THE IMPACT OF BRAND IMAGE ON CUSTOMER SATISFACTION : A STUDY OF MAXX COFFEE IN SURABAYA

Verina Wijaya

Faculty of Tourism, Hotel and Tourism Business Department
Universitas Ciputra, Indonesia
email : verina.wijaya@ciputra.ac.id

Abstract. Today, since products and services are so easily replicable, companies face a challenge to differentiate themselves to compete in the market. One of the most effective ways to create difference in the market is by creating a strong brand. A strong brand image is intangible asset for companies that are difficult to imitate. This study examines the relationship between brand image and customer satisfaction. A hundred customers were used as the research sample, and the data was extracted using online questionnaires distributed to Maxx Coffee customers within Surabaya area. The data was then be analyzed with Linear Regression and be processed using SPSS 20.0. The result indicated that brand image positively affect customer satisfaction at Maxx Coffee brands in Surabaya. However, the results imply that brand image has only little contribution to customer satisfaction.

Keywords : brand image; customer satisfaction; coffeehouse

I. INTRODUCTION

Maxx Coffee, established since 2015, is an original coffee shop chain from Indonesia. Maxx Coffee is a new brand, but is growing fast. It has opened 70 shops in Indonesia, and has five outlets in Surabaya. The rapid growth of coffeehouse retailers in Indonesia is affected by the modern lifestyle in society. In 2014, the numbers of registered coffeehouses in Indonesia reached 200 entrepreneurs compared to 100 entrepreneurs in the previous year (Global Business Guide Indonesia, 2014). However, there is no exact data regarding the amount of the coffeehouse in Surabaya.

In the current development, the theory of customer satisfaction considered as a key to marketing concept. Some researchers believe that customers' satisfaction could drive a business to the success (Bennett and Rundle-Thiele, 2004). According to Kotler and Keller (2009), satisfaction is the summary feeling resulted from comparing a product performance to the expectation. A customer will be satisfied if the performance matches expectation. On the other side, a customer will be dissatisfied if the performance fails to meet expectation. Martisiute et al. (2010) theorized that the success of a company does not only depend on the ability to attract new customers. Retaining satisfied customers is beneficial because it needs less cost than to attract the new ones. One of the important strategies to achieve customer satisfaction is branding strategy.

A study conducted by Chang & Chieng (2006) is consistent with Davis, Oliver, & Brodie (2000), which states that branding plays an important role in a company because it is connecting the customers and suppliers. Marketing academics and practitioners have acknowledged that nowadays, customers are no longer buy products or services to fulfill their

functional need, but instead purchase the emotional experiences around it (Morrison and Crane, 2007; Zarantonello and Schmitt, 2010).

According to Low & Lamb (2000), brand image helps company in predicting customer experience. Customers' perception regarding the image of a brand will determine the shaping of brand expectation and thus, the experience will be shaped based on this expectation. The higher the expectation is, the experience is harder to be deemed satisfactory. However, should the men behind the brand succeed in delivering the experience, the customers' perception of the experience will be better.

This study provides both theoretical and practical contribution. For theoretical perspective, this study seeks to develop a conceptual framework of brand image on customer satisfaction. While for practical perspectives, this could be a contribution for marketers and practitioners to understand their customers more accurately.

II. LITERATURE REVIEW

Brand Image

Aaker (1997) defined brand image as the perception about a specific brand that can be remembered by the public. Saleem and Raja (2014) explained brand image as certain characteristics of product or service that stayed in customer mind. In a simple word, when the customers assess a brand name, they spontaneously think some attributes of its product or service. According to Kotler and Keller (2012), brand image is a good impression of a brand. A unique advantage, good reputation, trustworthy and willingness to provide the best service could create a positive brand image. A company with a favorable image, definitely would gain a better position in the market, (Park, Jaworski, & MacInnis, 1986). Therefore, measuring brand image is an important part because it would help marketers to identify the customers' perceptions toward their product or service.

Customer Satisfaction

Satisfaction is the customer's evaluation after comparing the performance of a product or service with their expectations (Zeithaml dan Bitner, 2003). The evaluation is then used by the customers as a reference in future buying decisions. A satisfied customer might tend to buy the same product or service from the same brand and not search for other alternatives. In contrast, a dissatisfied customer might look for other alternatives from other brand (Blackwell, et al., 2012).

Measuring customer satisfaction can be used for several purposes : 1) to determine customers' needs, desires requirements, and expectations; 2) to improve the quality of product or service according to the customer's expectations; 3) to develop a work plan in the future. Therefore, the literature assumes that customer satisfaction is something that can not be underestimated for granted.

