



The Reasons of Young Consumers' Choice on Chain Café Stores: A Research on Starbucks

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ABSTRACT

Corporations providing services and making goods are forced to ensure customer satisfaction, to build brand loyalty, to change the way being in service by taking some changes into consideration, such as changes in living conditions, in consumers' supply and demand, fierce competition environment. At this point, chain café stores are appeared as preferred ones by especially young consumers in direct proportion to changes in consumers' supply and demand. Young consumers, while going for a chain café store, pay regard to several criteria, such as store image, store atmosphere, goods/services specifications, and price policies. This study aims to measure the effect of young consumers going for Starbucks chain café stores on customer loyalty. This research, according to the analysis of surveys taken by 187 persons, reveals that brand image and brand follow-up have an effect on brand loyalty.

Keywords: Brand, Consumer Behaviors, Chain Café Store Brands

JEL Classification: M

1. THE DEFINITION "BRAND"

Several academic and professional researches have been carried out regarding the notion "brand" which is an essential fact based on consumers' demand nowadays. All the corporations providing services and making goods in such fierce competition environment give preference to brand in order to shine amongst its rivals and build secured and long-term relationships with its consumers. Many operations are carried out between the periods when a brand is created and its familiarity, image and loyalty are constructed.

Brand has been defined in significantly different ways. American Marketing Association defines brand as "Name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers" (Keller, 2003. p. 8). Almost all the definitions of brand in the literature close to the definition stated by American Marketing Association. According to Mucuk, "Brand is name, symbol, term, design or a combination of them all which introduce a seller's good or service and differentiate it from those of other sellers" (Mucuk, 2001. p. 135). Elitok defines brand as "a

name and/or symbol like a logo or package design which differentiate the goods or services from others, and identify goods and services conducted by a seller or a selling group" (Elitok, 2003. p. 2).

1.1. Corporate-Wise Importance of Brand

A brand, which helps products of a company be known easily, helps increase the demand, stabilizes the sales in the long run and has a growth potential, is of help and prime importance to the companies. Those help and importance are stated briefly, as follows (Mucuk, 2007. p. 141):

- Helping promotion and having an effect on generating demand
- Leading to create consumers' loyalty to the corporation
- Minimizing the risk based on sales decrease because of substitute goods
- Putting the goods on marketing channels, because a well-known brand is in great demand by intermediary firms
- Having a great influence on price stability. Trademark holder gains control over the fact that intermediary firms price the goods out variously
- Corporate value is in demand with brand value.

1.2. Consumer-wise Importance of Brand

Consumers, while buying any goods or services, are influenced by several factors. Brand is one of primary importance. Accordingly, the brand is not just of importance for the corporations but for the consumers. Millison and Moon (Millison and Moon, 2000. p. 30-31) defines brand as “makes decision making easier, gives brief about the good, provides the consumer a protected area and quality assurance, decreases perceived risk, helps the consumers express themselves and offers friendships and pleasure by giving them be involved in a social circle.”

1.3. Basic Concepts Related to Brand

- Brand personality: Brand personality, which stands for representing its core features with a set of human concepts and experience, is based on the assumption that a set of human characteristics are attributed to a brand name, and is defined as transferring human-related adjectives (e.g., modern, young, sophisticated, conservative, old) to a brand (Yılmaz, 2011. p. 20).
- Brand image: Brand image is defined as a total of emotional and aesthetic impression gained by the consumers. It is the whole of features and connotations related to the brand (Aktuğlu, 2004. p. 34-35). Brand image is a total of consumers' perceptions relating to the goods and services, and consists of several components as the following (Kavas, 2004. p. 18):
 - Features directly related to the product: Basic physical and chemical characteristics, color, size, style, flavor, taste, shape, design, etc.
 - Add-on features to the product: Package, tag/label, brand name, its origin, etc.
 - Product benefits provided by the brand: Functional, symbolic, emotional benefits, etc.
 - Personal attitude against the brand
 - Other factors evoked from the brand.

Brand image plays a significant role in consumers' buying behavior. One of the most important factors in building brand loyalty is the positive image in consumers' minds.

