

**The importance of a good relationship between brand
and customers in coffee shop industry**
Dissertation

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1. Chapter – 1

1.1. Introduction

There are several terms utilized for an establishment like café, coffeehouse, and coffee shops which are all fall under the categories of coffee and other beverages services providers with the variety of tastes offerings. A café/coffeehouse/coffee shop concentrates on serving coffee and tea together with small snacks, as the name implies. In 1645, the first coffeehouse ever opened its doors in Italy. Then, in 1652, the coffee-shop craze travelled farther afield to England (**Pongsiri, 2013**). Today, going to a coffee shop has become both necessary and customary. A variety of people, from businessmen and professionals to teenagers, frequent it. The costumers in the coffee shops not only obtain the satisfaction from the variety of coffee flavors but also the environment also satisfied them, and they feel comfortable. A coffee shop may offer features like cable TV, live music, and wireless hotspot access points that allow free internet connection for patrons who would like to use a laptop while having a cup of beverage to draw in more customers. As a result, there are numerous justifications for why people might want to go to a coffee shop. Some people use coffee as a means of maintaining their social lives. Another strategy to support one's identity and self-worth is to go to a coffee shop (**Said, 2012**).

Shopping malls are now carrying the better opportunities for the coffee shops. Therefore, various known brand are located in the famous shopping malls in the City of Semarang. In addition to many others, well-known brands include Starbucks, Peacock Coffee Gajah Mada, and many more. Every coffee-shop brand marketer needs a thorough understanding of consumer behavior as a basis for better strategic decisions regarding target market definition and product positioning, as well as better tactical decisions regarding specific marketing-mix actions, due to the Semarang coffee-shop market's rapid growth. Every marketer in the coffee industry should be able to create marketing campaigns that reflect the wants, needs, emotions, pictures, beliefs, perceptions, and opinions of the target audience.

According to the quote obtained from Kotler and Keller (2009), the brand value which made the brand popular is determined by the ability to monitor client preferences and adherence. A well-established brand always focuses on the enhancement of its market share (**O' Neill and Xiao, 2006**). When a brand is up

against the fierce competition in the market (like in the coffee shop industry), a strong brand identity that is simple for the customer to comprehend and experience will aid in building trust and eventually setting the brand apart from the competitors. A company (in this case, a coffee shop) must create a distinct and recognizable brand identity by making its brand attributes apparent and understandable to potential clients.

According to Project Café UK 2022, the UK's £4.4 billion (\$6 billion) branded coffee shop business expanded by 43% in the previous year, regaining 87 per cent of its pre-pandemic market value with more outlets than in 2019. In terms of outlets, the UK market returns to pre-pandemic levels after increasing by 3.5% to reach 9,540 stores. Significant short-to-medium-term problems for the sector include new Covid-19 variations, the projected reintroduction of VAT to 20 per cent, inflation, and acute staff shortages. By the end of 2023, the UK market for branded coffee shops is expected to surpass pre-pandemic sales, growing at a 5.8 per cent CAGR to reach £5.8 billion. By the end of 2026, the UK market will have more than 10,500 outlets, with a five-year CAGR for outlet growth of 2.1 per cent.

The scope of the coffee industry and variety of flavors are not only in demand in the UK economy, instead, the demand for coffee products is also spread across the whole globe including the regions of the Asia-Pacific area, such as Korea and Japan **(Friend, 2016)**. As a result, the variety of companies in the coffee chain sector has steadily increased. Starbucks and McCafé are the biggest and most scary brands, with 22,557 and 5044 locations operating globally, respectively. However, a sizable number of coffee chains are making every attempt to surpass these massive organizations, including Costa Coffee (3036 outlets), Doutor Coffee (1108 outlets), Coffee Bean and Tea Leaf (925 outlets), and Caffè Nero (683 outlets) **(Rompaey, 2016)**.

Experience now has a significant influence on consumers' purchasing decisions **(Hwang and Lee, 2019; Vanharanta et al., 2015)**. Promoting outstanding brand experiences is something brand marketers always push, which strengthens the brand's favorable interactions with consumers **(Gilmore and Pine, 2007; Kim**

and Han, 2020). "Subjective consumer responses that are generated by particular brand-related experiential features in such circumstances" is how brand experience is described (**Brakus et al., 2009, p. 53**).

