

The Brand Perception Influence on Coffee Consumption: A Case Study of the Chain Stores Starbucks and 85°C Daily Cafe in Taiwan

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Abstract- The perceived brand may influence consumers' behaviors. This study used perceived brand awareness, perceived brand quality, and perceived brand prestige to verify the brand perception may impact on the coffee consumption in Taiwan. Starbucks, the international famous coffee chain store, and 85°C Daily Cafe, the local famous coffee chain store, were compared by investigated their consumers' opinions and purchasing behaviors.

The result of this study shows that the majority of people in Taiwan perceived brand awareness of Starbucks is one of the main drives of why people visit Starbucks. On the other hand, 85°C Daily Cafe was its perceived brand of quality. The results suggest that brand managers should invest in brand quality and brand awareness to improve market strategies.

Keywords- *perceived brand prestige, perceived brand awareness, perceived brand quality, Starbucks, 85°C Daily Cafe*

I. INTRODUCTION

According to Taiwan Chain Store Almanac [16], that the improvement of leisure and culture in Taiwan, the number of coffee shops is increasing considerably, proved by the fact that the market share of canned coffee climbed 4.28 percent annually. Taiwan economy is growing rapidly and has numerous brand categories worldwide and an attractive market for global brands. Starbucks has entered Taiwan market in 1998, and they have competition.

Global brands are increasingly recognized by and attractive to buyers' worldwide [10]. Brands are expanding their borders and expansion seems will be continuing. Consumers have different perceptions of brands [9], [18]. Consumer purchasing behavior is important to understand through brand choices in the field of marketing research [7]. This study leads to gain more insight on consumer perceived brand and purchasing behavior.

This study attempts to examine the brands of coffee chain stores in consumers' perception, under the theoretical framework of experiential marketing [2], using a sample selected some coffee chain stores in Taiwan: Starbucks and 85°C Daily Cafe. The two major coffee brands provide familiar service such as the same kinds of beverages and cakes. The study objectives include to get more insight on consumer brand preferences and purchasing behavior, and to identify the brand images for these coffee chains stores.

II. LITERATURE REVIEWS

Chain stores are defined as groups of retail outlets, consisted of two units or more, owned by one firm. Each unit usually has similar or identical products or services, designs and layouts, and unified purchases in operation.

85°C Daily Cafe is local coffee chain stores in Taiwan. That provides coffee and baked goods to the consumers [1]. 85°C Daily Cafe is also operating in several countries (e.g., Australia, and U.S.A). That is also a well-known local coffee chain store with a strong brand image in Taiwan. Moreover, Starbucks was founded in Seattle, U.S.A in 1971 and provided its services worldwide; Starbucks is the world's largest coffee retailer and has a well-known brand and strong image in the world [15]. In 2006, Starbucks was ranked as the 91st among 100 global brands [8].

A brand is the promise sellers make "to consistently provide the identity of specific product, service and business," and can deliver six levels of meaning-essence, benefits, values, personality and users-to its buyers. Brands can add values to their products, and is a make-up of psychological and physical elements [14]. The importance of a brand from the psychological viewpoint, pointing out that the major role of brands is to create a distinction and preference for a product or service in the mind of consumers [14].

Global brands typically start as domestic products that companies used to expand their sales base under a market development growth strategy [5]. In other words, they provide their product and services in more than one country [9]. Competitive market environment might affect all kind of brand categories [7]. Many multinational corporations today are altering their portfolios in favor of global brands, believing that consumers worldwide prefer global brands to local brands [9]. Effective and appropriate marketing strategy is a key success in competitive environment through brand preferences [7], [9]. Brands represent consumers' perceptions and feelings about a product and its performance everything that the product or service means to consumers [7].

Perceived brand prestige is found to be the second driving force between perceived brand globalization and consumer purchase likelihood comparison along with the perceived brand quality for a global brand [9]. Prestige brands provide some kind of intangible benefits such as aesthetic appeal, social value to the consumers which play an important role on consumer purchasing behavior [6].

