THE INFLUENCE OF HEDONIC PRODUCT, SELF-EXPRESSIVE BRAND, AND SATISFACTION ON BRAND LOVE AND BRAND LOYALTY: STUDY OF STARBUCKS’ CONSUMERS IN MALANG

By:

Farah Astri Ramadhina

Supervisor:

Prof. Dr. Ubud Salim, SE., MA

Abstract

The purpose of this study is to examine the effect of hedonic product, self-expressive brand, and satisfaction on brand love and brand loyalty of Starbucks from the perspective of consumers in Malang. The sample in this study was consumers of Starbucks in Malang. The sampling technique was convenience sampling with 133 respondents. This study used Partial Linear Square (PLS) analysis technique to analyze the data.

The result of this study shows that hedonic product, self-expressive brand, and satisfaction have significant effect on brand love. Meanwhile, self-expressive brand has a significant effect on brand loyalty. Moreover, brand love has significant effect on brand loyalty, while hedonic product and satisfaction have no significant effect on brand loyalty. In addition, brand love is indirectly enhancing the influence of hedonic product, self-expressive brand, and satisfaction to increase the level of brand loyalty. Thus, this study is useful for marketers to profoundly understand the importance of brand love in consumer-brand relationship.

Keywords: Hedonic Product, Self-Expressive Brand, Satisfaction, Brand love, Brand Loyalty

INTRODUCTION

Coffee industry is a promising industry. When the business world suffered from crisis, coffee can prove itself to remain stable in the industry. The coffee consumption was not suffered much. Indonesia is one of the largest coffee producers in the world. It was ranked at the fourth place in 2014 and produced over 660 million kgs of coffee beans in 2015 according to the International Coffee
Organization. Being one of the largest coffee producers and exporters, the number of coffee consumption in Indonesia also increased as the income rises. The amount of coffee consumption in Indonesia is also driven by the lifestyle, the improvement of coffee education, and the emergence of coffee shops.

Nowadays, consuming a cup of coffee at the coffee shop has become a lifestyle or habit for Indonesian. It is not only just about drinking a cup of coffee, but the coffee shop itself also offers a place for customer to do other activities such as meeting with clients or study group for student (Setyaningsih et al., 2007).

Since consuming coffee has become a lifestyle in Indonesia, coffee house industry has grown rapidly in Indonesia. Starbucks as one of the world's giant coffee house chain in the world decided to join the market competition in Indonesia. Since Starbucks entered Indonesian market, coffee house industry became a trend in Indonesia (Setyaningsih et al., 2007).

With the rise of local and foreign coffee shops in Indonesia, Starbucks started to expand its store in several cities across Indonesia such as Bandung, Semarang, Surabaya, Denpasar, etc. Malang is one of the cities that Starbucks chose to expand the business.

Being a city surrounded by universities, Malang becomes a potential market for Starbucks. Besides its great number of student population, Malang also becomes a tourist destination where the consumers’ characteristic fit the Starbucks target market.

Starbucks opened the first branch in Malang at May 2016 at Mall Malang City Point as the 240th branch in Indonesia. Anthony Cottan, the director of Starbucks Indonesia stated that consumers are always eager asking the presence of Starbucks in Malang. This implies that consumers enthusiasm of coffee is high, which makes Starbucks decided to expand it to Malang (malangtimes.com, 2016).

Due to the increasing number of coffee shops in Malang, the market competition becomes more
competitive. The tight competition requires a company to set proper strategy to distinguish its characteristics with others. In order to compete in the market, coffee house industry has to build their own identity and characteristic to make it unique and different from the competitors.

Brand that is able to satisfy consumer, tends to be easier to gain trust from consumers in order to achieve the brand loyalty. However, to gain brand loyalty consumers need to be more than just satisfied with the product. There are many ways to create brand loyalty such as consumer satisfaction. However, only satisfaction is not enough to keep the customers loyal (Jones and Sasser, 1995). There are still many satisfied customers that switch to other brand (Reichheld, 1996).

Fournier and Mick (1999) stated that it needed love in consumer that can create a long term relationship towards a brand. Brand love is defined as a passionate and emotional feeling among consumer and a brand (Carroll and Ahuvia, 2006). Through brand love in consumers' attitude towards a brand, consumers are expected to have strong brand loyalty.

