

AN ANALYSIS ON BRAND LOYALTY: A CASE STUDY ON STARBUCKS

A Project

Presented to the

Faculty of

California State Polytechnic University, Pomona

In Partial Fulfillment

Of the Requirements for the Degree

Master of Science

In

Hospitality Management

By

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Spring 2016

SIGNATURE PAGE

PROJECT: AN ANALYSIS ON BRAND LOYALTY: A CASE STUDY ON STARBUCKS

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ACKNOWLEDGEMENTS

I am truly grateful and thankful to my Graduate Chair, Myongjee (Michelle) Yoo, for her guidance, and tremendous help in writing and improving my paper. I could not have done it without her helpful critiques, suggestions and encouragement. Also, I wish to acknowledge and thank Dr. Neha Singh and Dr. Jerald Chesser for their advice and support. Finally, I am very grateful to my father, mother, grandmother and sister who have been nothing but supportive and helpful throughout this entire process; and through graduate school as well.

ABSTRACT

Brand loyalty is when a consumer prefers to buy the same brand of goods rather than competing brands. Brand loyalty is important to the bottom line because it can increase sales volume by retaining consumers using the brand and by allowing premium pricing. In other words, customers find brands have value, and when that is found, 1) those consumers become repeat buyers and 2) are price insensitive. From a business perspective, building and increasing brand loyalty results in continuous profits due to long-term repeat customers, less reliance on marketing to boost client base and premium pricing. Starbucks is known to have a relatively higher loyalty level among consumers in the coffee shop industry. The purpose of this study is to identify how Starbucks built brand loyalty by identifying the key factors using content analysis. In understanding what factors influence Starbucks' brand loyalty, this study is expected to provide practical suggestions of the qualities that are important to emulate and to increase brand loyalty for hospitality businesses.

Keywords: attitudinal loyalty, behavioral loyalty, brand loyalty, consumer behavior, loyalty marketing, Starbucks

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Chapter 1: Introduction

Brand loyalty results in repeat purchasing and positive word of mouth. When consumers consistently purchase a certain brand and have positive experiences, the company owning that brand achieves competitive advantage. Companies want to foster brand loyalty because consumers affect a brand's success. Brand loyalty is the bottom line for companies because repeat purchasing leads to higher sales volume that helps the company grow (Giddens, 2010).

When a product is deemed to have value, consumers are less price conscious regarding the brand. When consumers are brand loyal, the cost of an item is not as important (Penefit, 2015). Consumers will find a brand they prefer, will not focus on price, nor will pay attention to other promotions that the competition is advertising. Therefore, one of the goals of a brand has become to ultimately create higher brand loyalty (Giddens, 2010).

By minimizing the number of consumers that are leaving the brand and increasing the number of consumers purchasing from the brand, companies can increase volume of sales. Unfortunately, companies tend to lose around 13% of their consumers every 5 years (Giddens, 2010). Because consumers can lose interest in the brand, companies can suffer. "It costs about 5-10 times more to find a new customer than to keep your existing one. Loyal customers know exactly what they want when purchasing from your brand and tend to spend more as well. Current customers tend to spend 67% more than new customers" (Penefit, 2015, p.1). In a retail study, loyal customers reflect about 12-15% of the total amount of purchasers, which still accounts for 55-70% of those sales (Tate, 2014). Put simply, this means over half of your current business is likely coming from a

small percentage of your total customers, and those customers are making loyal purchases on a regular basis. When losing consumers, it is hard for companies to make up that loss, therefore companies would like to follow the retain rather than seek strategy (Giddens, 2010). Retain rather than seek affects a company's bottom line.