The relevance of the brand and the consumer's experiences are interlinked with each other and the process includes various steps which encompass; how customers view a brand's packaging, service environment, and other aspects. Various factors have comprised the brand experience including sensory, affective, behavioural, and intellectual. All these approaches and dimensions are considered essential in order to analyze and understand the different stages of brand experience and also the effect on the behaviour and choices of consumers (**Chan and Tung, 2019; Zarantonello and Schmitt, 2010**). The study and the analysis by several researchers and brands indicate that brand experience affects the memory of consumers which also plays a significant role in brand satisfaction (**Han et al., 2019; Hwang and Hyun, 2012**).

1.2. Aim of the research

The aim of the research is to investigate the essentialness of importance of a good relationship between brands and customers in the coffee shop industry.

1.3. Prevalence of the research

This study explores the relationship between perceptions of customer personality traits and consumer happiness, brand identification and involvement, and the emergence of brand loyalty. In order to explain these impacts as they apply to coffee shop companies and to further explore the connections between consumers and brands, social identity theory was utilized. Customer personality factors showed a significant influence on customer happiness and CBI, according to the verified model, which was tested on a survey sample of 743 consumers.

2. Chapter - 2

2.1. Literature review

The coffee industry has been prevailing in the UK for a long period of time, but today the industry has achieved a lot of success and has become the most profitable business in the category of food and beverages (F&B). Approximately, the profits earned from brews and coffees have reached the point of highest-ranking business with profits of 18\$ billion in 2014, especially from the products of the coffee industry. The coffee industry today offered a wide range of flavors and products according to the preferences of consumers which include iced coffee, frozen coffee beverages, cappuccino, cafe mocha, latte mocha, and espresso **(Brown, 2015)**, all these products have generated the total sales of 8% in that aggregate. This rate of sales and profits is increasing constantly increasing at a rate of 20% per annum **(Freidlin, 2014)**.

Coffee shops have therefore seen a significant increase in both their volumes and revenues. Coffee shops are those businesses that normally provide specialty coffee drinks along with various F&B goods for consumption either on-premises or for takeout. According to Euromonitor International data, the industry outperformed leading industries' global sales by a significant margin, surpassing the hospitality sectors and the fast-food branch by 5.7 percent and 5.8 percent, respectively, with an impressive turnover rate of 9.1 percent between 2014 and 2015 (Rompaey, 2016).

Surprisingly, the chain coffee shop sector has had explosive expansion that has mostly remained consistent across the globe, facing both highly developed and growing market regions. However, the Asia Pacific region, a highly promising new market, has projected to be the home of the largest sales increase in the chain coffee shop industry, expecting to gain more than \$3.7 billion over the same period. North America and Western Europe, regions are typically known for their long histories of successful coffee shop businesses, are forecast to achieve totals of \$3.3 billion and \$1.7 billion, respectively **(Friend, 2016)**.

The coffee industry's basic concept behind the success of the business is the focus on the experience centred. Customers like brands that offer them a remarkable experience **(Zarantonello and Schmitt, 2010)**. For instance, gamification powered by technology attracts more attention to strengthen client engagement

to reach a high level of brand loyalty in the travel industry (**Abou-Shouk and Soliman, 2021**). Brands that provide enhanced customer experiences consequently increase sales and customer loyalty. Similar to how business owners prioritize providing an exceptional brand experience (Gilmore and Pine, 2007; Han et al., 2019), organizations market a variety of experiences that come from different types of sensory and mental stimulation in an effort to draw in more customers (**Vanharanta et al., 2015**). Particularly, professionals stay current with developing technologies in the coffee shop sector (**Han et al., 2018; Sung and Jeon, 2020**). The brand experience of a traditional coffee shop is enhanced by the contemporary environment of technology-driven coffeehouses.

The competition in the coffee industry has become so intense with various levels of competitors involved in the industry. Therefore, the industrialists are now focusing on the improvement of enhancing the relationships with consumers to attract more loyal consumers. The recent and prevailing example of loyalty can be viewed in Starbucks which is known for its varied products and different tastes fulfilling the needs and preferences of loyal consumers. In the 2015 "Temkin Loyalty Index," it was placed 23rd out of 293 companies and 5th out of 22 fast-food chains, just behind Chick-fil-A, Popeye's Louisiana Kitchen, Panera Bread, and Papa John's (**Temkin, 2015**). Every company wants to build connections with customers to bring more loyal consumers and more initiatives have been taken by the companies to enhance their mechanisms. Its loyalty rewards program, which has more than 3 million US members and accounts for 35% of all store sales, is one of its loyalty efforts (**Matherson, 2013**). twenty million Since its introduction in 2002, pumpkin spice lattes have become a seasonal staple at Starbucks. Additionally, Starbucks deliberately purchased La Boulange, Evolution Fresh, and Teavana to offer its customers all-day options. Starbucks' mobile loyalty and payments app produced \$1 billion in revenue in 2013, with 5 million transactions and 10 million weekly sign-ups.