III. RESEARCH METHODOLOGY

A questionnaire was used to collect sample data in in Taiwan. Totally three hundred questionnaires were distributed, and 283 (94.33%) were collected, and only 264 were useful. The useful questionnaires ratio is 88%. A five-point Likert type scale was used with the scale being presented, thus; strongly disagree is presented as 1, somewhat disagree is presented as 2, neutral is presented as 3, somewhat agree is presented as 4, and strongly agree is presented as 5. The scale was developed based on the literature review ([3], [4], [17], [13], [11], [12], [9]). The descriptive statistic methods were used to analyze the data of consumers' behaviors on the coffee consumption, with focused on the brand perception on Starbucks and 85°C Daily Cafe. The questionnaire consisted of three sections, the first of which was intended to elicit demographic information on the respondents. The second section asked respondents to rate their degree of brand perception with 16 items. Section 3 focused on attitudes regarding the perceived brand awareness, perceived brand quality, and perceived brand prestige.

Cronbach's alpha reliability coefficient was conducted to measure of the internal consistency of the survey instrument. The scale yielded a high reliability score for all items of questionnaire over 0.7. To find out the correlation of between demographics, consumer behavior and brand perception, SPSS was used to find out the t-test result.

IV. RESULTS ANALYSIS

For the taste satisfaction, coffee quality satisfaction and the friendliness of the staff, Starbucks Coffee has significant higher than 85°C Daily Cafe. Furthermore, perceived brand prestige of Starbucks is also significant higher that do affect the first choice of respondents. The respondents prefer to Starbucks and recommend other friends to visit Starbucks.

For 85°C Daily Cafe, respondents think that if 85°C could become more of a global brand and have branches all over the world, it will significantly affect brand prestige on 85°C Daily Cafe. The respondents' opinions also showed that 85°C's friendly staff, good store design, good product value, and comfortable environment and ambience significantly affect the respondents.

TABLE I. DESCRIPTION FOR SAMPLE DATA

| | number | Mean | | Standard error | Variance |
|--------------------------------------|--------|------------|----------------|----------------|----------------|
| | | statistics | Standard error | Standard error | Standard error |
| Gender | 264 | 1.55 | .031 | .498 | .248 |
| Age | 264 | 2.70 | .065 | 1.064 | 1.132 |
| Education | 264 | 1.61 | .064 | 1.045 | 1.091 |
| Experiences to coffee chain store | 264 | 1.00 | .000 | .000 | .000 |
| Selection focused on | 264 | 2.79 | .072 | 1.164 | 1.354 |
| Brand preference | 264 | 2.11 | .030 | .488 | .238 |
| Visited Starbucks or 85°C Daily Cafe | 264 | 1.85 | .043 | .696 | .484 |
| Starbucks is global brand | 264 | 3.75 | .073 | 1.192 | 1.420 |
| Starbucks' coffee satisfaction | 264 | 3.22 | .057 | .927 | .859 |
| Starbucks foods & drinks nice | 264 | 3.33 | .057 | .919 | .844 |
| Starbucks' staff friendly | 264 | 3.26 | .059 | .960 | .922 |
| Starbucks' store looked nice | 264 | 3.39 | .066 | 1.073 | 1.152 |
| Starbucks' have high CP value | 264 | 2.97 | .056 | .904 | .817 |
| Starbucks' environment comfortable | 264 | 3.56 | .048 | .772 | .597 |
| Starbucks' facilities satisfaction | 264 | 3.45 | .058 | .950 | .903 |
| Starbucks' service satisfaction | 264 | 3.35 | .065 | 1.051 | 1.104 |
| Starbucks Coffee is famous | 264 | 3.34 | .056 | .910 | .828 |
| Starbucks Coffee is first choice | 264 | 2.70 | .060 | .982 | .965 |
| Like Starbucks Coffee | 264 | 3.33 | .057 | .919 | .844 |
| Recom. Starbucks' coffee | 264 | 3.22 | .057 | .927 | .859 |
| 85°C Daily Cafe global brand | 264 | 3.00 | .058 | .939 | .882 |
| 85°C' coffee satisfaction | 264 | 3.09 | .058 | .939 | .881 |
| 85°C' food & drinks nice | 264 | 3.17 | .056 | .905 | .819 |
| 85°C' staff friendly | 264 | 3.09 | .058 | .940 | .885 |
| 85°C' store looked nice | 264 | 3.11 | .060 | .968 | .938 |
| 85°C have high CP value | 264 | 3.09 | .061 | .995 | .991 |
| 85°C' environment comfortable | 264 | 3.19 | .057 | .933 | .871 |
| 85°C' facilities satisfaction | 264 | 3.13 | .060 | .980 | .960 |
| 85°C' service satisfaction | 264 | 3.02 | .060 | .982 | .965 |
| 85°C Daily Cafe is famous | 264 | 3.05 | .060 | .982 | .964 |
| 85°C Daily Cafe is first choice | 264 | 3.02 | .066 | 1.070 | 1.144 |
| Like 85°C Daily Cafe | 264 | 3.18 | .070 | 1.132 | 1.282 |
| Recom. 85°C Daily Cafe | 264 | 3.05 | .065 | 1.052 | 1.107 |