- Brand awareness: Brand awareness is that the consumer is aware of seeing the brand in the market or any advertisement. The consumer is familiar with the brand. Not having brand awareness means that the brand is not known by the consumer or is not realized even if the consumer sees it. The most important point of branding process is the brand's acclaim. Brand awareness consists of two categories named after “brand recognition” and “brand recall” (Saruhan et al., 2006. p. 149).
- Brand preference – Brand loyalty: Brand preference is defined as “preferring a brand in the buying process after evaluating the brand with customers' needs and their beliefs and attitude.” Brand loyalty is that the costumers do not buy just in the time and/or period when they are in but also in the future (Aktuğlu, 2004. p. 36-37).

2. CUSTOMER'S BUYING BEHAVIOR AND DECISION PROCESS

Consumption is “people make use of economic goods and services produced in order to satisfy their personal and public

needs¹. Consumer is a person who buys or has the capacity of buying marketing parts for personal or domestic wish, demand and needs (Altunışık and İslamoğlu, 2010. p. 5). Consumer is the person who oneself buys to use the goods and services, does not re-sell to make profit or to use for another production (<http://www.hakkinda-bilgi-nedir.com/tuketici-kimdir-tuketici-nedir+tuketici-kimdir-tuketici-hakkinda-bilgi>).

In the past marketing experts could get fell of consumers' buying behavior, but nowadays they need to go towards consumer research when firms and markets grow. A few questions, like “Who buys? How do they buy? When do they buy? Where do they buy? Why do they buy?” are the basic questions to be answered by these researches (Kotler and Armstrong, 1994. p. 135).

Consumer behaviors are in a complex process recognized under the influence of many internal and external factors. Consumer behaviors consist of specific characteristics. Some of these specific characteristics are as the following (Altunışık and İslamoğlu, 2010. p. 11):

- Consumer behavior is not just an activity. It consists of several activities. These activities are pre-buying researches, information gathering, walking in stores, weighing others' advices, observing, carrying out buying activities, consumption experience, post-consumption activities
- Consumer behaviors exist as a result of specific motivation
- During consuming process, consumers play roles such as “decision making,” “initiating,” etc.
- Consumption process consists of not only simple decisions on buying “salt” or “bread,” but also complex decisions on buying a “house”
- Consumer behaviors are affected by environmental factors.

2.1. Consumers' Buying Decision Process

Decisions always contain choosing one among different behaviors. Although marketing experts take choosing among objects (goods, brands, stores) as reference, consumers choose among behaviors including these objects. The key process in buying decision process is the combination of evaluation to choose one among the information and two or more behavior alternatives. The outcome of this integration process is the process a customer goes through when buying a product (Bük, 2010. p. 31).

- a. Need realization: A consumer realizes his/her needs with the help of physiological, mental and external stimulus. External stimulus may be given both by the consumer's parents or friends and by the marketing stimulus related to the product. For instance, the market campaigns regarding the distribution of food in the evening causes the people feel and realize that they are hungry and make them buy other products. The factors creating needs in consumers' decision making process are as the following (Koç, 2008. p. 298):

- The products in consumers' stocks
- Displeasure of available goods and services
- Changes in environmental conditions
- Changes in financial conditions.

¹ <http://www.genelbilge.com/tuketim-nedir.Html/> erisim

- b. Information gathering: At this stage, the consumer gathers information regarding what type of product meets his/her need. The person in information gathering process applies both internal (background information and education) and external (his/her parents, friends, shop assistants, sales representatives, brochures, reports, statistics, etc.) resources (Koç, 2008. p. 299).
- c. Choice setting: Consumers have an opportunity to compare the goods produced by the brands with his/her needs with the help of the information reached at the end of researches and background experience. Consumers choose the brand, which they think that they could get satisfied at most, as a result of alternative evaluation (Yükselen, 1994. p. 74).
- d. Buying decision and practice: A consumer buys a product/service by going to the most appropriate store for himself/herself. The most important factors for a consumer to decide on which store s/he will go and buy are such as easy access to the store, easy parking facilities, getting out of turn, qualified and good-humored services (Tek, 1999. p. 215).
- e. Post-buying process: Each buying is learning for consumers. The consumer learns new things for further buyings or strengthens previous learnings. At this last stage, the topics like satisfaction given by the product, the deficiencies of the products, the avoidance of used product, namely disposing, etc. are the factors consumers take into consideration. This stage is an important stage all the corporations should focus on (Koç, 2008. p. 304). Because consumers sometimes do not feel warm-and-fuzzy, so-called "cognitive regret – contradiction," after expensive shopping such as buying durable consumer goods, music set, video, etc. Then, they would like to get it back. Hence, the works carried out by marketing experts are not finished just after consumers' buying but still goes on in the post-buying process (Tek, 1999. p. 215-216).