2.2. Aspects of the thinking process

The term cognition is used for the purpose of assessing the process of thinking which can be a beneficial factor to attract more loyal consumers. Various aspects like awareness, perception, reasoning and judgment

also play a significant part in the thinking process, which is discovered, by perception, logic, or intuition (**Brandimonte et al., 2006, p.3**). In relation to the process of branding, cognition factors can be referred to as the consumer's awareness and knowledge of the brand, consumers' preferences, and tastes, and last but not least their behaviour towards the brand is satisfactory or they are liking it. Thus, in this study, the four essential elements under the heading of cognitive drivers are brand awareness, brand image, perceived quality, and perceived value.

1. Recognition of the brand

In terms of brand recognition, the term brand awareness can be elaborated as the mechanism comprised by the consumers being able to identify the products or particularly consumers' knowledge about the specific product of the brand (**Homburg et al., 2010**). Brand awareness is further classified into two categories which are specifically recalled by the name of brand recall and brand recognition. While the former examines how well consumers can recall a brand when its product category, category demands, or specific indicators are mentioned, the latter focuses on how well consumers can confirm earlier experiences with a brand when that brand is used as a cue (Keller, 1993). Unquestionably, brand awareness is crucial in influencing consumers' purchasing decisions. First, it was discovered that there is a connection between increased brand recognition and the likelihood that the product will end up in the consumer's evoked set (Baker et al., 1986). Additionally, it plays a crucial part in the assortment of brands luring customers during their decision process (**Lin, 2013**). For instance, it was found that buyers often only purchase well-known and trusted brands (Roselius, 1971).

2. Anticipated competence

In relation to the branding and experience of the services industry, another factor that plays a major part is known as perceived quality. It can be defined as the customer's "overall assessment of a particular service firm that is the outcome of contrasting that firm's performance with the customer's expectations of how firms in that industry should perform" (**Parasuraman et al., 1988, p.17**). The assessment of the perceived quality is made by comparing the expectations and the performance. When the expectations are higher as

compared to performances, the quality perceived is in low form, while it will be the result of consumers' dissatisfaction (Lewis and Mitchell, 1990). Customers are likely to rate the quality of the service on a scale of how much their service experience made them happy, according to Jiang and Wang (2006). Additionally, unlike actual items, services are produced and consumed in real-time when the customer and the service provider are present. Consequently, consumers' opinions of service quality can be greatly influenced by the attitudes and behaviors of contact staff (Schneider and Bowen, 1985). According to Taylor and Hunter's (2002) hypothesis, high levels of perceived quality result in positive outcomes such as satisfied customers, successful marketing campaigns, and devoted customers who make repeat purchases and/or spread good word of mouth.

3. Brand image

The third factor with pertinent relevance in the field of branding and consumer experience is the brand image. It can be elaborated as the consumer understanding and evaluation of the brand and it takes place in the consumer's mind (Dobni and Zinkhan, 1990). It can also be defined as the consumer group of perceptions of the brand which can be subjective or objective. Consequently, it can be described as "the rational or emotional associations customers have with particular brands" (Low and Lamb, 2000, p. 352). Oliver (1997) and Han and Ryu (2012) both stressed the unique value of brand image for service-oriented businesses because, when customers utilize services, they form an opinion of the company and its resources based on their experience with the service providers. Most of the time, as clients observe the many components of a company, they construct an impression of that brand from which their perceptions are derived. The quality of the service is what largely develops the reputation of that specific brand because it appears that service is the most salient phenomenon that customers may experience and perceive.

4. Brand Contentment

In terms of brand contentment, perceived value determines the value of satisfaction provided to the consumers according to the consideration of the consumers. The factors that play a role in this category are termed the price varied and the quality of the product. According to Monroe (2002), perceived value is determined by the advantages derived from the service or goods in comparison to the perceived cost of

doing so (perceived cost). While a consumer's perceived quality and other extrinsic and intrinsic aspects are included in perceived value, perceived costs include both monetary and non-monetary charges because both are important to customers (Zeithaml, 1988). Perceived value is described in the service sector as the consumer's total assessment of the financial, technological, and interpersonal benefits they obtain in exchange for the payment charge in comparison to the company's alternative competitors. The perceived value, rather than the degree of enjoyment, is surprisingly what mainly stimulates buyers to make additional purchases (Han et al., 2011). In a similar vein, Wathne et al. (2001) claimed that perceptions of worth encourage patronage intentions to continue and deter switching actions.