Furthermore, to create an emotional attachment between consumer and the brand there are some factors that drive the brand love feeling. Consumers will develop their love towards a brand when they feel connected with the brand. It could be because of the brand can provide enjoyment and benefit or the brand is able to communicate consumers' interest. Therefore, hedonic value of a product and self-expressive needs are considered to be able to stimulate the consumer-brand relationship. Hedonic product aims to provide enjoyment and pleasure to consumer.

Self-expressive brand is needed to fulfill the consumers' expressive needs through the brand that is able to reflect their identity. Carroll and Ahuvia (2006) identified that consumers' attachment with a brand is greater when the brand is able to play a role in creating their identity. Moreover, satisfied consumers also tend to love the brand. When consumers experiences multiple satisfactions, it might lead to an
emotional relation between consumer and brand (Thomson et al., 2005).

This research aims to identify the link between brand love on brand loyalty as well as the other variables that stimulate brand love such as hedonic product, self-expressive brand, and satisfaction that indirectly leads to brand loyalty. Subsequently, this research also examines the direct effect of hedonic product, self-expressive brand, and satisfaction on brand loyalty without being mediated by brand love in order to find out the strength of individual effect.

Hedonic product, self-expressive brand, satisfaction, brand love, and brand loyalty are related to each other. Those variables are useful for marketers to be researched in order to compete in the market industry.

Based on these research backgrounds, this study aimed to:

1. To analyze the effect of hedonic product towards brand love
2. To analyze the effect of self-expressive brand towards brand love
3. To analyze the effect of satisfaction towards brand love
4. To analyze the influence of brand love towards brand loyalty
5. To analyze the direct effect of hedonic product towards brand loyalty
6. To analyze the direct effect of self-expressive brand towards brand loyalty
7. To analyze the direct effect of satisfaction towards brand loyalty

This research provides both theoretical and practical benefits. The theoretical benefit is that the result of this research is expected to be the reference for future research in the management field particularly in marketing management concept related to the basic concept of hedonic product, self-expressive brand, satisfaction, brand loyalty, and brand love. The practical benefit from this research is expected to contribute ideas about how to increase brand loyalty through brand love.
LITERATURE REVIEW

The main core of this research discussed about the relationship of hedonic product, self-expressive brand, satisfaction, and brand love in stimulating the level of brand loyalty.

According to Whang et al (2004) building a relationship between the customer and the product would provide long term loyalty. Furthermore, according to Jacoby and Chestnut (as cited by Marshall, 2010) loyalty can be defined in behavioral terms such as repurchase or purchase frequency then admitted to attitudinal component.

Brand love has the ability to increase the re-patronage intention (Vlachos and Vrechopoulos, 2012). Brand love includes a longterm commitment to a brand besides emotion and passion (Keh et al, 2007). According to Carroll and Ahuvia (2006) hedonic product, and self-expressive influence brand love that will leads to brand loyalty as the result. Moroever, a research by Sallam (2015) identified that satisfaction also influencing the relationship between brand love and brand loyalty.

Furthermore, Ruane and Wallace (2015) also found that self-expressive brand can directly influence brand loyalty. Thus, this study proposed the following hypotheses

**H1: Hedonic product has a significant effect on brand love**

According to Carroll and Ahuvia (2006) in their study suggested that hedonic product has positive relation with brand love. Batra et al. (2012) stated that brand love integrates emotions and brand cognitions where the brand value is a salient antecedent of brand love. Hedonic value can meet the needs of prestige in which it can cause a positive emotional arousal, affection and feelings toward a brand (Bhat and Reddy, 1998; Huber et al., 2015). In addition, consumers are more attached to a brand that provides more hedonic value rather than functional value of brand (Thomson et al., 2005).

**H2: Self-expressive brand has a significant effect on brand love**

Carroll and Ahuvia (2006) suggested that consumers' love toward a brand is greater when the brand can play a significant role in creatng their
identity. Similarly, brands that can stimulate consumers to express themselves are considered to be more loved (Albert and Merunka, 2013 as cited in Huber et al., 2015). Carroll and Ahuvia (2006) in their research confirmed that more self-expressive brands tend to be more loved by consumers. Therefore, it is indicate that there is a strong relationship between self-expressive brand and brand love. 

**H3: Satisfaction has a significant effect on brand love**

Carroll and Ahuvia (2006) stated that satisfaction is an antecedent to brand love, which means that when consumers satisfied with a brand, they will likely develop an emotional and passionate bond with brand. A consumer who is emotionally attached to a specific brand tends to be satisfied with it and might provide a basis for emotional attachment. Therefore, the multiple satisfactions in several times may lead to an emotional relation between consumer and brand (Thomson et al., 2005).  