The US coffeehouse and donut shop industry grew by 15% between the years 2007 and 2011. By the end of 2012, sales had reached \$28 billion and by the end of 2017, the figure is estimated to be \$33.1 billion (Tepper, 2013a). Looking at various statistics regarding American coffee consumption per day, surveys done from the years 1999 to 2012 showed a rate of 63% in 1999 and 64% in 2012. A poll by the National Coffee Association revealed that at least one cup of coffee a day was being consumed by 59% of Americans in 2015 (Brown, 2015). Coffee Statistics state the average person consumes 3.1 cups of coffee per day (2016). Additionally, statistics show that there is no disparity between male and female coffee drinkers, and that both genders drink about 1.6 cups of coffee per day (Coffee Statistics, 2016). Based on these statistics, one can presume that the majority of coffee drinkers consume more than one cup of coffee a day. Given the growth of the coffee industry, consumers have multiple choices, and this leads to the battle for brand loyalty (Storr, 2015). Additionally, to maintain its growth, the coffee industry has to meet consumer needs in terms of innovation and trend setting; as well as, introducing new preparation methods, premium or artisanal brews and providing healthier options (Mintel, 2015).

A number of authors note that consumer behavior has changed as a result of the various brand options available (Cheng, Chang, Chuang & Yu, 2012; Simonson, 1989). Consequently, when Starbucks was seen to be a popular brand, other brands, such as,

Strange Brew or Nineteen Twentynine tried to imitate it, in an effort to gain customers (Greco & Petit, 2014). Hill (2014) makes the same observation about emulating a successful competitor. The main competition in the coffee field has been between Starbucks and Dunkin Donuts; the latter became more of a threat when it introduced lattes. McDonald's also entered the fray with the introduction of McCafe (Lim, 2014). Lim (2014) further notes that during the recession, Starbucks sales were higher than Dunkin Donuts between 2010 and 2014. Because each of these coffee brands is copying Starbucks, consumers are finding other options and not being "brand loyal". Hence to grow and keep consumers, brands have to come up with differential ways to entice the consumer (Carter, 2015).

Starbucks has created a brand that has high brand loyalty levels due to a variety of aspects (Tepper, 2013a). For example, Starbucks is not just known for their coffee, but also for the great experience it offers. Starbucks does this by establishing an environment where consumers feel like it is a place away from home and work, a relaxing atmosphere, having convenient locations and is a place for everyone (Hennessey, 2012; Marshall, 2015; Niamh, 2015). Along with the experience, Starbucks has seasonal offerings and promotions that help keep the brand revitalized. Because Starbucks takes great care of its customers, consumers are price insensitive and will pay premium prices because the products offered are worth it (Niamh, 2015; Tepper, 2013a).

In the third quarter of 2015, Starbucks' net revenues of \$4.9 billion reflected an increase of 18% for the year. The sales can be attributed to new digital initiatives, such as the My Starbucks Rewards program which started in 2009. The program started in 2009 and had grown tremendously. Joining the club, customers would get free drinks or food

rewards based on the number of stars that had been accumulated. The active users number reached 10.4 million. Within this, there were 6.2 million gold members, which was a 32% increase from the third quarter of 2014 (Harris, 2015).

Additionally, Schultz has implemented the Mobile Order and Pay, where consumers can order either their food or drink from the app, along with paying for it at the same time. This service has been utilized in over 4,000 U.S. stores. Starbucks was the first coffee shop to create a mobile app payment (Euromonitor Research, 2014). In addition, creating value for the consumer by offering rewards at the time of purchase, tends to instill emotional attachment (Giddens, 2010; McEachern, 2016; Tepeci, 1991). In the recent earnings call, Schultz said the Mobile Order and Pay is fueling both revenue and profit in the markets it is in, “with customer adoption starting faster and accelerating with each new phase we roll out” (Harris, 2015, p.2). In an average U.S. Starbucks store, 20% of transactions are done through the mobile app. Today, in the stores, there are 9 million mobile transactions done each week (Harris, 2015).

Starbucks is everywhere, reliable, and gives consumers that “feel at home vibe”. The Starbucks brand provides certainty and consumers like that feature (Niamh, 2015). Due to social networking, Starbucks has been able to interact with consumers, along with creating an online community for its followers. Starbucks is also popular because it came up with MyStarbucksIdea.Com where consumers can share ideas with the brand and tend to feel more involved by doing so (Niamh, 2015). By allowing consumers the capability to partake in the brand and share ideas, Starbucks promotes brand loyalty. Starbucks has implemented various tactics to promote brand loyalty and to grow the number of consumers it has.