2.3.Brand contentment, relationship quality, and brand loyalty relationships

There has been a strong relationship observed among the various aspects including brand satisfaction and relationship commitment (**Chumpitaz Caceres and Paparoidamis, 2007; Jeong and Oh, 2017; Sung and Choi, 2010**). First, when consumers are typically delighted with a brand, they experience continual devotion to it and become significantly dependent on it (**Hess and Story, 2005; Lee et al., 2007; Ranaweera and Menon, 2013**). The ongoing commitment is upheld to give consumers advantages including decreased perceived risks and lower search costs. Additionally, a high degree of satisfaction results in a high level of trust from the customer, fostering a link that encourages commitment, also known as effective commitment (Hess and Story, 2005). Compared to continuation commitment, this trust-based commitment may take longer to form, but it will likely last longer because switching brands would require customers to give up some emotional rewards. In conclusion, if customers are happy with a coffee brand's results, they may become functionally devoted to it (e.g., service quality, facilities). However, they will create an emotional attachment to a brand if they continuously feel content with it, believe in it, and feel personally attached to it (for example, if the brand's personality closely resembles their own).

3. Chapter – 3

3.1. Research method

3.1.1. Establishment of measurements and questionnaires

The data method adopted in this investigation into the essentialness of the coffee industry connection between the brand and the consumers. The survey questionnaire had three sections (i.e., research description, questions for study constructs, and personal characteristics). From earlier research in the areas of consumer behavior and marketing, validated measures for survey items were created (**Kim and Kim, 2004, 2005; Morgan and Hunt, 1994; Oh, 2000; Oliver, 1980; Han and Ryu, 2012; Oliver and Swan, 1989; Song et al., 2012**). Particularly, the emphasis in the investigation is made on brand awareness and the assessment was made with the assistance of the five factors obtained from the other research (For instance, "Starbucks' food and beverage quality are good").

There is also another research assistance obtained from the study made by Kim (2005), seven factors were obtained from the study to assess the construct of perceived quality (e.g., "The beverage and food quality of Starbucks is good"). In order to assess the Brand image and representation, five aspects were obtained from the study made by Han and Ryu "Starbucks has a differentiated image from other brand coffee shops," for instance. The three items were utilized in the evaluation of the perceived value which is obtained from the study made by OH "Starbucks has a larger economic worth than other brand coffee shops," for instance.

Arousal included four items (example: "I have felt an "excited" emotion in the Starbucks") while pleasure included four items (example: "I have felt a "happy" feeling in the Starbucks"). These questionnaire questions were taken from Song et al (2012). The construct of brand satisfaction was measured using three items from Oliver (1980) and Oliver and Swan (1989) (e.g., "Overall I am satisfied with visiting the Starbucks"). Relationship commitment was operationalized based on three criteria that Morgan and Hunt adopted. (For instance, "I am really committed to Starbucks") Four items taken from Han & Ryu (2012) and Song et al. (2012) were used to measure brand loyalty, such as "I will continue to visit the Starbucks, even if the price is little expensive." A five-point Likert scale was used to evaluate all of the measurement items (1 being strongly disagree and 5 being strongly agree).

The assessment of the validity questionnaire survey was made by utilizing the double translation rule. The method is adopted due to the significance and essentialness of the mechanism. In particular, as data collection for Korean was intended, the survey items in the English version of the questionnaire were first produced in English and then translated into Korean by a professional translator who is fluent in English and Korean. The questionnaires in Korean and English were then compared by a second bilingual expert translation to make sure there were no discrepancies. Some survey items were changed during the process, albeit there was little to no translation bias.

3.2. Acquisition of data

The current study's data collection was carried out in Korea between April 15 and May 15 of 2015 in a well-known shopping area of a major metropolis. The shopping district is well-known for its abundance of shops, eateries, and name-brand coffee shops. The region may be seen as a complex cultural hub that serves as a gathering place for a large number of people. Thus, as the retail areas are typically crowded with a sizable consumer group of name-brand coffee shops, the field survey for this research should be carried out there. Because it is one of the most well-known coffee shop chains where people conduct numerous meetings and activities, Starbucks was selected as the study's subject.