**H4: Brand love has a significant effect on brand loyalty**

When consumers have a strong emotional bonding with a brand, they tend to become passionate and love the brand (Carroll and Ahuvia, 2006). Consumers who have a strong feeling for brand will likely to purchase the same brand repeatedly. Brand loyalty itself is considered as the behavior of repurchase including a feeling toward a brand. Carrol and Ahuvia (2006) in their research proposed that brand love has a positive effect on brand loyalty.  

**H5: Hedonic product has significant effect on brand loyalty**

Carroll and Ahuvia (2006), confirmed in their study that the hedonic product has a negative relationship with brand loyalty. Moreover, they also claimed that the products tend to have high hedonic benefits of offering more incentives for various explorations. Therefore, the brand that incluede in hedonic categories seem to savor consumer loyalty less satisfied  

**H6: Self-expressive brand has significant effect on brand loyalty**

Consumers tend to prefer certain brands that are motivated by the need of self-expression as well as
their interactions with other people (Cătălin and Andreea, 2014; Fournier, 1998 as cited in Ruane and Wallace, 2015). Similarly, consumers use a brand that can sustain their self-concept in which they can express the type of person they are to society (Liu et al., 2012). Ruane and Wallace (2015) in their research identified that consumers who consume self-expressive brands are more likely to be loyal to the brands.

**H7: Satisfaction has significant effect on brand loyalty**

Satisfaction is defined as a positive affective reaction to an outcome of a prior experience (Ganesan 1994). In addition, satisfaction has been found to lead to the long-term combination of relationships (Anderson and Narus, 1990; Gladstein, 1984 as cited in Sahin, Zehir and Kitapç, 2011). Generally, when the satisfaction increases it leads to the increase in brand loyalty (Bolton, 1998; Bennett, 2001 as cited in Sahin, Zehir and Kitapç, 2011). Therefore, there is strong relationship between satisfaction and brand loyalty.

**RESEARCH METHOD**

**Sample**

The respondents of this study are consumers of Starbucks in Malang. A total 133 questionnaires were distributed and used in this study. Respondents were recruited using convenience sampling method.

The following is the demographic profile that emerged from the sample: 62.4% of the respondents are male, 74.4% respondents aged between 20-30, around 63.9% respondents are high school graduated, 75.2% are students, and 47.4% respondents are purchasing Starbucks at least once a month.

**Data Analysis**

This research used Partial Least Square (PLS) to analyze the data. According to Wong (2013), PLS becomes a good alternative when the following situations are encountered: (1) sample size is small; (2) the application has limited available theory; (3) the predictive accuracy is paramount; (4) correct model specification cannot be ensured.

In using PLS, two steps of analysis were required which are inner
model and outer model. Outer model evaluation consists of convergent validity, discriminant validity, and reliability test. The score of convergent validity must be higher than 0.70, however 0.50-0.60 still acceptable for the research stage of scale development Ghozali (2011). The discriminant validity was measured by average variance extracted (AVE) and it is expected to be greater than 0.5. The reliability test was measured by composite reliability and the value must be higher than 0.60 so that the construct can be stated as reliable. Inner model evaluation shows the relationship between latent variables based on substantive theory. In measuring the inner model, it uses the value of R-square.

**FINDINGS**

*The Evaluation of Outer Model*

The outer model in this research was used to test validity and reliability of indicators and latent variables. The value of convergent validity should be higher than 0.50 in order to be considered valid (Ghozali, 2011). In this research, the score of outer loading varies between 0.106 and 0.916 which there were two items below 0.50. Therefore, the two items were deleted as it was considered not valid. Once the items being deleted, the second model calculation was done to found out that all items were higher than 0.50 and confirmed that the items were valid. Average variance extracted (AVE) was done to analysed the discriminant validity.

Source: Primary Data Processed (January, 2017)

Based on the AVE table, the value of hedonic product, self-expressive brand, satisfaction, brand love, and brand loyalty were higher than 0.50 which indicates that the data were valid.

Furthermore, the reliability test was measured with composite reliability and the score must be higher than 0.60. The table below showed that the value of composite reliability of

<table>
<thead>
<tr>
<th></th>
<th>AVE</th>
<th>Root Square AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>HP</td>
<td>0.668</td>
<td>0.817</td>
</tr>
<tr>
<td>SB</td>
<td>0.780</td>
<td>0.883</td>
</tr>
<tr>
<td>SF</td>
<td>0.709</td>
<td>0.842</td>
</tr>
<tr>
<td>BLV</td>
<td>0.590</td>
<td>0.768</td>
</tr>
<tr>
<td>BL</td>
<td>0.731</td>
<td>0.855</td>
</tr>
</tbody>
</table>
each variables were higher than 0.60 and it can be concluded that the measurement model is acceptable.

