THE INFLUENCE OF BRAND IMAGE AND PRODUCT PRICE ON STARBUCKS COFFEE PURCHASE DECISION
(A Case Study of Starbucks Coffee Consumers in Bandung City)

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Abstract

In this developing era, the phenomenon of coffee that continues to grow has become part of the lifestyle of the Indonesian people. This growth was followed by the increasing number of coffee lovers and coffee shop businesses in Indonesia. This can be seen from the proliferation of coffee shops in recent years, especially in the city of Bandung. The level of coffee consumption by the Indonesian people has also increased every year since 2016. The phenomenon of drinking coffee in a coffee shop has become a habit of today's urban communities, such as in Jakarta, Bandung, Surabaya, and other big cities. Coffee shops like Starbucks have become a lifestyle for young people and executives alike. By visiting the coffee shop, various facilities also seem to be obtained for free, such as wifi. With so many coffee shops in the city of Bandung, consumers are faced with confusion in choosing a coffee shop because of the many choices of coffee shops on the market. Therefore, companies need a superior strategy to be able to compete. This study aims to see The Influence of Brand Image and Product Prices on Starbucks Coffee Purchase Decisions. The method used is a quantitative method with purposive sampling type. The sample that will be taken in this study is 100 people who are Starbucks Coffee consumers., and data analysis using multiple linear regression analysis techniques. The results showed that Brand Image and Price at Starbucks Coffee had a significant influence on Purchase Decision.

Keywords: Brand Image, Price, Purchase Decision, Starbucks Coffee

1. Introduction

In the midst of the ongoing COVID-19 pandemic, the potential for the food and beverage industry in Indonesia in 2021 is believed to be still bright. The pandemic that has lasted for almost a year has changed people's consumption patterns. Consumers who are used to going shopping to the market, are now changing the way to get their needs by making more use of online delivery services.The phenomenon of drinking coffee in a coffee shop has become a habit of today's urban communities, such as in Jakarta, Bandung, Surabaya, and other big cities. Modern coffee shops seem to have become middle class identities to hang out with. They gather more and more at coffee shops than ordinary restaurants, they rely more on coffee shops to hang out or have meetings. Coffee shops like Starbucks have become a lifestyle for young people and executives alike. By visiting the coffee shop, various facilities also seem to be obtained for free, such as wifi. And also the current phenomenon, many people come to coffee shops just to enjoy the facilities, not for a cup of coffee. In fact, not all who visit this coffee shop order coffee, many prefer to order blended iced, ice tea, or other drinks.

With so many coffee shops in the city of Bandung, consumers are faced with confusion in choosing a coffee shop because of the many choices of coffee shops on the market. Therefore, companies need a superior strategy to be able to compete. Various marketing activities are needed that must be developed in the future. Companies need to create strategies that can enable them to compete with competitors in the community. This strategy must be designed to realize a sustainable competitive advantage so that the company can dominate in both the old and new markets. In addition, competition for a quality product makes companies engaged in various business fields vying to improve the quality of their products to protect their consumers. Consumer purchasing decisions that involve perceptions of quality, value, and price make consumers have unique characteristics and characteristics that distinguish products from one another. Therefore, competitive advantage basically grows from the beneficial values created by the company for its buyers.

Based on the statement of Kottler and Keller (2016:201) states that consumers have a series of purchasing decisions, there are six sub-decisions, namely product choice, brand choice, choice of distributor, purchase amount or quantity, time of purchase, and payment method [1].

The increasingly fierce market competition conditions encourage companies to continue to strengthen their brand image in the highest position in the hearts of consumers. Brand Image consists of two main factors, namely: physical is the physical characteristics of the brand, such as design, packaging, logo, brand name, function, and product usability from the technological aspect, which is shaped by emotions, beliefs, values, and personality that

consumers consider can be considered.[2]. When consumers use the brand, the brand image will be carried away, therefore the brand image must be carried out continuously so that the brand image created remains strong and can be received positively. However, if a brand has a bad image for consumers, it is likely that consumers are not interested in buying or using the brand.
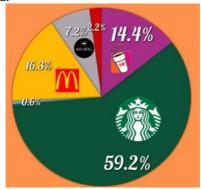

Figure 1 Market Share Of Leading Players In The Coffee Industry
Source: Forbes, 2016

It can be seen in Figure 1 Starbucks Coffee is a market leader in the coffee industry. Starbucks' biggest competitors in the industry are Mc Donalds and Dunkin Donuts. Starbucks has always maintained its competitive advantage by being the leader in product innovation. As a result, Starbucks' market share in the national QSR (Quick Service Restaurant) Market increased to 6.96%.