Study Purpose

The purpose of this study is to identify how Starbucks has been able to build brand loyalty. This study attempts to identify the key influential factors through content analysis. Starbucks has come up with many ideas to differentiate itself from other coffee brands: multiple locations, ordering drinks on your app, delivering your drinks, ability to charge your phone on wireless docking stations, customizing the music you hear when you are there, loyalty programs and many more (Boxall, 2015; Conditt, 2015; Flacy, 2014; Marshall, 2015; Tepper, 2013a; Year in Review, 2015).

This study attempts to highlight the important factors that Starbucks seems to incorporate regarding brand loyalty. In understanding what factors influence Starbucks' brand loyalty, this study can provide practical suggestions of the qualities that are important to emulate and implement for hospitality businesses. In being able to compare the factors of brand loyalty for the company, the research will identify which factors are prevalent. Upon evaluating those factors, conclusions on the findings will be drawn, followed with the practical implications of the study.

Chapter 2: Literature Review

Starbucks Experience

Starbucks originated in Seattle, Washington in 1971 and is known for its coffee. The company took something as basic as coffee and transformed it into something more. “It is a brand that is defined as much by attitude as it is by products. For devotees, the Starbucks experience is about more than a daily espresso infusion; it is about immersion in a politically correct, cultured refuge from everyday hassles” (Mc, Dowell, 1996, p.1). The idea is to create a “third place” where consumers can go besides home and work, and where they can relax, listen to music and socialize. An urban sociologist, Ray Oldenburg, first termed “third places”: real-life sites that “host the regular, voluntary, informal and happily anticipated gatherings of individuals beyond the realms of home and work” (Marshall, 2015, p.1). Starbucks creates an ambiance in which consumers perceive they can live. “They have gone out of their way to get their customers to live there, in the way of oversized couches and free WiFi, the latter of which some eateries and cafes have rebelled against” (Tepper, 2013a, p.1). The average Starbucks consumer frequents a Starbucks at least 18 times a month and 10% of those, tend to visit twice in a day. Due to Starbucks’ wide product variety, it attracts customers throughout the day, not just for coffee and tea, but other consumer packaged goods [CPGs] (oatmeal, sandwiches, parfaits, cake pops, bagels etc.) as well [Jennings, 2012].

In understanding the target market, knowing what customers look for (through purchase data as well as speaking to the consumer) and creating value for the consumer, Starbucks is able to create several strategies to entice customers. Brand self-connections, refers to the relationship between the brand and the consumer (Moore &

Homer, 2008). By figuring out what the consumers' emotions and needs are, Starbucks is able to figure out ways in which to attract consumers. Starbucks offers consumer's hot/strong tasting coffee along with a relaxing environment which creates memories for the consumers which can later be recalled (Dada, 2014; Hanft, 2005; Hartman, 2014; The Inside of the Starbucks Company, 2016). A consumer can tap into various emotions such as, bittersweet nostalgia and a safe refuge. It also taps into memories of the past which can also promote brand loyalty (Kaplan 1987; Snyder 1991).

A smart tactic Starbucks has is the reward loyalty card (My Starbucks Reward card). Consumers can buy a regular gift card and keep using that gift card and with that, can earn points, and finally receive a personalized Rewards card. The more the card was used, the more benefits and drinks can be earned. The Reward member status had even more perks (Starbucks Rewards, 2016). Another promotion Starbucks came up with, was the treat receipt. Consumers can take the receipt from earlier that morning and would come back later that day to redeem the coupon to receive another iced drink (Starbucks Melody, 2015). This increased repeat purchasing over the same day.

