

**THE EFFECT OF AWARENESS, PERCEIVED QUALITY, BRAND ASSOCIATIONS,  
LOYALTY AND BRAND EQUITY TOWARDS PURCHASE INTENTION AND  
WILLINGNESS TO PAY PREMIUM PRICE  
(STUDY OF STARBUCKS AND EXCELSO)**

**Thesis**

**Presented as Partisial Fulfillment of Requirements for the Degree of Sarjana**

**Manajemen (S1) in International Business Management Program**

**Faculty of Business and Economics Universitas Atma Jaya Yogyakarta**



**Compiled by:**

**Josephine Melianawati**

**Student ID Number: 15 12 21947**

**FACULTY OF BUSINESS AND ECONOMICS  
UNIVERSITAS ATMA JAYA YOGYAKARTA  
NOVEMBER 2019**

**Thesis**  
**THE EFFECT OF AWARENESS, PERCEIVED QUALITY, BRAND ASSOCIATIONS,  
LOYALTY AND BRAND EQUITY TOWARDS PURCHASE INTENTION AND  
WILLINGNESS TO PAY PREMIUM PRICE**  
**(STUDY OF STARBUCKS AND EXCELSO)**

**Compiled by:**

**Josephine Melianawati**

**Student ID: 15 12 21947**

**Has been read and approved by:**

**Advisor**



**Nadia Nila Sari, SE., MBA.**

**Yogyakarta, 18<sup>th</sup> November 2019**

This is to certify that the thesis entitled  
**THE EFFECT OF AWARENESS, PERCEIVED QUALITY, BRAND ASSOCIATIONS,  
LOYALTY AND BRAND EQUITY TOWARDS PURCHASE INTENTION AND  
WILLINGNESS TO PAY PREMIUM PRICE**  
**(STUDY OF STARBUCKS AND EXCELSO)**


Presented by

**Josephine Melianawati**  
Student ID: 15 12 21947

Has been defended and accepted on December 3<sup>rd</sup>, 2019 towards fulfillment of  
the requirement for the Degree of Sarjana Manajemen (S1)  
in International Business Management Program  
Faculty of Business and Economics Universitas Atma Jaya Yogyakarta

**Examination Committee**

**Chairman**

  
**Drs. Budi Suprpto, MBA., Ph.D.**

**Member**

  
**Drs. C. Jarot Priyogutomo, MBA**

  
**Nadia Nila Sari, SE., MBA**

**Yogyakarta, 3<sup>rd</sup> December 2019**  
**Dean of Faculty of Business and Economics**  
**Universitas Atma Jaya Yogyakarta**



**Budi Suprpto, MBA., Ph.D.**

**BISNIS DAN EKONOMI**

## **AUTHENTICITY ACKNOWLEDGEMENT**

**I, Josephine Melianawati hereby declare that I compiled the thesis with the following title:**

**THE EFFECT OF AWARENESS, PERCEIVED QUALITY, BRAND ASSOCIATIONS,  
LOYALTY AND BRAND EQUITY TOWARDS PURCHASE INTENTION AND  
WILLINGNESS TO PAY PREMIUM PRICE  
(STUDY OF STARBUCKS AND EXCELSO)**

**Is really, my own thinking and writing, I fully knowledge that my writings doses not  
contain others' or part(s) of others' writing, except for those that have been cited and  
mentioned in the references.**

**Josephine Melianawati**



**Yogyakarta, November 18<sup>th</sup>, 2019**

## **ACKNOWLEDGEMENT**

Thank to Almighty God who has given His bless to the author for finishing this research from the beginning until the end, so this thesis can be done on time. This thesis is needed to meet one of academic requirements in completion of Bachelor study of International Business Management Program University of Atma Jaya Yogyakarta. Title that the authors propose is:

**THE EFFECT OF AWARENESS, PERCEIVED QUALITY, BRAND ASSOCIATIONS,  
LOYALTY AND BRAND EQUITY TOWARDS PURCHASE INTENTION AND  
WILLINGNESS TO PAY PREMIUM PRICE  
(STUDY OF STARBUCKS AND EXCELSO)**

In the process of making the thesis, the author got support from various parties that made the process of the thesis was better, faster, and easier. Therefore I would like to express my big gratitude for:

1. My Almighty God who has given His bless and love that guides and accompanies the process of making the thesis from the beginning until the end.
2. My advisor Ms. Nadia Nila Sari, SE., MBA who always helps, guides, and teaches the author patiently when the process of making the thesis is conducted.
3. Mr. Drs, Budi Suprpto, MBA, Ph.D as the Dean of the Faculty of Business and Economics who has given this certification as a representative of Atma Jaya University Yogyakarta.
4. All staff and employees of the Faculty of Business and Economics, University of Atma Jaya Yogyakarta who has helped the author for all of the administration and other things from the first semester until the graduation.