TABLE II. COMPARISON OF IMPORTANT FACTOR OF A COFFEE STORE BY GENDER

| Important Factor | Male | Female |
|------------------|------|--------|
| awareness | 13 | 5 |
| quality | 88 | 110 |
| prestige | 17 | 31 |

TABLE III. COMPARISON OF VISITED STORE BY GENDER

| Important Factor | Male | Female |
|------------------|------|--------|
| Starbucks | 45 | 41 |
| 85°C Daily Cafe | 44 | 87 |
| both | 29 | 18 |

TABLE IV. T-TEST GROUP STATISTIC OF VISITED COFFEE STORE COMPARED TO STARBUCK'S BRAND PERCEPTION

| | Visited | N | Mean | Std. Deviation | Std. Error Mean |
|----------------------------------|-----------|-----|------|----------------|-----------------|
| Is a global brand | Starbucks | 86 | 4.34 | .915 | .099 |
| | 85°C Cafe | 131 | 3.40 | 1.282 | .112 |
| People worldwide visit there | Starbucks | 86 | 3.57 | .940 | .101 |
| | 85°C Cafe | 131 | 2.77 | .925 | .081 |
| Have branches all over the world | Starbucks | 86 | 3.93 | .943 | .102 |
| | 85°C Cafe | 131 | 3.59 | 1.143 | .100 |
| Satisfied with coffee taste | Starbucks | 86 | 3.44 | .876 | .094 |
| | 85°C Cafe | 131 | 3.13 | .956 | .084 |
| Satisfied with coffee quality | Starbucks | 86 | 3.49 | .851 | .092 |
| | 85°C Cafe | 131 | 3.11 | .966 | .084 |
| Friendly staff | Starbucks | 86 | 3.47 | .793 | .085 |
| | 85°C Cafe | 131 | 3.01 | .996 | .087 |
| Good store design | Starbucks | 86 | 3.67 | 1.023 | .110 |
| | 85°C Cafe | 131 | 3.17 | 1.151 | .101 |
| Good product value | Starbucks | 86 | 3.27 | .938 | .101 |
| | 85°C Cafe | 131 | 2.79 | .875 | .076 |
| Comfortable environment | Starbucks | 86 | 3.70 | .882 | .095 |
| | 85°C Cafe | 131 | 3.44 | .681 | .060 |
| Satisfied with facility | Starbucks | 86 | 3.76 | .880 | .095 |
| | 85°C Cafe | 131 | 3.25 | .964 | .084 |
| Satisfied with service | Starbucks | 86 | 3.67 | .887 | .096 |
| | 85°C Cafe | 131 | 3.16 | 1.162 | .102 |
| Is prestigious | Starbucks | 86 | 3.57 | .819 | .088 |
| | 85°C Cafe | 131 | 3.11 | .917 | .080 |
| Show status | Starbucks | 86 | 3.02 | 1.073 | .116 |
| | 85°C Cafe | 131 | 2.50 | .817 | .071 |
| Top choice | Starbucks | 86 | 2.85 | 1.046 | .113 |
| | 85°C Cafe | 131 | 2.48 | .956 | .083 |
| Consider going to | Starbucks | 86 | 3.44 | .876 | .094 |
| | 85°C Cafe | 131 | 3.13 | .956 | .084 |
| Recommended | Starbucks | 86 | 3.49 | .851 | .092 |
| | 85°C Cafe | 131 | 3.11 | .966 | .084 |