As seen in Figure 1, there are several factors effecting on consumers' buying behavior. Those factors are based on either consumer-oriented or marketing communication or the general conditions of market. Consumers' buying behavior is affected particularly by the messages given with product, price, place and promotion in marketing communication. In addition to this, the

fact that the features of characteristics regarding the economic, socio-cultural, technological and political conditions in the market, and consumers' demographic, psychological and socio-cultural features is also essential.

2.2. Factors Effecting on Consumers' Buying Behavior

Although different classifications are defined in several sources, the factors effecting on consumers' buying behavior are generally categorized as the following (Köseoglu, 2002. p. 98):

1. Personal factors
2. Socio-cultural factors
3. Economic factors
4. Psychological factors.

Personal factors counted in consumers' buying behavior include demographic and situational factors. Demographic factors are personal factors, such as age, sex, income, educational background, marital status. Consumers show buying behaviors according to their having such characteristics. Being young or old, man or woman, married or single, educational background or their jobs affect consumers' buying behavior, and consumers from different demographic features show different attitudes to buying. Situational factors are consumer's current situation and condition based on consumers' buying decision. Consumers decides whether they buy or not by taking their current situation and condition into consideration (Eroğlu, 2012. p. 21). Socio-cultural factors are also other type of factors to effect consumers' buying behavior. Social class is defined as a social structure having the same public prestige, being in close relationship with each other and having people who anticipate similarly (Odabaşı and Barış, 2003. p. 296).

Culture affects people's lives, choices, and people's view of live. Reference groups are a group of people who affect people's attitude, ideas, value judgment, and behaviors directly or indirectly, and they are important to provide consumers such information. This group consists of family, friends, colleagues, neighbours who are not in a direct relationship, but affect and direct a person's decision (Balci, 2010. p. 48). Economic conditions people are in are factors effecting consumers' choosing a product or brand. While a person who is underpaid fulfills his/her primary needs, a

Figure 1: Buying behavior models and factors effecting on buying behaviors



Source: Kotler (2000)

person who is highly paid is able to spend money in addition to his/her primary needs. Besides, economic conditions affect how a person pays out. Marketing experts should follow-up consumers' tendency, saving and interest types depending upon their personal income (Balci, 2010. p. 51).

Psychological factors effecting on consumers' buying decision are motivation, perception, learning, attitude and beliefs. Motivation is basically a key fact to push people to act. It may also be defined as induced need. They have two functions: The first is to motive people and push them to act; the second is to direct people's behaviors. Because of this, the reason of behaviors is revealed only by looking at the motives (Muter, 2002. p. 24). Perception is related to the observation of environment, people, objects, smells, sounds, movements, tastes and colors. It is also a sense perception and a process to convert them into meaningful. In another definition, perception is defined as the brain gives the data taken by our senses meaning (Muter, 2002. p. 43). Learning means relatively permanent change in behavior and adaptation. Learning is a change in behavior. It is a change gained with repetitive acts and experience. Learning is a permanent change in behavior as a result of reinforced repetition and experience (Baysal and Tekarslan, 1996. p. 66). Other personal factors in consumers' buying behavior are beliefs and attitudes. Belief is defines as a person's supplementary thought on anything. Attitude is a tendency of a person to show positively or negatively against objects, opinion or conditions (Eroğlu, 2012. p. 27).

3. METHOD

3.1. Sample

In order to measure the effect of service quality on customer loyalty depending upon Starbucks, 300 surveys was made with Starbucks customers, and 187 of them were approved to be analyzed with 62% repondency rating. 59.4% of the whole sample is woman, and 40.6% is man. 51.3% of the survey participants' level of income is <500 Turkish Liras (TL), 24.1% is between 500 and 1000 TL and 24.6% is higher than 1000 TL.

