the opposite or give a negative impression of the product or service that they do not like, it will be very easy to predict that they will not make a repeat purchase because they think the product or service has a value or quality that is not good and will not survive a long time on the market (Dubey, Bajpai, Guha, & Kulshreshtha, 2020).

Brand Loyalty
Brand loyalty is a view of the extent to which a consumer can still get a positive impression, which will trigger their commitment to continue to be loyal in using products of the same brand over and over again, accompanied by feelings of satisfaction and pleasure after being consumed repeatedly and there will be an intention to continue making more transactions in the future (Ebrahim, 2020). Brand loyalty has an important role for a service-based organization where satisfied customers will be more loyal to use services and this has a constant effect on current and future revenue streams (Wang, Chen, Yu, & Hsiao, 2015). Brand loyalty is also defined as customers who get a high level of satisfaction, involvement and experience with a particular product which will increase their sense of loyalty to the product brand compared to other product brand alternatives (He & Lai, 2014). Loyalty attitude from consumers refers to psychological commitment in the act of buying, as in the attitude shown in the purchase intention and the intention to recommend a product brand to others without any real repeat purchases (Mabkhot, Hasnizam, & Salleh, 2017).

Purchase Intention
Purchase intention can be likened to an action that involves the consumer's intention to understand the reasons for deciding before making a purchase transaction. Usually, purchase intention that arises from consumers is defined as a situation where they are more likely to buy certain products in several conditions (Khuong & Kim Chau, 2017). In the process of conducting a transaction, a consumer can evaluate his buying interest in advance of the product brand to be purchased (Phua & Kim, 2018). That purchase intention is divided into three dimensions, namely stimulation, awareness, and information seeking. Purchase intention is also indicated as to how far consumers want to approach behavior and how much effort is generated to carry out certain behaviors in purchasing. Because of that purchase intention also needs to be explored further regarding its role as a more prominent predictor (Phua & Kim, 2018).
Purchase intention is a factor that encourages consumers to make purchase decisions, from the purchase intention itself produces a reflection on the purchase plan and knowledge about purchase intentions of product brands that can be used by marketers to predict consumer attitudes in the future.

2.2. Conceptual and Operational Definition

Table 1 shows conceptual definition and operational definition.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Conceptual Definition</th>
<th>Operational Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td>Brand awareness is a picture that shows the ability of a potential consumer to associate and recall and recognize a brand as part of a particular product category they want to buy.</td>
<td>1. When i think of coffee drinks, brand &quot;Starbucks&quot; is the first comes in my mind.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. I often hear brand &quot;Starbucks&quot;.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. I know brand “Starbucks”.</td>
</tr>
<tr>
<td>Perceived Quality</td>
<td>Perceived Quality is a view of the overall consumer perception of the brilliance and quality of a product or service compared to offerings from other competitors.</td>
<td>1. The quality of the products offered by brand &quot;Starbucks&quot; is good.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Brand &quot;Starbucks&quot; offers trustworthy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. The product characteristics of brand &quot;Starbucks&quot; are good.</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>Brand loyalty is a view of the extent to which a consumer can still get a positive impression, which will trigger their commitment to continue to be loyal in using products of the same brand repeatedly, accompanied by feelings of satisfaction and pleasure after being consumed repeatedly and there will be an intention to continue making more transactions in the future.</td>
<td>1. I am loyal to always buy brand &quot;Starbucks&quot; .</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Brand &quot;Starbucks&quot; is my first choice when it comes to coffee drinks.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. If brand &quot;Starbucks&quot; was still available, I would not buy from another brand.</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>Actions which involve the intention of consumers to understand the reasons for deciding before making a purchase transaction.</td>
<td>1. I want to buy brand &quot;Starbucks&quot;.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Definitively, I would consider buying brand “Starbucks”.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. I tend to buy brand &quot;Starbucks&quot;.</td>
</tr>
</tbody>
</table>

Source: Research Design, 2021

3. Methodology

Based on relationship between variables and causality, we build the research model in this study is as follow Figure 2.