5. My lovely family, Father, Mother, and Joel, who always give support to the author through pray, good advice, and financial support, so the author can be more motivated to complete the thesis.
6. My one and only boyfriend Aldo Adhibrata, who always gives the support and brings the happiness for the author whenever and wherever the author needs.
7. My bestfriends Sara Aquinaldo, Evira Tri Haryani, Michelle Adeline, Vania Amel, and Jane Tinangon who always support and motivated the author to complete the thesis.
8. My other bestfriend in Atma Jaya, Andre Aditya, Bima Yuwana, Dipta Prakasa who always help and support the author.
9. My UTeM-squad friends, Clara, Steffy, Michelle, Yuwana, Roderick who always accompany the author while doing the thesis.
10. My IBMP class and other friends in Atma Jaya who have accompanied me to study in Atma Jaya Yogyakarta University for Five years.
11. My UTeM classmate and friends in UTeM Malaysia, who always give a motivation for the author, so the author has a more effort to complete the thesis.
12. Last but not least, Thesya Wulandari who help the author in the last minute of ACC.
13. The respondents of the research who have spare their time to fill the questionnaire, so the author can collect the data quickly.
14. The parties who helped the author in completing this final task that cannot be mentioned one by one by author.



Finally, the author relies that this thesis in not perfect enough. The author is receives every criticism, suggestions, and other knowledge that will complete and develop this thesis, so this thesis can be more reliable for the further research.

Hopefully, this thesis is useful for the students or others people who need for a reference to make the further research.

**Yogyakarta, 18<sup>th</sup> November 2019**



A handwritten signature in black ink, appearing to read "Josephine Melianawati".

**Josephine Melianawati**

## TABLE OF CONTENTS

<b>TITLE PAGE .....</b>	<b>i</b>
<b>APPROVAL PAGE .....</b>	<b>ii</b>
<b>COMMITTEE'S APPROVAL PAGE .....</b>	<b>iii</b>
<b>AUTHENTICITY ACKNOWLEDGEMENT .....</b>	<b>iv</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>v</b>
<b>TABLE OF CONTENTS .....</b>	<b>viii</b>
<b>LIST OF TABLES .....</b>	<b>xi</b>
<b>LIST OF FIGURES .....</b>	<b>xiii</b>
<b>LIST OF APPENDIXES .....</b>	<b>xiv</b>
<b>ABSTRACT .....</b>	<b>xv</b>
<b>CHAPTER I: INTRODUCTION .....</b>	<b>1</b>
1.1.Research Background .....	1
1.2.Research Questions .....	10
1.3.Research Objectives .....	11
1.4.Scope of the Research .....	11
1.5.Research Benefits .....	12
1.6.Writing Structure .....	13
<b>CHAPTER II: LITERATURE REVIEW .....</b>	<b>15</b>
2.1.Theoretical Background .....	15
2.2.1.Brand Awareness .....	15
2.2.2.Perceived Quality .....	19
2.2.3.Brand Associations .....	20
2.2.4.Brand Loyalty .....	22
2.2.5.Brand Equity .....	26
2.2.6.Purchase Intention .....	29
2.2.7.Willingness to Pay Premium Price .....	30
2.2.Previous Studies .....	32
2.3.Hypothesis Development .....	39
2.3.1.The Influence of Brand Awareness to Brand Equity .....	39
2.3.2.The Influence of Perceived Quality to Brand Equity .....	40
2.3.3.The Influence of Brand Associations to Brand Equity .....	40
2.3.4.The Influence of Brand Loyalty to Brand Equity .....	41



2.3.5. The Influence of Brand Equity to Purchase Intention .....	42
2.3.6. The Influence of Brand Equity to Willingness to Pay Premium Price ...	43
2.4. Research Framework .....	44
2.5. Pilot Study .....	45
<b>CHAPTER III: RESEARCH METHODOLOGY .....</b>	<b>47</b>
3.1. Type of Research .....	47
3.2. Location, Objects, Subjects and Research Population .....	47
3.2.1. Location .....	47
3.2.2. Objects .....	48
3.2.3. Subjects .....	48
3.2.4. Research Population .....	48
3.3. Sample, Sampling Methods and Data Collection Methods .....	48
3.3.1. Sample and Sampling Method .....	48
3.3.2. Data Collection Method .....	49
3.4. Operational Definition .....	50
3.5. Measurement and Scaling .....	52
3.6. Testing Instrument .....	52
3.6.1. Validity Test .....	53
3.6.2. Reliability Test .....	54
<b>CHAPTER IV: DATA ANALYSIS AND DISCUSSION .....</b>	<b>59</b>
4.1. Descriptive Analysis Statistics Respondents of Global Brand .....	60
4.1.1. Percentage of Respondents by Job Type of Global Brand .....	60
4.1.2. Percentage of Respondents by Income of Global Brand .....	61
4.1.3. Percentage of Respondents by Frequency of Coffee/Food Purchases at Starbucks .....	61
4.2. Descriptive Analysis Statistics Respondents of Local Brand .....	62
4.2.1. Percentage of Respondents by Job Type of Local Brand .....	62
4.2.2. Percentage of Respondents by Income of Local Brand .....	63
4.2.3. Percentage of Respondents by Frequency of Coffee/Food Purchases at Excelso .....	63
4.3. Data Analysis .....	64
4.4. Hypothesis Test of Global Brand .....	64
4.4.1. The Influence of Brand Awareness, Perceived Quality, Brand Associations, and Customer Loyalty on Brand Equity of Global Brand .....	65