Brand image has an important role in developing a brand because it involves reputation and trust which become guidelines for consumers to try and use a product or service. Brand Image is an observation and belief held by consumers, which is reflected in the association or consumer memory. Brand Image presents the overall brand perception and is shaped by information and past experiences of the brand[3]. Therefore, every brand needs public relations marketing to promote it so that it can build the desired image. This is evidenced by the inclusion of several coffee shops in the survey conducted by the Top Brand Award, which is an award for brands that are classified as top brands. The survey was conducted in several major cities in Indonesia with a total of 3000 respondents[4].

Figure 2 Top Brand Award Coffee Shop Year 2021
Source: topbrand-award.com

In Figure 2, Janji Jiwa coffee leads the way in awarding the top branded coffee shops in Indonesia. However, Starbucks Coffee has not been included in the top brand award, so Starbucks Coffee must be able to analyze what the needs and expectations of current and future consumers are, because the results of the top brand award can be used as a reference whether a product circulating in the market has a marketing reputation and good sales. In this case, brands and products are directly related to consumers so that they are required to adapt more often by following consumer tastes, with that companies must also be able to grow or gain trust from consumers towards their brands because positioning products to consumers is one it is important to direct, upload and encourage consumers to make decisions that are focused on buying marketed products[5].

In addition to being seen from the brand image, consumers in determining their decisions look at the price of the products offered can provide satisfaction or not for consumers. Price involvement in the buying process is a natural trait of a consumer in deciding a purchase. The principle of consumer economics, where a consumer tends to choose a product or service whose price is in accordance with the consumer's own purchasing power and is proportional to the quality and perceived benefits.

Figure 3 Revenue Starbucks (2016-2020)
Source: Starbucks.com

Based on Figure 3, Starbucks coffee's revenue growth has fluctuated each year increasing and decreasing. In 2016 - 2018 Starbucks has earned revenue of 26.50 million US dollars but in 2019 - 2020 it has decreased by 23.51 million US dollars in 2020 or decreased by 11.28%.

Some coffee shops provide products at low prices, assuming some consumers only consider price in purchasing decisions. Some products that are similar to brands can have different values because of differences in consumer perceptions. The high and low price of a product has always been the main concern of consumers when they are looking for the product they need, so the price offered to consumers is a special consideration, before they decide to buy goods or use a service. From the habits of consumers, the pricing strategy has a very important influence on sales and marketing for a product offered, therefore the price needs to be considered by the company's management, because it can affect the amount of sales volume and profits achieved by the company.

The decline and not achieving the target number of products sold could be due to several factors, namely external and internal factors. The consumer behavior model explains that stimuli or stimuli come from information about products, prices, locations, and promotions. In the marketing of services, physical evidence, people, and processes are added[1]. The buyers are influenced by these stimuli, then taking into account other factors such as economy, culture, technology then enter all the information, after that the consumer will process all the information based on the psychology and characteristics of the consumer then process the purchase decision and draw conclusions in the form of a response that appears what product purchased, the brand, the store, and when or when to buy.

2. Literature Review
2.1 Brand Image
Brand image refers to the schematic memory of a brand. Brand image contains a target market interpretation of product attributes, benefits, usage situations, users, and manufacturer/marketer characteristics. That's what people think and feel when they hear or see a brand name. This is, in essence, a collection of consumer associations that have been studied about the brand[6].

Brand image is the customer's perception of a brand, which is reflected in the brand association held in the customer's memory. The goal of strategic efforts in managing brand image is to ensure that consumers have a strong and positive association in their minds regarding the company's brand[7].

2.2 Product Price
The price definition is the amount of value charged for a product or service, exchanged by a customer for the benefit of owning or using a product or service[8]. explains price is not just a number on a tag. It comes in many forms and performs many functions. Rent, tuition, fares, fees, rates, tolls, retainers, wages, and commissions are all the price that should be paid for some good or service[1].

Price is the amount of money to be paid to obtain the right to use the product. Economists often assume that lower prices on products will result in more sales than higher prices. However, price sometimes serves as a quality signal. Therefore, setting a price requires a thorough understanding of the symbolic role that price plays for the product and the target market in question. It is important to note that the price of a product is not the same as the cost of a product to the customer. Consumer costs are everything that must be submitted by the consumer to receive the benefit of owning/using the product [6].
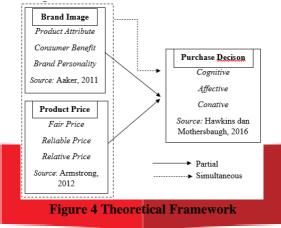
2.3 Purchase Decision
Purchasing decisions are a stage of consumer evaluation in shaping preferences where consumers already have a choice between brands and may also be in the form of an intention to buy a preferred brand [1].