Figure 2. Research Model

Based on the basic framework of this regression model, the applied regression model for this study is (Greene, 2018):

\[ PI_G = \beta_0 + \beta_1 A_w G + \beta_2 P_G + \beta_3 L_G \] (1)
Subsequently a calculation is made by estimating the suitability of the research model that is the magnitude of the R-squared and F-test with a significance level of 5%. Based on the theoretical estimates for each parameter to achieve the desired model conditions in mathematical equations are as follows.

\[
\beta_1 = \frac{\partial \pi_{G}}{\partial Aw_G} > 0, \quad \beta_2 = \frac{\partial \pi_G}{\partial PQ_G} > 0, \quad \text{and} \quad \beta_3 = \frac{\partial \pi_G}{\partial L_G} > 0
\] (2)

Based on the calculus equation, the partial test of each independent variable is one way. brand awareness (Aw_G) affects purchase intention (PI_G) in the same direction, perceived quality (PQ_G) affects purchase intention (PI_G) in the same direction and brand loyalty (L_G) also affect on Purchase Intention (PI_G) in the same direction. Thus, the value of each parameter β is expected to be positive.

While the partial testing of each independent variable on the dependent variable is carried out by t-test with a significance level in this study amounting to 5%.

By using the null hypothesis (H0) and alternative hypothesis (H1) for partial testing on the β1 parameter as follows:

- H0: β1 = 0, brand awareness (Aw_G) does not affect purchase intention (PI_G).
- H1: β1 > 0, brand awareness (Aw_G) affects purchase intention (PI_G) in the same direction.

The null hypothesis (H0) and the alternative hypothesis (H1) for partial testing on the β2 parameter are as follows:

- H0: β2 = 0, perceived quality (PQ_G) does not affect purchase intention (PI_G)
- H1: β2 > 0, perceived quality (PQ_G) affect purchase intention (PI_G) in the same direction.

The null hypothesis (H0) and the alternative hypothesis (H1) for partial testing on the β3 parameter are as follows:

- H0: β3 = 0, brand loyalty (L_G) does not affect purchase intention (PI_G)
- H1: β3 > 0, brand loyalty (L_G) affect purchase intention (PI_G) in the same direction.

4. Result and Discussion

After obtaining primary data from the research instrument, the data will be assessed for its validity and reliability. In this study, the research instrument used is the electronic questionnaire which consist of research indicators as shown in the table 2 for each research variables. The electronic questionnaire has collected 298 respondents as primary data from Indonesian citizen as the respondents of this research.

<table>
<thead>
<tr>
<th>Item</th>
<th>Obs</th>
<th>Sign</th>
<th>item-test correlation</th>
<th>item-rest correlation</th>
<th>interitem correlation</th>
<th>alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aw_G</td>
<td>298</td>
<td>+</td>
<td>0.8857</td>
<td>0.7897</td>
<td>0.6505</td>
<td>0.8481</td>
</tr>
<tr>
<td>PQ_G</td>
<td>298</td>
<td>+</td>
<td>0.8010</td>
<td>0.6507</td>
<td>0.7484</td>
<td>0.8992</td>
</tr>
<tr>
<td>L_G</td>
<td>298</td>
<td>+</td>
<td>0.8783</td>
<td>0.7771</td>
<td>0.6589</td>
<td>0.8529</td>
</tr>
<tr>
<td>PI_G</td>
<td>298</td>
<td>+</td>
<td>0.9066</td>
<td>0.8261</td>
<td>0.6262</td>
<td>0.8341</td>
</tr>
</tbody>
</table>

Test scale | 0.6710 | 0.8908 |

Source: Data Processing

The basis for decision making in the reliability test is the Cronbach's Alpha value of 0.89 > 0.60, so the questionnaire or questionnaire is declared reliable or consistent. The validity testing based on Stata software shown in table 2. The item-test correlation on the table 2 is also showing result of validity based on r-table, which in this research all item-test correlation that more than value r-table. Based on the proposed research model, we conduct data processing in 298 observations (customer respondents). By using linear regression and robustness feasibility, the output of data processing is as follows (Greene, 2018).