3.3. Data on the population

Estimated 40.4% ($n = 153$) of the 379 survey respondents were men, 58.8% ($n = 223$) were women, and 0.8% ($n = 3$) were other. The vast majority of poll respondents have some college or university education, either as graduates or students. In particular, 54.4 percent said they were graduates or students from a university; 18.5 percent said they were graduates or students from a 2-year institution, and 15.0 percent said they had a graduate degree or were enrolled in graduate school. Approximately 57.3 percent of survey participants ($n = 217$) stated that they were under 30 years old.

Table 1
The measurement model assessment.

Measurement items	Factor loading	Mean	SD	CR	AVE	Alpha
Brand awareness 1	0.681	3.248	0.750	0.839	0.512	0.799
Brand awareness 2	0.816					
Brand awareness 3	0.719					
Brand awareness 4	0.715					
Brand awareness 5	0.633					
Perceived quality 1	0.696	3.475	0.607	0.879	0.511	0.873
Perceived quality 2	0.692					
Perceived quality 3	0.746					
Perceived quality 4	0.718					
Perceived quality 5	0.689					
Perceived quality 6	0.742					
Perceived quality 7	0.717					
Brand Image 1	0.761	3.618	0.598	0.837	0.508	0.771
Brand Image 2	0.729					
Brand Image 3	0.665					
Brand Image 4	0.694					
Brand Image 5	0.710					
Perceived value 1	0.731	2.817	0.750	0.801	0.575	0.797
Perceived value 2	0.842					
Perceived value 3	0.693					
Pleasure 1	0.814	3.170	0.733	0.896	0.683	0.894
Pleasure 2	0.776					
Pleasure 3	0.887					
Pleasure 4	0.825					
Arousal 1	0.806	2.435	0.797	0.887	0.663	0.887
Arousal 2	0.789					
Arousal 3	0.788					
Arousal 4	0.872					
Brand satisfaction 1	0.821	3.245	0.735	0.866	0.684	0.865
Brand satisfaction 2	0.852					
Brand satisfaction 3	0.807					
Relationship commit.1	0.781	2.637	0.735	0.855	0.663	0.857
Relationship commit.2	0.839					
Relationship commit.3	0.822					
Brand loyalty 1	0.840	3.263	0.832	0.897	0.686	0.895
Brand loyalty 2	0.806					
Brand loyalty 3	0.806					
Brand loyalty 4	0.860					

Note1. Goodness-of-fit statistics for the measurement model: $\chi^2 = 1346.736$, $df = 626$, $p < 0.001$, $\chi^2/df = 2.151$, RMSEA = 0.055, CFI = 0.919, IFI = 0.920, TLI = 0.909.

Note2. All standardized loadings were significant ($p < 0.01$).

Note3. All measures were evaluated with a five-point scale from “Strongly disagree” (1) to “Strongly agree” (5).

4. Chapter – 4

4.1.Results

Results of the study are discussed by selecting the various types of models;

4.2.. Validating measurement model

Firstly, the confirmatory factor analysis was utilized to assess the results, and then the maximum likelihood estimation mechanism is followed. The results demonstrated that the goodness-of-fit statistics was adequate ($\chi^2 = 1346.736$, $df = 626$, $p < 0.001$, $\chi^2 / df = 2.151$, $RMSEA = 0.055$, $CFI = 0.919$, $IFI = 0.920$, $TLI = 0.909$). The results from the measurement model are represented in Table 1. Each measurement item was loaded to its corresponding latent factor sufficiently and meaningfully ($p < 0.01$). The composite dependability values were well above the minimum requirement of 0.60, ranging from 0.801 to 0.897. Additionally, Cronbach alpha values between 0.771 and 0.895 were higher than the recommended cutoff point of 0.70. (Hair et al., 1998). Therefore, it was clear that the measurement items for each construct were internally consistent. The calculation of average variance extracted (AVE) was then performed in order to determine convergent validity. The estimated values were greater above the advised threshold of 0.50, ranging from 0.508 to 0.686. (Hair et al., 1998). Convergent validity was therefore validated. These values exceeded the square of the between-construct correlations as well. Thus, discriminatory validity was established.