4.4.2. The Influence of Brand Equity on Purchase Intention of Global Brand .....	67
4.4.3. The Influence of Brand Equity on Willingness to Pay Premium Price of Global Brand .....	68
4.5.Hypothesis Test of Local Brand.....	69
4.5.1. The Influence of Brand Awareness, Perceived Quality, Brand Associations, and Customer Loyalty on Brand Equity of Local Brand .....	70
4.5.2. The Influence of Brand Equity on Purchase Intention of Local Brand .....	71
4.5.3. The Influence of Brand Equity on Willingness to Pay Premium Price of Local Brand .....	72
4.6.The Difference on Consumer Perceived of Brand Dimension and Brand Value .....	74
4.6.1. The Difference on Consumer Perceived of Brand Dimension and Brand Value of Global Brand .....	74
4.6.2The Difference on Consumer Perceived of Brand Dimension and Brand Value of Local Brand .....	78
4.7. Discussion .....	82
4.7.1. The Influence of Brand Awareness on Brand Equity .....	82
4.7.2. The Influence of Perceived Quality on Brand Equity .....	83
4.7.3. The Influence of Brand Associations on Brand Equity.....	84
4.7.4. The Influence of Brand Loyalty on Brand Equity.....	84
4.7.5. The Influence of Brand Equity on Purchase Intention .....	85
4.7.6. The Influence of Brand Equity on Willingness to Pay Premium Price..	86
4.8.Summary of Hypothesis .....	86
4.8.1. Summary of Hypothesis of Global Brand .....	86
4.7.2. Summary of Hypothesis of Local Brand .....	87
<b>CHAPTER V: CONCLUSION AND RECOMMENDATION .....</b>	<b>88</b>
5.1.Conclusion .....	88
5.2.Managerial Implications .....	90
5.3.Limitation of Research and Recommendations .....	91
<b>REFERENCES .....</b>	<b>92</b>
<b>APPENDIXES.....</b>	<b>95</b>

