

# CHAPTER I

## PRELIMINARY

### **1.1. Background**

Today's business competition climate is getting tougher. This requires each company to have a competitive advantage in terms of products and services. A competitive advantage that is owned will provide an opportunity for companies to be able to win business competition and become a market leader in a particular industry category. The company's ability to win business competition with ownership of these competitive advantages will make many positive contributions to the company such as obtaining greater profits.

One proof in the form of competitive advantage possessed by the company is shown by the level of emotional involvement with the company's brand (brand attachment). Brand attachment is an emotional condition in a special relationship between a person and certain objects (Kotler and Armstrong, 2015). People with a high level of attachment to a brand will have a level of loyalty to the brand and prefer the brand later to be used (bought) again. This shows that the emotional attachment of consumers to a brand is one of the outcomes of a company's ability to create a strong brand and form of competitive advantage they have.

The importance of consumer attachment to the brand requires each company to be able to increase emotional attachment of consumers to the company's brand. Many ways you can do to increase consumer attachment to a

brand. Cinnamon (2013) in his research proved that brand experience, brand satisfaction and brand trust are predictors of brand attachment.

One factor that influence brand attachment is brand trust. Kotler and Keller (2016) define brand trust as the willingness of consumers to trust the brand with all the risks, because there is hope that the brand can provide positive results for him. Trust is a very important factor in turning buyers or consumers into customers. Consumers who believe in a brand, tend to entrust the problem with the brand. Consumers believe in a brand because they are reliable, provide guaranteed no harm and their performance is very valuable or very useful. In the long run, a high level of brand confidence will increase consumers' attachment to a brand. The results of Chinomona's research (2013), Tsiotsou (2010) found tangible evidence of the positive influence of brand trust in brand attachment.

Another factor that influence brand attachment is brand satisfaction. Lovelock and Wirtz (2011) define satisfaction as an attitude that is decided based on the experience gained. Satisfaction is an assessment of the characteristics or features of a product or service, or the product itself, which provides a level of consumer pleasure related to the fulfillment of consumer consumption needs. Consumer satisfaction can be created through quality, service and value. The key to achieving customer loyalty is to provide high customer value. Consumers with high levels of satisfaction with a product or service will trust the brand more and become more emotionally involved with the brand concerned (Chinomona, 2013). The results of Chinomona's research (2013) provide tangible evidence of the positive influence of brand satisfaction on brand attachment.

Based on the explanation above, it can be seen that in order to increase brand attachment, the efforts that must be made are to increase the level of customer satisfaction and trust in a brand. The main issue is how to increase satisfaction and trust in a brand. Chinomona (2013), in his research empirically proved the influence of brand experience on brand satisfaction and brand trust. The results of the study of Sahin et al., (2011) also provide tangible evidence of how the level of customer satisfaction and trust in a brand is directly affected by consumers' experience of a brand.

Brooks et al., (2009) defines brand experience as the sensations, feelings, cognitions, and consumer responses caused by the brand, related to stimuli caused by brand, design, brand identity, marketing communications, people and the brand environment of the market. Brand experience is created when customers use a brand, talk with others about the brand, find information about the brand, promotions, events, and so on (Amber, 2013). A good consumer experience on a brand has a significant influence on brand satisfaction and brand trust.

Understanding the meaning of brand attachment, every company must be able to create a better consumer experience on the company's brand, increase customer satisfaction and trust in the company's brand. Likewise, PT Sari Coffee Indonesia as a Starbucks trademark holder company in Indonesia. In order to increase brand attachment, the management of PT Sari Coffee Indonesia does various things related to brand experience, brand satisfaction and brand trust. All these activities are carried out so that the level of consumer interest in the company's brand is getting better.

## **1.2. Formulation on the problem**

Based on the above background, the problem will be formulated to be examined as follows:

1. How does brand experience influence brand satisfaction on the Starbucks brand?
2. How does brand experience influence brand trust in the Starbucks brand?
3. How does brand satisfaction influence brand trust in the Starbucks brand?
4. How does brand satisfaction influence brand attachment on the Starbucks brand?
5. How does brand trust, influence brand attachment on the Starbucks brand?

## **1.3. Scope of problem**

In this study, the authors provide sample limits and variables studied as follows:

1. The sample in this study is consumers in Yogyakarta who have made repeat purchases of Starbucks brand products and services from PT Sari Coffee Indonesia at least 3 times in the past 6 months.
2. The variables studied consisted of brand experience, brand satisfaction, brand trust, and brand attachments.

#### **1.4. Research purposes**

A study conducted certainly has a specific purpose. The objectives of this research are:

1. To analyze the effect of the influence of brand experience on brand satisfaction on the Starbucks brand.
2. To analyze the effect of brand experience on brand trust in the Starbucks brand.
3. To analyze the effect of brand satisfaction on brand trust in the Starbucks brand.
4. To analyze the effect of brand satisfaction on brand attachments on the Starbucks brand.
5. To analyze the effect of brand trust on brand attachments on the Starbucks brand.

#### **1.5. Writing system**

##### **Chapter I : Preliminary**

This chapter explains the background of the problem, problem formulation, problem boundary, research objectives, research benefits, and writing systems.

##### **Chapter II : Theoretical basis**

This chapter contains theoretical descriptions that are used as a basis for the theory that supports this research, previous research, research framework, and research hypotheses.

**Chapter III : Research methodology**

This chapter contains the methodology used in this study, which consists of the form, place and time of the study, population, sample and sampling methods, data collection methods, data measurement methods, instrument testing methods and data analysis methods.

**Chapter IV : Data Analysis and Discussion**

This chapter discusses the analysis and testing of respondents' answers from the questionnaire distributed and the results obtained in the study.

**Chapter V : Closing**

This chapter contains conclusions, managerial implications, suggestions that the authors propose as consideration for interested parties and research limitations.