Brand Image and Customer Satisfaction

Many scholars have confirmed that brand image would be an important antecedent of customer satisfaction and loyalty (Wu, 2011). Marketing literature and empirical supports have confirmed that image does influence satisfaction positively (Yu, Chin, and Hsiao, 2011; Zeithaml *et al.*, 2006). However, the relationship between brand image and customer satisfaction still should be reviewed and tested for a more complete validation. Accordingly, this study had following research hypothesis :
Hypothesis (H1) : Brand image has a positive impact on customer satisfaction.

Based on review of literature, this study proposes a theoretical framework. Figure 1 below depicts the research framework used in this study.
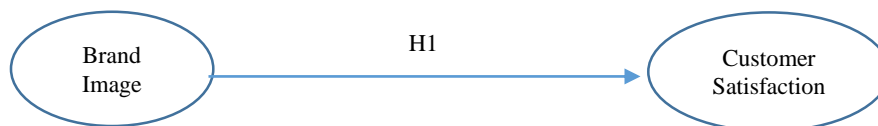
Figure 1.
Research Framework

III. RESEARCH METHODS

This study employs a quantitative research method. The respondents of this study are the customers of Maxx Coffee in Surabaya city, East Java province, Indonesia. A total number of 100 questionnaires were distributed via an online survey. Ferdinand (2006) suggests in a study where the number of population is unknown, there should be at least 100-200 samples. These respondents are recruited due to the availability and ease of cooperation towards this study.

The criteria in selecting the respondents are their age and their buying experience. Respondents have to be at least 17 years old or above, because at this age, they have been considered to be mature enough to fill the questionnaires. Respondents are required to have a buying experience in Maxx Coffee within Surabaya area during the past three months to ensure that they still remembered their experience.

The questionnaire consists of demographic information, brand image, and customer satisfaction. A 5-point Likert-type scale were used to measure the impact between variables. In addition, demographic information included: gender, age, and occupation were designed to gather information about the respondents. This study uses Linear Regression with SPSS 20.0 approach to process the data.

IV. DATA ANALYSIS AND DISCUSSION

Summary of Findings

Table 1 below showed the profile of a hundred respondents. According to the data, from the 100 respondents, 52 (52%) respondents were male and 48 (48%) were female. Majority of them were found to be students (53%) in the aged group of between 17-22 years old (45%). More than half (52%) of the respondents are getting the information about Maxx Coffee brand from their friends.

Table 1. Profile of Respondents

Variable	Frequency	%
Gender		
Male	52	52.0
Female	48	48.0
Age		
17-22 years old	45	45.0
23-28 years old	9	9.0
29-34 years old	14	14.0
35-40 years old	21	21.0
>40 years old	11	11.0
Job		
Student	53	53.0
Employee (Public/Private)	10	10.0
Entrepreneur	28	28.0
Others	9	9.0
Source of Information		
Friends	52	52.0
Family/Relatives	8	8.0
Social Media	8	8.0
Advertising	14	14.0
Others	18	18.0
Last Purchase		
March 2017	64	64.0
April 2017	5	5.0
May 2017	26	26.0
Others	5	5.0

Validity and Reliability

Researcher conducted validity and reliability test before proceeding to test the hypothesis. As seen below in the Table 2, the sig. value of all items are 0.000. Validity value is considered good as if it is found less than 0.005 ($\alpha=5\%$). Therefore, each item for both variables in this study is considered valid and can be processed for further analysis.

Table 2. Validity Statistics

Variable	Statement	r Pearson	Sig.
Brand Image (X)	Maxx Coffee is one of the best brand in the sector	0.747	0.000
	Maxx Coffee has a good reputation	0.813	0.000
	I can recognize Maxx Coffee among competing brand	0.832	0.000
	I can quickly recall the symbol or logo of Maxx Coffee	0.814	0.000
	Maxx Coffee is trustworthy	0.684	0.000
Customer Satisfaction (Y)	Maxx Coffee is willing to provide the best service	0.680	0.000
	I am satisfied with the decision to buy at Maxx Coffee	0.867	0.000
	Buying at Maxx Coffee has been a good experience	0.832	0.000

Reliability value is considered good if its value is more than 0.6. As indicated in Table 3, Cronbach's reliability of both constructs are more than the standard value. The Cronbach's Alpha reliability of Brand Image was 0.839, and the reliability for Customer Satisfaction is 0.822. Meanwhile, each instrument in this study is considered to be reliable.