## LIST OF TABLES

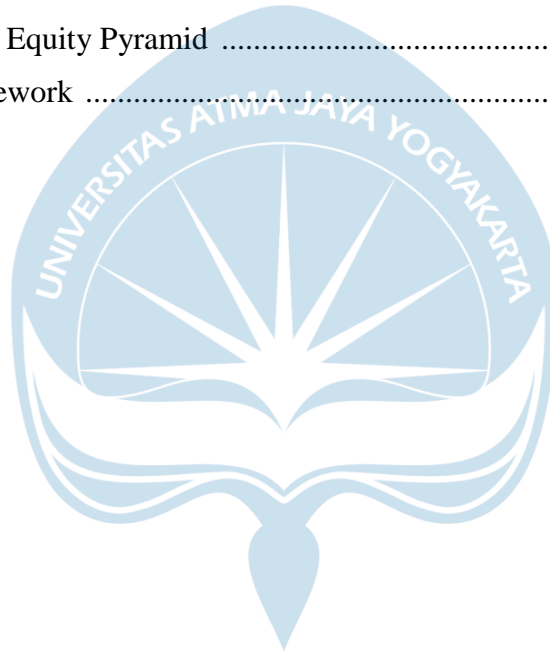
Table 2.1. Customer Segments In The Apostle Model .....	24
Table 2.2. Previous Study .....	32
Table 3.1. Operational Definition .....	50
Table 3.2 Validity Test .....	53
Table 3.3 Reliability Test.....	54
Table 4.1. Percentage of Respondents by Job Type of Global Brand.....	60
Table 4.2. Percentage of Respondents by Income of Global Brand .....	61
Table 4.3. Percentage of Respondent by Frequency of Coffee / Food Purchases at Starbucks ....	61
Table 4.4. Percentage of Respondents by Job Type of Local Brand .....	62
Table 4.5. Percentage of Respondents by Income of Local Brand .....	63
Table 4.6. Percentage of Respondent by Frequency of Coffee / Food Purchases at Excelso.....	63
Table 4.7. The Result of Multiple Regression The Influence of Brand Awareness, Perceived Quality, Brand Associations, and Brand Loyalty on Brand Equity (Global Brand-Starbucks). ...	66
Table 4.8. The Result of Simple Linear Regression The Influence of Brand Equity on Purchase Intention (Global Brand-Starbucks).....	67
Table 4.9. The Result of Simple Linear Regression The Influence of Brand Equity on Willingness to Pay Premium Price (Global Brand-Starbucks) .....	68
Table 4.10. The Result of Multiple Regression The Influence of Brand Awareness, Perceived Quality, Brand Associations, and Brand Loyalty on Brand Equity (Local Brand-Excelso). ....	70
Table 4.11. The Result of Simple Linear Regression The Influence of Brand Equity on Purchase Intention (Local Brand-Excelso) .....	72
Table 4.12 The Result of Simple Linear Regression The Influence of Brand Equity on Willingness to Pay Premium Price (Local Brand-Starbucks).....	73
Table 4.13. One Way ANOVA Result Based on Type of Jobs of Global Brand .....	75
Table 4.14. One Way ANOVA Result Based on Income of Global Brand .....	76
Table 4.15. One Way ANOVA Result Based on Frequency of Purchasing Coffee/Food in Starbucks .....	77
Table 4.16. One Way ANOVA Result Based on Income of Local Brand.....	79
Table 4.17. One Way ANOVA Result Based on Income of Local Brand .....	80
Table 4.18. One Way ANOVA Result Based on Frequency of Purchasing Coffee/Food in Excelso.....	81

Table 4.19. Summary of The Hypothesis of Global Brand (Starbucks) .....	87
Table 4.20. Summary of The Hypothesis of Local Brand (Excelso) .....	87



## LIST OF FIGURES

Figure 1.1. Starbucks Logo .....	3
Figure 1.2. Graph of Starbucks Store Growth Across The Country from 2010-2016.....	3
Figure 1.3. The Number of Starbucks Outlet in Indonesia from 2010-2016.....	4
Figure 1.4. Excelso Logo .....	5
Figure 1.5. Data of Cafes in Indonesia .....	6
Figure 2.1.Brand Awareness Pyramid .....	16
Figure 2.2. Brand Awareness Values.....	17
Figure 2.3. CustomerPyramid .....	25
Figure 2.4.Brand Building Equity Pyramid .....	27
Figure 2.5.Research Framework .....	45



## **LIST OF APPENDIXES**

APPENDIX I:	QUESTIONNAIRE
APPENDIX II:	RESPONDENTS DATA
APPENDIX III:	QUESTIONNAIRE DATA
APPENDIX IV:	VALIDITY TEST & RELIABILITY TEST
APPENDIX V:	MULTIPLE LINEAR REGRESSION ANALYSIS
APPENDIX VI:	SIMPLE LINEAR REGRESSION ANALYSIS
APPENDIX VII:	ONE WAY ANOVA ANALYSIS



**THE EFFECT OF AWARENESS, PERCEIVED QUALITY, BRAND ASSOCIATIONS,  
LOYALTY AND BRAND EQUITY TOWARDS PURCHASE INTENTION AND  
WILLINGNESS TO PAY PREMIUM PRICE**

**(STUDY OF STARBUCKS AND EXCELSO)**

**Josephine Melianawati**

**Student ID Number: 15 12 21947**

**Supervisor: Nadia Nila Sari, SE., MBA.**

**ABSTRACT**

The main purpose of this research is to know about the effects of brand awareness, perceived quality, brand associations, brand loyalty, brand equity toward Indonesian consumers' purchase intention and willingness to pay premium price on global brand (Starbucks) and local brand (Excelso). Brand awareness, perceived quality, brand associations, brand loyalty, brand equity have become the factors that influence the customers purchase intention and willingness to pay premium price. This research uses online questionnaire to collect the data, which is distributed to 210 respondents and divided into two categories. Simple linear regression analysis, multiple regression analysis, and one way ANOVA are used to analyze the data.

The result show that for local brand, brand awareness, perceived quality, brand associations, brand loyalty are positively influence on brand equity. Brand equity is positively influence both on purchase intention and willingness to pay premium price. While for global brand, brand associations is not significant. The result of this research can helps the cafe of coffee shop in Indonesia to improve their brand equity to increase the purchase intention and willingness to pay premium price, whether for global brand or local brand.

**Keyword:** brand equity, purchase intention, willingness to pay premium price