Starbucks now uses purchase data (Halzack, 2015; Wohlsen, 2014) so it can send personalized offers to consumers. Starbucks collects the data on items the customer purchases, with that, preferences are recorded when consumers frequent a store. This information is used to send notifications through the mobile app or through email (Halzack, 2015; Van Rijmenam, 2015).

Starbucks has created a mobile platform which encompasses a payment program to purchase drinks and/or food, yet earn points through the loyalty program as well.

“Both give Starbucks "a direct, real-time, personalized, two-way digital relationship with its customers," says chief digital officer, Adam Brotman” (David, 2014, p.6). Cell phones are used tremendously in our daily life and contribute to 14% of business in both the U.S. and Canada (David, 2014). David (2014) mentions that the new iPhone app allows customers to “shake and pay digitally” (including tipping), earning bonus points and other perks along the way (p.6). Starbucks recently enabled a way for consumers to order drinks through the mobile app before arriving at the location. The combination of Starbucks cards and mobile payments represents 35% of payments in the U.S. and Canada. The mobile payment app makes payment faster and shortens the length of time customers have to wait in line. Customers can track their rewards when they want to (Hof, 2015).

Brand Loyalty

“The marketing literature states brand loyalty as an interplay between the consumer’s attitude and repeat purchase behavior” (Baldinger & Rubinson, 1996; Chaudhuri, 1995; Day, 1969; Farr & Hollis, 1997; Fournier & Yao, 1997; Jacoby & Kyner, 1973; Kuikka & Laukkanen, 2012, p.529; Ogba & Tan, 2009). The repetitive and systematic purchasing of the same brand can be linked to brand loyalty, along with how a consumer thinks and feels towards the brand (Belaid & Behi, 2011; Härtel, Russel-Bennet & Russel, 2008). For true brand loyalty to exist, consumers have to form an emotional attachment (Liu, Li, Mizerski & Soh, 2012, p.924), and be committed to the brand (Wilson, Zeithaml, Bitner & Gremler, 2012, p.41).

Brand loyalty is broken down into two dimensions, namely attitudinal and behavioral loyalty. Attitudinal loyalty deals with how a consumer develops a strong tie

with not only a brand, but also the employee, thus allowing the purchaser to pay premium prices for that product. Attitudinal loyalty is how one associates with that brand (Chaudhuri & Holbrook, 2001). Emotional attachments are related to attitudinal loyalty and occurs when a consumer has a preference for a particular company's offering in terms of products or services over competing brands. Customers like this, are the ones who encourage family and friends to visit these establishments, such as, Starbucks, BMW and Harley Davidson (Seiler, 2005). When attitudinal loyalty grows over a certain time period, the brand one is purchasing creates emotions and feelings for the consumer (Schiffman & Kanuk, 2009). In essence, attitudinal loyalty depicts the psychological disposition of various consumers and is measured by the consumer's attitudes (Khan, Humayun, & Sajjad, 2015).

The behavioral aspect of brand loyalty measures the behavior of the consumer namely; 1) how much of the item does a consumer buy, 2) how often does the consumer purchases the product and 3) the redundancy in purchasing the product (Schiffman, Kanuk, & Wisenblit, (2010). In other words, behavioral or purchase loyalty is the repeated purchase of that brand (Chaudhuri et al., 2001; Day, 1969; Farr & Hollis, 1997; Quester & Lim, 2003). In addition, repurchase behavior demonstrates a consumer's true commitment to a specific brand (Back & Parks, 2003; Day, 1969; Quester & Lim, 2003; Zins, 2001). "Behavioral loyalty can be expressed as a brand preference (that is expenditure on a particular brand as a proportion of the total spends on a product category or as a brand allegiance --that is expenditure on a brand over time" (Roy, 2011, p. 114).

Loyal consumers can be distinguished from non-loyal consumers in the following ways; 1) loyal consumers buy the same items over time, 2) tend to look at other product lines the brand has to offer and 3) will tell others about the brand (Bowen & Shoemaker, 1998). From the company's perspective, brand loyalty is important to the bottom line in three ways: higher sales volume, premium pricing ability, and retention of customers.