4.3.Simulation with structural equations

Another evaluation model is adopted in this investigation known as the structural equation. According to the findings of the study, the data is suitable for the adopted model ($\chi^2 = 1823.302$, $df = 646$, $p < 0.001$, $\chi^2 / df = 2.822$, $RMSEA = 0.069$, $CFI = 0.868$, $IFI = 0.869$, $TLI = 0.856$). Particularly, the value of χ^2 / df (2.882) comes within the limit of acceptability within the range 2.00 to 5.00. There were other goodness-of-fit indices that were higher than the 0.80 liberal limits (Bollen and Long, 1993). Table 2 presents specifics of the conclusions from the structural model assessment. About 80.2% of the overall variance in brand loyalty was accounted for by the suggested theoretical framework, which includes 8 predictors. Additionally, the model adequately described the variation in brand satisfaction (70.3%) and relationship

commitment (69.3 per cent) (64.3 per cent). Additionally, the cognitive antecedents were responsible for 69.0% and 35.60%, respectively, of the overall variation in pleasure and arousal.

The findings of the assessment models evaluate the relationships between brand loyalty, relationship commitment, and brand contentment. According to the results, relationship commitment is immensely impacted by brand satisfaction, Brand satisfaction had a favourable and significant relationship with brand loyalty as well as relationship commitment.

5. Chapter – 5

5.1.Discussion

The study was conducted, and the analysis was evaluated to assess the connection between various drivers of cognitive aspects by putting forth and testing a reliable theoretical model in the context of a chain coffee shop, we can better understand brand attributes (such as brand awareness, perceived quality, brand image, and perceived value), affective factors (such as pleasure and arousal), brand satisfaction, relationship commitment, and brand loyalty. For this purpose, the methodology method known as the quantitative data is utilized to obtain the final understanding. The empirical findings showed that cognitive drivers generally played a significant role in eliciting pleasure and arousal; these affective factors serve as important drivers of brand satisfaction, relationship commitment, and brand loyalty; affective dimensions, satisfaction, and commitment included a mediating impact; and brand satisfaction along with pleasure are particularly crucial in fostering customers' brand loyalty at chain coffee shops according to our theoretic framework. In conclusion, the suggested study framework successfully explained the overall variation in brand loyalty, and the model's hypothesized correlations were generally supported.

Table 2
The structural model assessment.

Hypothesized relationships				Standardized estimates	t-values
H1	Brand awareness	→	Pleasure	0.303	5.129 ^{**}
H2	Brand awareness	→	Arousal	0.146	2.041 [*]
H3	Perceived quality	→	Pleasure	0.185	2.113 [*]
H4	Perceived quality	→	Arousal	0.063	0.558
H5	Brand image	→	Pleasure	0.194	1.971 [*]
H6	Brand image	→	Arousal	0.094	0.750
H7	Perceived value	→	Pleasure	0.350	5.924 ^{**}
H8	Perceived value	→	Arousal	0.409	5.478 ^{**}
H9	Pleasure	→	Brand satisfaction	0.735	10.803 ^{**}
H10	Arousal	→	Brand satisfaction	0.123	2.256 [*]
H11	Brand satisfaction	→	Relationship commit.	0.833	13.755 ^{**}
H12	Brand satisfaction	→	Brand loyalty	0.592	6.866 ^{**}
H13	Relationship commit.	→	Brand loyalty	0.341	3.968 ^{**}
Total impact on brand loyalty:		Total variance explained:		Indirect impact:	
$\beta_{\text{Relationship commit.}} = 0.341$		R^2 for BL = 0.802		$\beta_{\text{BS-RC-BL}} = 0.284**$	
$\beta_{\text{Brand satisfaction}} = 0.875$		R^2 for RC = 0.693		$\beta_{\text{P-BS-RC}} = 0.612**$	
$\beta_{\text{Pleasure}} = 0.643$		R^2 for BS = 0.643		$\beta_{\text{A-BS-RC}} = 0.102$	
$\beta_{\text{Arousal}} = 0.108$		R^2 for P = .690		$\beta_{\text{P-BS-RC-BL}} = 0.643**$	
$\beta_{\text{Brand awareness}} = 0.211$		R^2 for A = 0.356		$\beta_{\text{A-BS-RC-BL}} = 0.108$	
$\beta_{\text{Perceived quality}} = 0.126$				$\beta_{\text{BA-PRA-BS}} = 0.241*$	
$\beta_{\text{Brand image}} = 0.135$				$\beta_{\text{PQ-PRA-BS}} = 0.144$	
$\beta_{\text{Perceived value}} = 0.269$				$\beta_{\text{BI-PRA-BS}} = 0.155$	
				$\beta_{\text{PV-PRA-BS}} = 0.307*$	
				$\beta_{\text{BA-PRA-BS-RC-BL}} = 0.211*$	
				$\beta_{\text{PQ-PRA-BS-RC-BL}} = 0.126$	
				$\beta_{\text{BI-PRA-BS-RC-BL}} = 0.135$	
				$\beta_{\text{PV-PRA-BS-RC-BL}} = 0.269*$	

Goodness-of-fit statistics for the structural model: $\chi^2 = 1823.302$, $df = 646$, $p < 0.001$, $\chi^2/df = 2.822$, RMSEA = 0.069, CFI = 0.868, IFI = 0.869, TLI = 0.856.