2.4 Theoretical Framework
This frame of mind is a brief planning of the symptoms that are the object of the problem. In this study, the problem to be discussed is the effect of brand image and product prices on purchasing decisions, which have

previously been discussed regarding the influence of the field. This study aims to determine whether there is an influence between Brand Image and Product Prices on purchasing decisions at Starbucks Coffee. This is done so that business people know the importance of marketing strategies so that customers can be interested in buying products that the company presents, as well as improvements to enhance the brand, product image, or price. This research is based on three theories obtained from the research studies of Lovita and Trianasari National Journal of eProceedings of management (2019) which are replicated from Djatmiko and Pradana's research in procedia International Journal - Social and Behavioral Sciences 219 (2015), namely brand image, product price. and purchase decisions.

Figure 4 Theoretical Framework

3. Research Methodology
3.1 Research Characteristics & Sampling Technique

This research is using quantitative method. Quantitative method is a scientific method because it has met the scientific rules such as concrete/empirical, objective, measurable, rational, and systematic [9]. The sampling technique used in this research is non probability sampling, while the type of non probability sampling used is purposive sampling.

3.2 Data Collection Process

The data were gathered through the online questionnaire which come from 100 respondents bandung residents who have purchased Starbucks Coffee. The majority of respondents are located in bandung city.

4. Results and Discussion
4.1 Descriptive Analysis

Table 1 Descriptive Analysis Result

Variable	Total Score	Maximum Score	Percentage	Category
Brand Image (X_1)	2992	3500	85,48%	Very Good
Product Price (X_2)	4049	5000	80.98%	Good
Purchase Decision (Y)	2890	3500	82.57%	Good

Based on Table 1, the score of Brand Image (X_1) is categorized as Very Good, the score of Product Price (X_2) is categorized as Good, and the score of Purchase Decision (Y) is categorized as Good.

4.2 Multicollinearity Test

Table 2 Multicollinearity Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	10.224	1.870		5.468	.000		
	Brand Image	.337	.122	.364	2.769	.007	.375	2.664
	Product Price	.170	.081	.278	2.110	.037	.375	2.664

a. Dependent Variable: Purchase Decision

Source: Processed Data Result, 2019

Based on the multicollinearity test using SPSS 25, the VIF result was 2.664, meaning VIF 10 and the tolerance result was 0.375, meaning tolerance 0.1. This states that in this study the regression is free from multicollinearity disorders.

4.3 Multiple Regression Analysis

Table 3 Multiple Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.224	1.870		5.468	.000
	Brand Image	.337	.122	.364	2.769	.007
	Product Price	.170	.081	.278	2.110	.037

a. Dependent Variable: Purchase Decision

Based on Table 3 it is known that the constant value (α) = 10.224, Brand Image b_1 = 0.337, Product Price b_2 = 0.170. Then the multiple linear regression equation can be written as follows:

$$Y = 10{,}224 + 0{,}337X1 + 0{,}170X2$$

From the multiple linear regression equation above, we can see that the constant value obtained is 2.116, which means that there is no Brand Image (X_1) and Product Price (X_2), so the Purchase Decision is 10.224. While the value of the regression coefficient on the Coefficient X_1 or b_1 of 0.337 indicates that if there is an increase in Brand Image at Starbucks Coffee, it will increase Purchase Decisions at Starbucks Coffee. In addition, the regression coefficient value at Coefficient X_2 or b_2 of 0.170 indicates that if there is an increase in product prices at Starbucks Coffee, it will increase Purchase Decisions at Starbucks Coffee. So it can be concluded that when there is an increase in brand image and product prices at Starbucks Coffee, it will increase consumer purchasing decisions at Starbucks Coffee.

4.4 T Test

Table 4 T Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.224	1.870		5.468	.000
	Brand Image	.337	.122	.364	2.769	.007
	Product Price	.170	.081	.278	2.110	.037

a. Dependent Variable: Purchase Decision

Based on table 4 above, it can be seen that:
1. Brand Image variable (X_1) has a value of tcount (2.769) > ttable (1.96) and a significance level of 0.007 <0.05, so H0 is rejected. Therefore, it can be concluded that partially there is a significant influence of the Brand Image variable (X_1) on the Purchase Decision (Y) with a Beta value of 0.364 or a large influence of 36.4%
2. Product Price Variable (X_2) has a value of tcount (2.110) > ttable (1.96) and a significance level of 0.037 <0.05, so H0 is rejected. Therefore, it can be concluded that partially there is a significant effect of the Product Price (X_2) variable on the Purchase Decision (Y) with a Beta value of 0.278 or a large influence of 27.8%.