<table>
<thead>
<tr>
<th></th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>HP</td>
<td>0.923</td>
</tr>
<tr>
<td>SB</td>
<td>0.966</td>
</tr>
<tr>
<td>SF</td>
<td>0.951</td>
</tr>
<tr>
<td>BLV</td>
<td>0.956</td>
</tr>
<tr>
<td>BL</td>
<td>0.928</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (January, 2017)

The Evaluation of Inner Model

The inner model was analysed using the R-square table determined the relation between laten constructs to see the result of the estimation of coefficient parameter path and the significant level (Ghozali, 2011).

<table>
<thead>
<tr>
<th>Effect</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>HP, SB, SF → BLV</td>
<td>0.820</td>
</tr>
<tr>
<td>HP, SB, SF, BLV → BL</td>
<td>0.717</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (January, 2017)

The structural model of this research is shown in the figure below

The result indicates that 82% of Brand Love can be influenced by hedonic product, self-expressive brand, and satisfaction and 70% of brand loyalty can be influenced by hedonic product, self-expressive brand, satisfaction, and brand love.

Hypotheses Testing

The result of this study showed that hedonic product has positive and significance influence on brand love with its t-statistic 1.686 which was higher than the t-table 1.645, thus Hypothesis 1 is supported. Then, self-expressive brand has positive and significance influence on brand love with its t-statistic 5.240 which was higher than t-table 1.645 thus Hypothesis 2 is supported. Hypothesis
3 also supported because it showed that satisfaction positive and significance influence on brand love with its t-statistic 4.896 which was higher than t-table 1.645.

Moreover, brand love positive and significance influence on brand loyalty with its t-statistic 4.255 which was higher than t-table 1.645 thus Hypothesis 4 is supported. Then, hedonic product has a negative and no significant effect on brand loyalty with its t-statistic 0.697 which was lower than t-table 1.645 thus Hypothesis 5 is not supported.

Next, self-expressive brand has positive and significance influence on brand loyalty with its t-statistic 2.271 which was higher than t-table 1.645 thus Hypothesis 6 is supported. Then, satisfaction has a positive but no significant effect on brand loyalty with its t-statistic 0.396 which was lower than t-table 1.645 thus Hypothesis 7 is not supported.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Coefficient</th>
<th>T-Statistic</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 1</td>
<td>0.186</td>
<td>1.686</td>
<td>Supported</td>
</tr>
<tr>
<td>HP → BLV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 2</td>
<td>0.317</td>
<td>5.240</td>
<td>Supported</td>
</tr>
<tr>
<td>SB → BLV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 3</td>
<td>0.494</td>
<td>4.968</td>
<td>Supported</td>
</tr>
<tr>
<td>SF → BLV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 4</td>
<td>0.660</td>
<td>4.255</td>
<td>Supported</td>
</tr>
<tr>
<td>BLV → BL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 5</td>
<td>-0.074</td>
<td>0.679</td>
<td>Not Supported</td>
</tr>
<tr>
<td>HP → BL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 6</td>
<td>0.236</td>
<td>2.271</td>
<td>Supported</td>
</tr>
<tr>
<td>SB → BL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 7</td>
<td>0.052</td>
<td>0.396</td>
<td>Not Supported</td>
</tr>
<tr>
<td>SF → BL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (January, 2017)

**DISCUSSION AND CONCLUSION**

The results of this study showed that the Hypotheses 1 which there was a positive and significant effect of hedonic product on brand love. The result was in line from the
previous research by Caroll and Ahuvia (2006), stating that more hedonic product tend to be more loved by customers. Based on the finding of this study, customers generally perceived that Starbucks products can deliver a pleasureable feeling, also they found that Starbucks products are useful as well as it provides an enjoyment.

In Hypotheses 2, this study demonstrated that there was a positive and significant effect of self-expressive brand on brand love. The same result was found by Caroll and Ahuvia (2006) which suggested that self-expressive brand has a significant effect on brand love. Moreover, Karjaluoto, Munnukka, and Kiuru (2016) in their research also found the same result that self-expressive brand has strong effect on brand love. The result of this study indicates that consumers assumed that Starbucks has a role in their social image that in some way it affects the way society see them. Starbucks consumers do believe that Starbucks can help them to express themselves through the brand. Hence, consumers who consume Starbucks product indirectly allow them to show their identity as a group of people who love to consume coffee.