Table 3. Reliability Statistics

Construct Name	Cronbach's Alpha	N of Items
Brand Image	.839	5
Customer Satisfaction	.822	3

Hypothesis Testing

Table 4. Descriptive Statistical Analysis

Item	Statement	Mean	Category	Std. Dev
$X_{1.1}$	Maxx Coffee is one of the best brand in the sector	4.04	Good	0.80
$X_{1.2}$	Maxx Coffee has a good reputation	4.04	Good	0.83
$X_{1.3}$	I can recognize Maxx Coffee among competing brand	4.11	Good	0.82
$X_{1.4}$	I can quickly recall the symbol or logo of Maxx Coffee	4.08	Good	0.85
$X_{1.5}$	Maxx Coffee is trustworthy	4.07	Good	0.76
	Average Brand Image	**4.07**	**Good**	**0.63**
$y_{1.1}$	Maxx Coffee is willing to provide the best service	3.90	Good	0.86
$y_{1.2}$	I am satisfied with the decision to buy at Maxx Coffee	4.02	Good	0.78
$y_{1.3}$	Buying at Maxx Coffee has been a good experience	3.92	Good	0.83
	Average Customer Satisfaction	**3.95**	**Good**	**0.71**

As seen above in the Table 4, the average answer for Brand Image variable is 4.07 which is categorized as good. The highest perception about brand image is related to the ability of customer to recognize Maxx Coffee among competing brand. It is proved by the highest mean by 4.11 in item $x_{1.3}$. While on the other side, the average answer for Customer Satisfaction variable is 3.95, which is categorized as good. The highest perception about customer satisfaction says that customer is satisfied with the decision to buy at Maxx Coffee. It is proved by the highest mean by 4.02 in item $y_{1.2}$.

Linear regression analysis is used to determine whether there is an impact of brand image on customer satisfaction at Maxx Coffee in Surabaya. The hypothesis test is analyzed by using SPSS 20.0. The predictor variable is brand image, and the dependent variable is customer satisfaction.

Table 5. Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.572	.442		5.813	.000
	BA	.338	.107	.303	3.145	.002

a. Dependent Variable: CS

Table 5 shows the coefficients of regression. In the above regression model, we could see that the sig. value is 0.000 which less than 0.05. In other words, in Maxx Coffee case, overall brand image had a positive and significant (sig = 0.000 and β = 0.303) impact on customer satisfaction. Meanwhile, hypothesis of this study is considered to be accepted.

Table 6. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.303[a]	.092	.082	.67578

a. Predictors: (Constant), BA

The above model summary in Table 6 shows that coefficient of determination R Square = 0.092 indicates that 9.2% of variable customer satisfaction can be explained by the variable brand image, while the remaining 90.8% is explained by other variables outside the model. The result explains that there are quite a few variables that would expect to be much better predictors of customer satisfaction rather than brand image. Things like product quality, price, and promotion may also have an influence on customer satisfaction.

V. CONCLUSION AND SUGGESTIONS

According to the statistical analysis there is no reason to reject the research hypothesis. The result indicates that brand image has a positive and significant impact on customer satisfaction. This finding is supporting Yu, Chin, & Hsiao (2012), which states that brand image has a significant and positive impact on customer satisfaction.

As a new brand in the industry, brand image becomes very important for Maxx Coffee to attract new customers as well as retaining loyal customers. Image of Maxx Coffee in view of the overall respondents is good. This means that the efforts made by the management to survive and to create an image on consumers' minds are success. Maxx Coffee are considered able to show positive image as one of the best coffee shop in customers' mind.

Like in any kind of business, establishing corporate image and creating customer satisfaction is essential for long term profitability. However, the findings showed that the brand image in Maxx Coffee has only a little contribution to customer satisfaction. There

might be other variables that would expect to be much better predictors of customer satisfaction rather than brand image. Therefore, future researchers should consider other factors, such as: brand experience, product or service quality, brand trust, which may also have an influence on customer satisfaction. The findings of this study can be used as an additional reference to conduct a research related to customer satisfaction. Besides, the sample used must be larger than this study to get more accurate data.

Finally, in order to survive in the market, this study recommends that the management also needs to have a thorough understanding of customer behaviors. It will hopefully help management to establish effective marketing strategies based on customers' perceptions.

VI. REFERENCES

[1] Aaker, J. L. (1997). Dimensions of brand personality. Journal of Marketing Research, 34(3), 347-357.

[2] Bagozzi, R. & Phillips, L. (1982). Representing and testing organizational theories: A holistic construal. Administrative Science Quarterly, 27, 459–489. & Rundle-Thiele, S. (2004). Customer Satisfaction should not be the only Goal. Journal of Service Marketing, 18(7), 514–523.

[3] Blackwell, R. D., Miniard, P. W., Engel, J. F., Di-ching, P., Yasin, N. M., & Hood, W. J. (2012). Consumer Behavior. Singapore: Cengage Learning Asia Pte Ltd.