TABLE V. T-TEST GROUP STATISTIC OF VISITED COFFEE STORE COMPARED TO 85°C'S BRAND PERCEPTION

| | Visited | N | Mean | Std. Deviation | Std. Error Mean |
|----------------------------------|-----------|-----|------|----------------|-----------------|
| Is a global brand | Starbucks | 86 | 2.99 | .660 | .071 |
| | 85°C Cafe | 131 | 3.02 | 1.116 | .098 |
| People worldwide visit there | Starbucks | 86 | 2.43 | .728 | .079 |
| | 85°C Cafe | 131 | 2.60 | .917 | .080 |
| Have branches all over the world | Starbucks | 86 | 3.13 | .878 | .095 |
| | 85°C Cafe | 131 | 2.92 | .917 | .080 |
| Satisfied with coffee taste | Starbucks | 86 | 3.28 | .697 | .075 |
| | 85°C Cafe | 131 | 2.94 | 1.072 | .094 |
| Satisfied with coffee quality | Starbucks | 86 | 3.52 | .763 | .082 |
| | 85°C Cafe | 131 | 3.04 | .948 | .083 |
| Friendly staff | Starbucks | 86 | 3.12 | .832 | .090 |
| | 85°C Cafe | 131 | 3.00 | 1.023 | .089 |
| Good store design | Starbucks | 86 | 2.94 | .757 | .082 |
| | 85°C Cafe | 131 | 3.09 | 1.056 | .092 |
| Good product value | Starbucks | 86 | 3.13 | .794 | .086 |
| | 85°C Cafe | 131 | 2.97 | 1.116 | .097 |
| Comfortable environment | Starbucks | 86 | 3.43 | .678 | .073 |
| | 85°C Cafe | 131 | 3.05 | 1.108 | .097 |
| Satisfied with facility | Starbucks | 86 | 3.09 | .863 | .093 |
| | 85°C Cafe | 131 | 3.15 | 1.096 | .096 |
| Satisfied with service | Starbucks | 86 | 3.05 | 1.073 | .116 |
| | 85°C Cafe | 131 | 3.01 | .873 | .076 |
| Is prestigious | Starbucks | 86 | 3.23 | .942 | .102 |
| | 85°C Cafe | 131 | 2.92 | .945 | .083 |
| Show status | Starbucks | 86 | 2.78 | .873 | .094 |
| | 85°C Cafe | 131 | 2.55 | .922 | .081 |
| Top choice | Starbucks | 86 | 3.19 | .964 | .104 |
| | 85°C Cafe | 131 | 2.90 | 1.051 | .092 |
| Consider going to | Starbucks | 86 | 3.34 | 1.091 | .118 |
| | 85°C Cafe | 131 | 3.02 | 1.193 | .104 |
| Recommended | Starbucks | 86 | 3.00 | .854 | .092 |
| | 85°C Cafe | 131 | 3.05 | 1.139 | .100 |

V. DISCUSSION AND CONCLUSION

In this study, the total sample was 264 respondents. The gender for the respondents included 44.7% male and 55.3 % female. The age of the respondents varies quite well with 29.9% aged 25 years old or older and most of them are below 25. Only 15% respondents are below 18 ages.

Based on the t-test, it showed that for Starbucks, coffee taste satisfaction, coffee quality satisfaction and the friendliness of the staff have very significant impact on

respondents. Furthermore, Starbucks's brand prestige is also significant on respondents' perception that they think will effect on their status thus significantly affect their top choice. Thus respondents are considered to go there and are recommending others to visit Starbucks.

Meanwhile, for 85°C Daily Cafe, the respondents think that if 85°C could become more of a global brand and have branches all over the world, it will significantly affect respondents' perception on 85°C Daily Cafe. Furthermore, the respondents believe that 85°C's friendly staff, good store design, good product value, and comfortable environment and ambience significantly affect consumer's perception on 85°C brand perception.

Majority of respondents agree that ambience is important factor of a coffee store. While also majority of them believe that the quality of a brand is very important for a coffee shop. According to the opinions of respondents, the most important factor for the coffee consumption is quite varied, but most of them agree the ambience and social environment are important. 75% of the respondents agree that the brand quality is very important. Furthermore, 49% the respondents have visited 85°C Daily Cafe.

Meanwhile, respondents think that if 85°C Daily Cafe could become more of a global brand and have branches all over the world, it will significantly affect consumer perception on 85°C Daily Cafe. Furthermore, respondents believe that 85°C's friendly staff, good store design, good product value, and comfortable environment and ambience significantly affect consumer's perception on 85°C Daily Cafe brand perception.

The results of this study indicated that brand perception do have impact on coffee consumption in Taiwan. The findings give an insight for improving market understanding of the brand evaluation and brand perception, and increasing the generalizability of consumer brand preferences through coffee chain stores.

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