3.2. Measurement Tool

In order to measure and evaluate the service quality of Starbucks coffee stores, scales of service quality (Parasuraman et al., 1988) pre-used in the literature were used and re-formed based on Starbucks café stores according to the literature. Four questions were asked to measure customers' loyalty levels. The scale includes 22 items and the participants are asked for scaling between six interval scales (1 = Agree strongly; 5 = Strongly disagree) based on to what extent they agree with the items.

3.3. Research Model

The core aim of this research is to measure the effect of customer service quality extents on Starbucks coffee stores.

The results of factor analysis and regression analysis are presented in the following parts. In Figure 2, a research model is given on whether service quality affects loyalty or not.

4. ANALYSIS

4.1. Factor Analysis of Service Quality

Factor analysis is a statistical approach used to analyze the relations between many variances with each other. The basic aim of factor analysis is to summarize the information gathered from many variances, and to set new and mixed factors and extents with the least information lost (Hair, 1998). This factor and extent set is smaller than the information set gathered at first. The purpose is to analyze easily by lessening the numbers of variance. In factor analysis, the differenciation of dependent and independent variable are not applied. Factor analysis is not a final analysis, but is a substructure for further analysis, and a statistical analysis method used to reduce dimension to analyze the data easily. As stated in the previous section, the survey includes two different scales. The first one is based on service quality and the other one is based on loyalty. Measure of sampling adequacy Kaiser–Meyer–Olkin (KMO) and variance of equality Bartlett are applied to test the suitability of data set to factor analysis in the factor analysis applied to define the substructures of service quality. The value of KMO is over 0.50, and Bartlett is over 0.05, which are in accordance with the factor analysis of data set ($KMO = 0.937$, χ^2 Bartlett test = 2654,323, $P = 0.000$). Basic components method and Varimax method are used to analyze the questions. The questions, which of sampling adequacy is <0.50, is a widow line under the factor, have similar factor weight and factor weight is <0.50, were taken out from the analysis. As a result of the last factor analysis, two factors including 15 questions are derived. Total variance is 73,261%. The factors are respectively named after “brand image” and “follow-up.” The result of this factor analysis shows us that service quality is collected under two titles. The results of factor analysis are summarized in the Table 1.

Cronbach's α values are used to calculate internal consistency of factors. Cronbach's alpha is a model to measure internal consistency, in other words, is an index to show how successful an item in a scale measures the same notion. As a result of reliability analysis, the fact that Cronbach's α values of all the items are measured high is an evidence of the result of internal consistency. In other words, the reliability of factors was found high. The values of the factors are summarized in the Table 2.

4.2. Results of Loyalty Factor Analysis

The factor analysis of four questions based on loyalty was applied in this research and just a dimension was found.

The results of conducted factor analysis are modeled as follows. The regression analysis of this model was done.

As seen in Figure 3, two factors, namely brand image and follow-up, are revealed as a result of factor analysis carried out regarding