[4] Chang, P., & Chieng, M. (2006). Building Consumer-Brand Relationship: A Cross-Cultural Experience View. Psychology & Marketing, 23(11), 927-959.

[5] Choi, Y., Ok, C., & Hyon, S.S. (2011). *Evaluating Relationships among Brand Experience, Brand Personality, Brand Prestige, Brand Relationship Quality, and Brand Loyalty: An Empirical Study of Coffeehouse Brands*. The 16th Annual Graduate Education and Graduate Students Research Conference in Hospitality and Tourism. Retrieved from http://scholarworks.umass.edu/cgi/viewco ntent.cgi?article=1283&context=gradconf _hospitality.

[6] Davis, R., Oliver, M.B., & Brodie, R. (2000). Retail Service Branding in Electronic-Commerce Environments. Journal of Service Research, 3, 178-186.

[7] Elliot, R., & Percy, L. (2007). *Strategic Brand Management.* United States: Oxford University Press Inc.

[8] Ferdinand, Augusty. (2006). Metode Penelitian Manajemen : Pedoman Penelitian untuk Skripsi, Tesis dan Disertasi Ilmu Manajemen, Badan Penerbit Universitas Diponegoro, Semarang.

[9] Global Business Guide Indonesia. (2014). *Agriculture*. Retrieved from Global Business Guide Indonesia: http://www.gbgindonesia.com/en/agricult ure/article/2014

[10] Hoch, S. J. (2002). Product experience is seductive. Journal of Consumer Research, 29 (3), 448-54.

[11] Ismail, I., Jr, S. L. S., Omar, M. W., & Wahid, N. A. (2007). The effect of brand image on overall satisfaction and loyalty intention in the context of color cosmetic. *Asian Academy of Management*, *12(1)*, 83–107.

[12] Keller, K. (2003). Strategic brand management : Building, measuring and managing brand equity 2nd edition. Prentice Hall. New Jersey.

[13] Kotler, P., & Keller, K. L. (2009). *Marketing management*. Upper Saddle River, N.J: Pearson Prentice Hall.

[14] _____. (2012). Marketing Management (Vol. 14th ed.). New Jersey : Pearson-Prentice Hall.

[15] Low, G.S., Lamb, C.W. (2000). The Measurement and Dimensionality of Brand Associations. Journal of Product and Brand Management, 9(6), 350-370.

[16] Martisiute, S., Vilutyte, G., & Grundey, D. (2010). Product or Brand? How Interrelationship between Customer Satisfaction and Customer Loyalty Work, *European Journal of Interdisciplinary Studies, 1*(2), 5-15.

[17] Morrison, S., & Crane, F. G. (2007). Building the Brand by Creating and Managing an Emotional Brand Experience.

Journal of Brand Management, 15(5), 410-421.

[18] Park, C. W., Jaworski, B. J., & Maclnnis, D. J. (1986). Strategic Brand Concept-Image Management. Journal of Marketing, 50(4), 135–145.

[19] Roth, M. S. (1995). Effects of Global Market Conditions on Brand Image Customization and Brand Performance. Journal of Advertising, 24(4), 55–72.

[20] Saleem, H., & Raja, N. S. (2014). The Impact of Service Quality on Customer Satisfaction, Customer Loyalty. Middle-East Journal of Scientific Research, 19(5), 706-711.

[21] Suhartanto, D., & Kandampully, J. (2003). The Role of Customer Satisfaction and Image in Gaining Customer Loyalty in the Hotel Industry. Journal of Hospitality & Leisure Marketing, 10(1/2), 1-24.

[22] Tu, Y., Wang, C., & Chang, H. (2012). Corporate Brand Image and Customer Satisfaction on Loyalty: An Empirical Study of Starbucks Coffee in Taiwan.

Journal of Social and Development Sciences, 3(1), 24-32.

[23] Wijaya, B. S. (2011). Branderpreneurship : Brand Development-Based Entrepreneurship Proceeding 1st International Conference on Business and Communication (ICBC), Jakarta, Indonesia

[24] Wu, C. C. (2011). The Impact of Hospital Brand Image on Service Quality, Patient Satisfaction and Loyalty. African Journal of Business Management, 5(12), 4873-4882.

[25] Yu, T., Chin, M., & Hsiao, C. (2012). Corporate Brand Image and Customer Satisfaction on Loyalty: An Empirical Study of Starbucks Coffee in Taiwan. *Journal of Social and Development Sciences*, 24.

[26] Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2006). *Service Marketing: Integrating Customer Focus Across the Firm*. Boston, MA: McGraw Hill.

[27] Zeithmal, V., Bitner, M.J. (2003). *Service Marketing: Integrating Customer Focus across the Firm,* McGraw-Hill. New York.