A huge benefit to companies is that brand loyal consumers will not care if prices increase and still feel that that particular brand can satisfy their needs. When there is brand loyalty, consumers are not as focused on price because they feel that this particular brand is of better value and can give them what other brands cannot. This allows brands to have premium pricing. When retaining customers, companies end up spending less on advertising, marketing and distribution (Dowling & Uncles, 1997; Giddens, 2010). In reducing marketing and promotional costs, brands can make more profit.

On average, companies lose around 13% of their customers every five years. To gain even 1% annual growth, requires increasing new customers by 14% (Giddens, 2010). If a company is able to lower the number of customers it is losing, then it can improve business growth. In having brand loyal customers, there is continuous profit due to long-term and repeat consumers, the company does not have to worry about continuously marketing to attract new consumers and consumers tend to spend more over time (Bowen & Shoemaker, 1998; Moisescu & Allen, 2010). If a brand wants to increase its customer base, there is a need to be innovative and come up with more ways to entice consumers (Bowen & Shoemaker, 1998).

Factors that Affect Brand Loyalty

The following factors are known to affect brand loyalty according to previous studies: perceived service quality/status, costs, switching costs, situational factors, perceived value, satisfaction, commitment and trust (Cheng, 2011; Dick & Basu, 1994; Duffy, 2003; Ha & John, 2010; Habib & Aslam, 2014; Lee & Cunningham, 2001; Kussik, 2007; Tepeci, 2015; Yang & Peterson, 2004).

Perceived service quality. Roumeliotis and Ihalainen (2011) state “perceived quality” is your customers’ view of the quality of a product or service both in terms of what is expected and how consumers perceive the quality of competing brands. In commenting about this Somma (2014) concludes that “perceived quality is defined as a measure of belief”. Perceived quality focuses on cognitive behavior and is linked to satisfaction which is an effective response (Oliver, 1999; Frank, Torrico, Enkawa & Schvaneveldt, 2014). Perceived quality has more of an impact on brand loyalty when comparing the relationship between quality, satisfaction and behavior (Arasli, Mehtap-Smadi, Katircioglu, 2005; Baker & Crompton, 2000; Cengiz, Ayyildiz & Er, 2007; Ehigie, 2006; Lee & Cunningham, 2001; Lewis & Soureli, 2006; Rutyer & Wetzels, 2000).

The service experience quality can be controlled by the service provider which will result in the consumer coming back for that experience, whether it be online or in person (Baker & Crompton, 2000; Miller, 2010). When consumers have higher expectations and expect perceived quality, repurchase intention will be higher (Baker & Crompton, 2000; Bolton & Drew, 1991; Lee & Cunningham, 2001; Saleem, Ghafar, Ibrahim, Yousuf, & Ahmed, 2015). Consumers are likely to want to associate with a

brand if it can be related to a status symbol. Zeithaml, Ray and Chau state that perceived quality is when consumers judge a brand based on how well it is, along with the status it resembles (1998; 2011).

Costs. Costs are grouped into economic or transaction costs. Economic costs can be separated into monetary and nonmonetary costs (Economic Cost, 2016). The amount of money a consumer spends on a product or service is the monetary costs. When a consumer evaluates the benefits received from a service/product, these will determine whether the consumer will purchase from the brand again. The nonmonetary cost represents service time (Dodds & Monroe, 1984; Monroe, 1990; NonMonetary Price, 2016; Zeithaml, 1988). Every consumer is different and values time differently. In order to maintain repeat business, the service provided by the brand needs to impress the consumer. When consumers receive faster service, repatronization occurs (Akhter, 2010).

Transaction cost is a nonmonetary cost as well. These occur during the exchange process between the consumer and the company due to interactions involving different factors (Bag, 2013; Williamson, 1987). It is hard to evaluate a service performance from a customer's standpoint. It is hard to quantify transaction costs and make sure consumers understand the value of what they are purchasing. In having unpleasant experiences with a brand, a consumer's loyalty decreases and so future transactions will not occur (Huang & Chiang, 2013; Williamson, 1987). A helpful way to prevent transaction difficulties is by gaining knowledge regarding the consumer's experiences.