4.5 F Test

Table 5 F Test Result

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	469.824	2	234.912	28.448	.000[b]
	Residual	800.988	97	8.258		
	Total	1270.812	99			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Product Price, Brand Image

In Table 5 it can be seen that FCount is 28,448 with a significance level of 0.000. Therefore, in both calculations, namely FCount > FTable (28.448 > 3.09) and the significance level is 0.000 <0.05. This shows that H0 is rejected and Ha is accepted, which means that the independent variables consisting of Brand Image and Product Price together have a significant effect on the dependent variable, namely Purchase Decision.

4.6 Coefficient of Determination (R2)

The value of coefficient determination (R2) in this research can be seen in the Table 6 as follows:

Table 6 R Square Result

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.608[a]	.370	.357	2.87361

a. Predictors: (Constant), Product Price, Brand Image

b. Dependent Variable: Purchase Decision

Based on table 6, it is known that the R square value is 0608, so the coefficient of determination obtained is 0.608 x 100% = 60.8%. Shows that by using the regression model, the independent variables, namely Brand Image and Product Price, have an influence on the Purchase Decision variable of 60.8%. This proves that the Brand Image and Product Prices are in accordance with the coefficient interval. While the rest (100% - 60.8% = 39.2%) is explained by other unknown factors or variables and not included in the regression analysis in this research

5. Conclusion and Suggestion

5.1 Conclusion

Based on the results of research that has been done regarding the effect of Brand Image and Product Prices on Starbucks Coffee Purchase Decisions who make purchases and visit Starbucks Coffee outlets in Bandung City, several conclusions are obtained to answer several questions in this study. The conclusions obtained by the researchers are as follows:

1. Brand Image at Starbucks Coffee is in the very good category this is because Starbucks Coffee provides a very good image to consumers and visitors in running their business.
2. Product prices at Starbucks Coffee are in the good category, this is because Starbucks Coffee provides prices on products that are suitable for consumers and visitors in running their business with similar businesses.
3. Purchase decisions at Starbucks Coffee are in the good category, this is because Starbucks Coffee has succeeded in making consumers and visitors take appropriate decisions for their customers in running their business.
4. Brand Image on Starbucks Coffee partially affects purchasing decisions so that if the brand image is higher, it will increase purchasing decisions at Starbucks Coffee.
5. Product prices at Starbucks Coffee have an effect on purchasing decisions partially so that if the price of the product given is appropriate, it will increase purchasing decisions at Starbucks Coffee.
6. Brand Image and Product Prices have an effect on Purchase Decisions at Starbucks Coffee simultaneously by 60.8% and the remaining 39.2% is influenced by other variables that are not known and are not included in the regression analysis in this study.

5.2 Suggestion

Based on the analysis and discussion as well as the conclusions obtained, there are several suggestions submitted by the researcher to the parties involved in this study, including:

5.2.1 Practical Suggestion

In this practical aspect, the writer gives advice to Starbucks Coffee in Bandung which is expected to be taken into consideration in running their business. The following are practical goals that the author can present.

1. Starbucks Coffee managers in Bandung City should remain consistent in building the Starbucks Coffee brand image to consumers and their visitors so that they can increase and maintain consumer loyalty in purchasing and visiting Starbucks Coffee amid the many new coffee shops in Bandung such as maintaining quality services provided, creating campaigns that attract consumers and promotions that invite consumers to buy Starbucks Coffee products.
2. Starbucks Coffee Managers in Bandung should pay more attention to product prices with the quality of the products offered so that customers in making decisions can feel satisfaction in accordance with what has been issued.

5.2.2 Theoretical Suggestions

In this theoretical aspect, the author provides suggestions based on the results of research that has been done. In this theoretical aspect, it is hoped that it can contribute and benefit to develop research in the field of science, especially marketing science. The author suggests that for further research, it is hoped that researchers can develop further research by adding other variables to the study, to further expand existing research, and it is hoped that further research can use methods that the author has never used in this study. In this study, the author only uses two variables, namely the independent variable and the dependent variable and the author only examines one Starbucks Coffee in Bandung, without examining Starbucks Coffee in other cities. For this reason, it is hoped that researchers in future studies can research more broadly and improve previous research

in order to create and produce good research for the future, such as factors that can influence purchasing decisions by adding other independent variables such as consumer loyalty, customer satisfaction, and service quality.

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