Note. BA = brand awareness, PQ = perceived quality, BI = brand image, PV = perceived value, P = pleasure, A = arousal, BS = brand satisfaction, RC = relationship commitment, BL = brand loyalty.

* $p < 0.05$.

** $p < 0.01$.

The main challenge faced by the coffee industry in the various regions of the UK in the most competitive and dynamic environment is known as brand loyalty. The creation of customer loyalty to a particular chain coffee shop brand hasn't been studied enough, though. This study was intended to fill that gap in the existing literature on hospitality. The proposed conceptual framework, which included several cognitive drivers, affective factors, satisfaction, and commitment components, received full approval, and it was precisely stated what role each of these variables had in the model. The proposed theoretical framework adequately explained how brand loyalty is generated in customers and had a significant explanatory power for it. The

empirical findings would be helpful for future research about customers' decision-making processes and pre-/post-purchase behaviors for a coffee house product because the theoretical foundation for understanding the nature of coffee shop patrons' purchasing behaviors is still in the early stages of development. The results of this study have theoretical significance and could be very helpful to the hotel industry. This study's research context was a specific chain coffee shop; however, the findings might be applicable to other chain coffee shop enterprises.

There is a strong connection observed by the investigation and the analysis also revealed support the evidence that perceived quality, brand awareness, brand image, and perceived value are closely interlinked with satisfaction. The key causes of arousal were perceived value and brand awareness. These findings are consistent with earlier research on consumer behaviour and marketing that showed a substantial connection between cognition and affect in a variety of circumstances (Frank et al., 2014; Han et al., 2011; Oliver, 1999). Additionally, the findings showed that brand knowledge and perceived value are particularly crucial since they serve as both essential indirect contributors to the development of brand loyalty as well as direct triggers of pleasure and arousal. Given these significant findings, chain coffee shop operators should think about taking a variety of actions to raise brand recognition and perceived value among consumers in order to improve the quality of customers' affective/emotional experiences at a coffee shop and foster brand loyalty. The loyalty and the awareness of the brand in the coffee industry could be enhanced through routine feedback from the consumers with multiple and consumer desired promotional efforts which can be achieved through direct mail, and direct digital marketing. Establishing innovative menu updates that can encourage customers to frequent the coffee shop could also increase brand awareness. According to **Huang and Sarigöllü (2012)**, adding limited-edition drinks and desserts to the menu will promote brand experience, which would lead to a rise in brand recognition. Chain coffee shop operators should consider all viable options for enhancing brand experience when planning brand awareness, such as utilizing regionally accessible food components. Additionally, consumers frequently compare perceived benefits (i.e., a company's actual and enhanced products and services) and perceived sacrifices (i.e., money and time

spent) to arrive at their perception of value (Zeithaml, 1988). To obtain consumer satisfaction and loyalty of the consumers, coffee industrialists should enhance the quality of their products. Pricing must consider both quality and factors that customers of coffee shops value. To help customers of chain coffee shops form a favorable value perception, it is crucial to consider the aroma, flavor, menu diversity, nutritional content, presentation, and freshness of beverages and desserts as well as employment services and the physical environment. Operators of chain coffee shops should frequently send their customers personalized messages as a way of saying thank you, such as birthday cards and holiday greetings. Creating favorable cognitive evaluations, which have been recognized as important precursors of pleasure and arousal, should undoubtedly be linked to the efforts of establishing brand recognition and perceived value for a chain coffee shop.

To obtain the consumers purchasing preferences and intentions as well as the behavior choices with reference to the marketing, the most essential factor contributing to this regard is satisfaction (**Brunner et al., 2008; Oliver, 1997**). The investigation, as well as the analysis, contributed significantly to promoting brand satisfaction and evaluating the loyalty of consumers in relation to the coffee brand or product. Brand satisfaction is more important than other research variables and significantly influences customers' commitment to and loyalty toward the brand. Chain coffee shop operators must invest various monetary and non-monetary resources in boosting customers' satisfactory experiences while consuming their products in recognition of the crucial function of brand satisfaction for the attainment of brand loyalty. The results of this study showed that brand awareness, perceived quality, perceived brand image, and perceived value all serve as major predictors of customers' enjoyable experiences. Perceived value, out of the four factors, was the main factor in determining how happy customers were at chain coffee shops. Increasing the chain coffee shop's value enhances the enjoyment of its customers, which in turn boosts customer satisfaction. As customers and rivals constantly change, it is a constant effort to understand what adds value to customers of coffee shops. Therefore, it is important to periodically do market research to find out which precise aspects of value customers enjoy when they visit a chain coffee shop.