Switching costs. Switching costs relate to the costs of moving from one service provider to another (Heide & Weiss, 1995; Pick & Eisend, 2014). Due to the cost that is incurred when switching, this can make it harder for the consumer when wanting to

change from one product or brand to another (Jones, Reynolds, Motherbaugh & Beatty, 2007; Serkan & Gokhan, 2006).

Switching costs are known as future costs, whereas the economic and transaction costs are based on those in the present. Switching costs comprise of monetary, behavioral (Burnham, Frels & Mahajan, 2003; Yang & Peterson, 2004), search (Bakos, 1997; Oorni, 2003; Strader & Shaw, 1999; Yang & Peterson, 2004), and learning related/ evaluative (Burnham, Frels & Mahajan, 2003; Yang & Peterson, 2004). When a customer has been locked into a transactional relationship, the consumer will become behaviorally loyal because the cost of switching partners tends to be high.

When consumers are considering switching brands, information search cost is incurred which is the cost of gathering information on the alternatives. Information search cost might be high or low but does affect the overall level of switching costs. If switching costs are higher and information search costs are high as well, customers are less likely to change brands (Pae & Hyun, 2006; Porter, 1985; Serkan & Gokhan, 2005). Perceived risk in changing a brand can be linked to switching costs. Consumers reduce risk by searching for information before purchasing and tend to be more brand loyal after that (Cunningham, 1967; Midgley, 1983; Mitchell, 1999; Park and Kim, 2003; Pires & Eckford, 2004; Soopramanien, Fildes & Robertson, 2007). Behavioral loyalty (repurchase intentions and word of mouth intentions) and perceived risks are directly correlated when picking a new brand (Soderlund, 2006; Yen, 2011). If brands can be substituted, then barriers to switching will diminish and so will consumer loyalty; which will also affect the repurchase behavior intention of the consumer.

Situational factors. Consumers make purchases based on situational factors.

Situational factors represent factors that are for a specific date and time when observing (Anic & Radas, 2006). Situational factors can also be understood as the “actual or perceived opportunity for engaging in attitude-consistent behavior, incentives for brand switching through reduced prices (i.e., deals) of competing brands, and effective in-store promotions that might increase the salience of a competing brand over one normally preferred by the consumer” (Dick & Basu, 1994, p. 105). Situational factors comprise of a consumers 1) physical surroundings, 2) social surroundings, 3) temporal perspectives, 4) task definitions, and 5) the antecedents, which explain how and why customers make certain purchase decisions and is also based on the emotional and physical state of the consumer (Belk, 1975).

Physical surroundings. As far as the physical surroundings, there are certain factors which can be indicated; facility location, the sights, sounds, smells which can be associated with a particular facility and the weather (Belk, 1975). The way the establishment is usually laid out is to enable consumers to wander around which will increase spending. The physical factors companies have control over are all called, atmospherics (Tanner & Raymond, 2016). In some stores, having certain smells would allow for consumers to spend more time and lead to an increase in purchasing. A physical factor that companies do not have control over is the weather. In order for brands to not be affected by weather conditions, brands make products look attractive regardless of how the weather is (Tanner & Raymond, 2016).

Social surroundings. A consumer’s social surroundings influence what the consumer’s purchasing behavior will be. It involves people around the consumer, “their characteristics, apparent roles and interpersonal reactions” (Belk, 1975; Zhang, Tsang,

Zhou, Li, & Nicholls, 2005). When being in the presence of others (social shoppers) shopping expenditure can increase (Kollat & Willet, 1968; Nicholls, Roslow and Dublish, 1997; Zhuang, Tsang, Zou, Li and Nicholls, 2006). “Suggestions made by friends and relatives may reinforce shopper’s purchase decision, resulting in more purchases” (Anic & Radas, 2006, p.735). Underhill (1999) states that a store will do well if it can entice many couples, friends or groups.