Figure 2: Research model

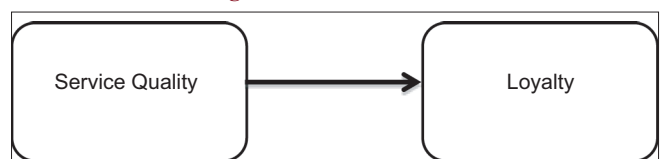


Table 1: The results of factor analysis on service quality

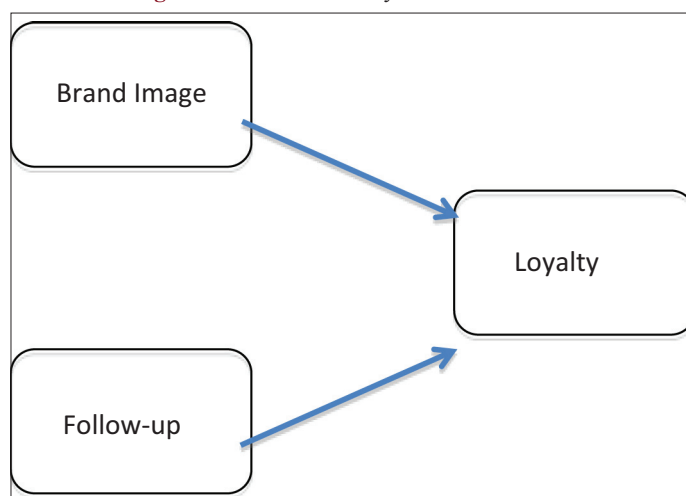
Factor titles and questions in factors	Factor weight	Factor explanatoriness (%)
Brand image		54.699
Starbucks has sweet and impressive smell of coffee	0.866	0.960
At Starbucks I can find any kind of coffee I am looking for	0.851	
I find Starbucks products of good quality	0.835	
At Starbucks the staff is skilled on products and newness	0.818	
Starbucks provides a comfortable and warm setting	0.797	
I like the decoration and furniture at Starbucks	0.782	
I like the staff's attitude to customers at Starbucks	0.777	
The appearance of the staff at Starbucks is good	0.777	
At Starbucks there are internet connection, and a good working place for business meeting or preparing homework	0.767	
The range of coffees and foods at Starbucks is fantastic	0.762	
At Starbucks serving is fast	0.743	
At Starbucks I like cups, plates, spoon, etc. used to serve Starbucks products	0.738	
At Starbucks there is enough staff	0.729	
Follow-up		18.562
I follow-up social responsibility projects conducted by Starbucks	0.927	0.901
I follow-up the innovations regarding Starbucks on its website	0.898	
Total variance (%)		73.261%
KMO sampling adequacy		0.937
Bartlett test	Chi-square	2654.323
	SD	105
	P	0.000

SD: Standard deviation, KMO: Kaiser–Meyer–Olkin

Table 2: The results of loyalty factor analysis

Factor titles and questions in factors	Factor weight	Factor explanatoriness (%)
Loyalty		
I recommend Starbucks to other people	0.955	0.927
I think I am a loyal customer of Starbucks	0.909	
I would not change Starbucks for any other coffee store	0.896	
I believe that Starbucks has a good brand image	0.861	
Total variance (%)		82.064%
KMO sampling adequacy		0.816
Bartlett test	Chi-square	630.425
	SD	6
	P value	0.000

SD: Standard deviation, KMO: Kaiser–Meyer–Olkin

Figure 3: Post-factor analysis research model

regression analysis was used. To see the regression analysis, the effect of variables “brand image” and “follow-up” (which are substructures of service quality summarized at the end of factor analysis) on “loyalty” is tabled as follows in Table 3.

As going into the Table 3, “brand image” and “follow-up” variables which are the substructures of service quality reveals loyalty. The rate of reveal is relatively high ($R = 0.450$; $R^2 = 0.202$ $F(4) = 14.945$; $P = 0.000$).

5. CONCLUSION

In this current competitive world, the needs to search brand personality and to focus on this topic by the firms come to light with brands coming into prominence. While brand personality is examined that corporations create a separated perception in

service quality. The model seen in Figure 3 is used to analyze the effects of those factors on loyalty.

4.3. Multilinear Regression Analysis of Model

Regression analysis is a statistical process for estimating the relationship between a dependent variable and one or more independent variables. Above all, regression analysis is used for estimating the quality of relationships among variables. If a variable is used as an independent variable, it is simple regression; multiple regressions may be mentioned if one or more variable are used (Kurtuluş, 1998. p. 390).

In this research, it was expected that there was an effect of service quality on loyalty. In this section of this research, it was aimed to determine the effect of service quality on loyalty. In this context,

Table 3: The results of model's regression analysis

Dependent variable: Loyalty			
Independent variables	Beta	t value	P
Brand image	0.526	9.884	0.000
Follow-up	0.376	7.053	0.000

$R=0.797$, $R^2=0.636$; F value=160.669; $P=0.000$

customers' minds compared to their rivals, it is also important for them to reach at their targets. In this article, Starbucks was a sample to analyze its brand image. A meaningful relation between Starbucks' brand image and follow-up factor including such questions "I follow-up social responsibility projects conducted by Starbucks" and "I follow-up the innovations regarding Starbucks on its website" was found statistically. While brand image is the most effective factor on customers' loyalty, social responsibility projects and websites follow-up increase customers' loyalty. The atmosphere of the café stores and the service quality are the foremost factors to creat and continue customers' loyalty when Starbucks brand image dimension is analyzed deeply.

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