Based on the value of R-squared = 0.68 shows that 68% changes in purchase intention (PI_G) are influenced by independent variables in the model, while the influence of variables outside the model is 32%. The test results for the proposed model that the results of the value of F-test = 190.76 and probability F = 0.00 smaller than the significance
level of 5%, we reject the null hypothesis. The independent variable Brand Awareness, Perceived Quality, Brand Loyalty effect on Purchase Intention.

Table 3. Result of Linear Regression

<table>
<thead>
<tr>
<th>Linear regression</th>
<th>Number of obs</th>
<th>= 298</th>
</tr>
</thead>
<tbody>
<tr>
<td>F(3, 294)</td>
<td>= 190.76</td>
<td></td>
</tr>
<tr>
<td>Prob &gt; F</td>
<td>= 0.0000</td>
<td></td>
</tr>
<tr>
<td>R-squared</td>
<td>= 0.6828</td>
<td></td>
</tr>
<tr>
<td>Root MSE</td>
<td>= .47282</td>
<td></td>
</tr>
</tbody>
</table>

|             | Coef. | Std. Err. | t     | P>|t| | [95% Conf. Interval] |
|-------------|-------|-----------|-------|------|----------------------|
| PI_G        |       |           |       |      |                      |
| Aw_G        | .291555 | .0510922  | 5.71  | 0.000 | .1910021 .3921078   |
| PQ_G        | .3459303 | .0518705  | 6.67  | 0.000 | .2438457 .4480149   |
| L_G         | .2369211 | .043464   | 5.45  | 0.000 | .1513811 .3224611   |
| _cons       | .581401 | .1705866  | 3.41  | 0.001 | .2456754 .9171266   |

Source: Data Processing

Based on the results of partial testing the brand awareness (Aw_G) variable is t-test = 5.71 and probability value t = 0.000 states that we reject null hypothesis and accept alternative hypotheses. Brand Awareness significantly Purchase Intention. Subsequent partial testing of perceived quality PQ_G variable. The results of t-test = 6.67 and probability value t = 0.000 states that we reject null hypothesis and accept alternative hypotheses. Perceived Quality significantly influences the Purchase Intention. Last, partial testing of brand loyalty (L_G) variable. The results of t-test = 6.67 and probability value t = 0.000 states that we reject null hypothesis and accept alternative hypotheses. brand loyalty (L_G) significantly influences the Purchase Intention (PI_G). So, testing together or partially shows the behavioral model in this study has met the statistically requirements.

Next, we construct the equation of the research model in this study as follows.

\[
PI_G = 0.58 + 0.29 \text{Aw}_G + 0.35 \text{PQ}_G + 0.23 \text{L}_G
\]

All value of the parameter coefficients is positive, this show the results of this study are in accordance with the hypotheses and theoretical basis. The magnitude of the parameter coefficient reflects the magnitude of the impact of the independent variable on the dependent variable. The value of brand awareness parameter with coefficient of 0.29 shows that each increase in brand awareness resulted in an increase purchase intention (PI_G) of around 0.29 in 5 scale. The value of perceived quality PQ_G parameter with coefficient of 0.35 shows that each increase in perceived quality PQ_G resulted in an increase purchase intention (PI_G) of around 0.35 in 5 scale. At the last, The value of brand loyalty (L_G) parameter with coefficient of 0.23 shows that each increase in brand loyalty (L_G) resulted in an increase purchase intention (PI_G) of around 0.23 in 5 likert scale.

5. Conclusion

Overall, this research containing three independent variables and one dependent variable participated by 298 consumer respondents. Variable brand awareness, perceived quality, brand loyalty influence on purchase intention. Efforts are needed to increase brand awareness. Making a good condition as a picture that shows the ability of a potential consumer to associate and recall and recognize a brand.

To increase a Perceived Quality is very important. a view of the overall consumer perception of the brilliance and quality of a product and service. We must do research and development to increase and secure quality of product. Thus, consumers will make decisions regarding purchase intention. Efforts are needed to increase the positive impression to costumers, which will trigger their commitment to continue to be loyal in using products of the same brand repeatedly, accompanied by feelings of satisfaction and pleasure after being consumed repeatedly. Therefore,
actions that involve the consumer's intention to understand the reasons for deciding before making a purchase transaction.

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