According to the results of the study, it becomes obvious that both the elements of happiness and arousal experiences observed in consumers have a significant impact on brand satisfaction. The effectiveness of both the elements is significant however, the factor that actively engaged with the various other elements is pleasure or happiness. The proportional importance of pleasure in enhancing brand loyalty among the study variables in our research paradigm was also significant. Clearly, two emotional aspects should be regarded differently to better understand how brand loyalty is generated among customers of chain coffee shops. Essentially, one of the essential elements for the success of chain coffee shop operations is to evoke the pleasant experiences of customers. Advertising efforts may undoubtedly aid in building brand awareness and image. But the truth is that consumers learn about a brand through a variety of touchpoints, such as external stimuli (such as advertising and word-of-mouth recommendations) and first-hand brand experience. It is the general observation of the investigation that when the actual performance of the external factors becomes less than the expected value, it will result in consumers' disappointment or unhappiness. Operators of chain coffee shops must therefore take great care to manage every touch point. The intangible market offerings are more significant than the actual ones in experiencing consuming environments like coffee shops (**Yuan and Wu, 2008**). Customers typically visit coffee shops and enjoy their time there, including the ambience and coffee. As a result, spending money on a welcoming atmosphere and high-quality coffee as well as offering efficient staff training are crucial initiatives for chain coffee shop owners.

As a mediator, the essentialness of the influential and affective factors or variables was studied in this investigation, and the indirect influence of the investigated variables known as brand satisfaction, and relationship commitment provides a clear explanation of their essentialness. Specifically, these factors strongly moderated the impact of their direct antecedent(s) on the result variable (s). This outcome is consistent with previous research that supports the moderating role of these constructs (e.g., Han et al., 2011; Morgan and Hunt, 1994). Through these mediators, cognitive factors (brand awareness and perceived value) significantly increase brand loyalty; pleasure significantly increases brand loyalty through satisfaction and commitment; and satisfaction, in addition to its direct contribution, additionally indirectly

increases brand loyalty through commitment. Through the utilization of these variables as intermediaries especially when there is an involvement of intellectual, influential facets, the crucialness of studying the facets of the multiple coffee shops and houses consumers' decision-making processes, post-purchase behaviours, and loyalty-generation processes become more relative.

6. Chapter – 6

6.1.Conclusion

The essentialness of the various factors, cognitive drivers, brand satisfaction, and their interconnection is analyzed in the investigation. The study declares that various facets play a major role in determining and obtaining the loyalty of diversified consumers in the coffee shop industry. Especially for the establishment and promotion of the brand in the coffee industry, the essentialness of customer loyalty is substantial, and it is the sole factor that holds the benefit of keeping the consumers satisfied and content with fulfilling their taste preferences and providing the expected value. There are also various subsequent variables associated with brand loyalty that have a significant impact on brand recognition and loyalty generation. These factors include satisfaction and contentment provided to the consumers, which are indirectly influenced by the pleasure, and this is the factor that determines the commitment of consumers to the brand. Chain coffee shops in well-known shopping areas and various brands were the subjects of a field assessment. A structural equation analysis was used to assess the suggested model. The findings showed that cognitive and affective components were often highly associated with one another. These relationships, along with brand satisfaction and relationship commitment, had a considerable impact on brand loyalty, with brand satisfaction serving as the main driver. Additionally, the mediating function of the study variables was found. Overall, brand loyalty could be explained adequately by the presented theoretical framework. Findings can be usefully applied to improve customer loyalty in the absence of a study on the purchase habits of coffee shop patrons.

The study provides recommendations for anyone interested in researching consumer loyalty in the coffee shop business in addition to the conclusions we have drawn from this research. First off, since only

Starbucks provided the data for the study, caution should be taken when extrapolating its findings to other coffee shop chains. Future studies should target a variety of populations, notably those who frequent various coffee shop chains. To provide contrasting outcomes, it would be interesting to test the theoretical model in various coffee shop chains. To enhance the understanding and role of the links with the consumers, the investigation of targeted segments could be of better use in determining consumer loyalty.

6.2. References

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