Furthermore, Hypothesis 3 showed that there was a positive and significant effect of satisfaction on brand love. The result was same with previous research conducted by Sallam (2015) who identified that satisfaction had positive effect on brand love. Based on the finding of this study, Starbucks consumers in Malang satisfied with the service and products that provided by Starbucks. When consumers are satisfied with a specific brand they likely to build a feeling toward the brand such as they become addicted with the brand.

Next, Hypothesis 4 reveals that brand love had positive and significant effect on brand loyalty. The result was similar with a research conducted by Carroll and Ahuvia (2006) which suggested that brand love has strong impact on brand loyalty. According to the result of this study, Starbucks's consumers in Malang agreed that Starbucks is a loveable brand. Therefore, when consumers love the brand and happy with the products,
they will remain as loyal consumers. Thus, it can be concluded that a strong feeling between consumer and brand, will likely increase the level of desireable post-consumption behavior.

Hypothesis 5 showed that hedonic product had a negative and no significant effect on brand loyalty. The result was in line with Carroll and Ahuvia (2006) which stated that hedonic product had a negative direct effect on brand loyalty. In this case, Starbucks's consumers in Malang may found that Starbucks offers the feeling of enjoyment and pleasure through its product, yet they had to sacrifice things such as time, and money considering the price offered by Starbucks is not a cheap one. Therefore, as the time went by consumers will found it weary to sacrifice those things in order to get what they desire. In which it was such a short euphoria that did not significantly affect the loyalty.

Hypothesis 6 showed that self-expressive brand had positive and significant effect on brand loyalty. The result was similar with a research conducted by Ruane and Wallace (2015) that found that self-expressive brand has a positive and significant effect on brand loyalty. The finding of this study reveals that consumers who consume self-expressive brand tend to be more loyal to a brand. This is because people who choose self-expressive brand are the one who want to distinguish themselves in a good way. As stated by Ruane and Wallace (2015), brands that offer self-expressive benefits will encourage brand loyalty since the brands are able to fulfil consumer's expressive needs.

Then, Hypothesis 7 reveals that satisfaction had a positive but no significant effect on brand loyalty. While other research conducted by Sahin, Zehir and Kitapç (2011) found that satisfaction significantly positive influence on brand loyalty, yet this study has different finding. A research by Haryono (2013) found that satisfaction has no significant effect on loyalty, and instead the study found that trust mediates the influence of satisfaction and loyalty. In addition, research by Jones and Sasser (1995) as cited by Ganiyu et al. (2012) suggested
that satisfaction and loyalty are not directly correlated. Hence, although consumers are satisfied it will not guarantee that they will develop a long term relationship with the brand. Therefore, in this research brand love mediates the effect between satisfaction and brand loyalty because consumers who love a brand will likely to develop much stronger level of loyalty rather than consumers that do not have an emotional attachment with a brand. Consumers have to feel happy and passionate with the product and also feel satisfied with Starbucks in order for them to become loyal.

**RECOMMENDATION**

*For Practical Management*

From the practical managerial point of view, marketers must be aware that to build a brand loyalty they have to consider many aspects. As explained in this study, brand love seems to be a new topic in marketing field; therefore, it would be good if marketers begin to have a deeper understanding about this topic in order to have a better idea about the importance of brand love. In building a strong relationship between consumers and brand, Starbucks can create a strategy to make customers feel special. Starbucks can offer a discount or special promotions when they have a birthday. When consumers feel special, they will likely to build strong attachment with the brand.

In terms of self-expressive brand, a brand must be able to communicate their value and message, so that consumers can capture it and communicate to others. In order the increase the hedonic value, based on the marketer’s point of view as in this case is Starbucks, they need to do some innovations such as adding new product or combine the existing products into something new. In addition to maintain the satisfaction, Starbucks should maintain and keep improving their service performance in order to increase the satisfaction level of consumers. This is because consumers who are satisfied and have emotional attachment with a brand tend to be more loyal compared to those who only feel satisfied.

*For the Next Researchers*
The future researcher may have to consider other factors in building a strong brand love affecting brand loyalty. Brand trust and brand image may have an influence on both brand love and brand loyalty. Moreover, the object of the research may be changed into other brands such as retail fashion brand or gadget brand. The sample used for the research must be greater in order to get more accurate data.

REFERENCES