Temporal perspective. The temporal perspective can gauge the time of day, time of year and length of time since the most recent purchase, and this affects how future purchase behavior will be as well (Belk, 1975; Zhang, Tsang, Zhou, Li, & Nicholls, 2005). Research states that there is positive association between travel time to store and purchasing outcome because distant shoppers are more likely to purchase; those who have traveled over half an hour to reach a location versus those who have not traveled as far (Anic & Radas, 2006; Nicholls, Roslow & Dublish, 1997). Underhill (1999) states that the longer the consumer spends in the store, the more items the consumer will purchase.

Task definitions. When it comes to task definitions; this revolves around a consumer’s intent or requirement to decide, shop or gather information regarding a purchase (Belk, 1975; Cherukuri, 2010; Kenhove, De Wulf & Waterscoot, 1999; Zhang, Tsang, Zhou, Li, & Nicholls, 2005). It is related to an individual and focuses on the mind and what the motivators are when purchasing items (Bajaj, Rajnish & Srinivasta, 2005). Task definition is about reaching goals that a consumer needs to attain (Cherukuri, 2010).

Antecedents. The antecedent shows a customer’s emotional as well as physical state prior to buying and can distinguish how much it can influence one’s purchase

behavior (Belk, 1975). The antecedents can also be related to a consumer's mood or condition, whether it be anxiety, pleasantness or fatigue (Belk, 1975; Zhang, Tsang, Zhou, Li, & Nicholls, 2005).

Perceived value. If customers feel the product or service provides high value, repurchase is more likely (Long-Yi & Chen, 2009; Yang & Peterson, 2004). Companies are incredibly focused on enhancing products and providing consumers with good experiences because that helps in growing the business (Long-Yi, L., & Chen, 2009; Woodruff, 1997). "Perceived value indicates the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given (Chao, Shyr, Chao, & Tsai, 2012; Korda, & Milfelner, 2008; Zeithaml, 1988, p.14)".

Consequently, perceived values can be a tradeoff between the quality or the benefits customers want to experience or can be those, one wants to forgo (Oh, 2000; Slater & Narver, 2000; Snoj, Korda & Mumel, 2004; Ulaga & Chacour, 2001; Yang & Peterson, 2004; Zeithaml, 1988).

Satisfaction. Satisfaction is a cumulative response resulting from a service experience (Bolton & Drew, 1991; Carillat, Jaramillo & Mulki, 2009; Govender & Ramroop, 2012; Hoisington & Naumann, 2003; Lam, Shankar, Erramilli, & Murthy, 2004; Oliver, 1981). It is important for brands to improve customer satisfaction to achieve loyalty. Customer satisfaction is one of the antecedents in building customer loyalty. The relationship between satisfaction and repurchase behavior can be based upon how a consumer can relate and feel about a product, also known as post purchase behavior. Loyalty can be a long-term effect which can be associated with satisfaction and can be shown by repeat visitor's satisfaction (Lee & Lee, 2013; Oliver, 1997; Petrick,

1999). Customer satisfaction contributes to customer loyalty; and when customers are satisfied with the service provider, the more likely repatronization and positive word of mouth will occur (Lam, Shankar, Erramilli & Murthy, 2004; Lee & Lee, 2013).

Trust. Trust is a valuable social interaction and plays a huge part when it comes to loyalty marketing (Keller, 1993; Morgan & Hunt, 1994). “Trust is a feeling of security based on the belief that the customer’s behavior is guided and motivated by the favorable and positive intentions towards the service provider” (Agustin and Singh, 2005; Ballester & Aleman, 2001, p.1243-1244). When there is no doubt, no risk in the relationship, then the development of a solid relationship is bound to occur and loyalty will follow (Ballester & Aleman, 2001; Sahin, Zehir & Kitapci, 2011). In addition, trust also occurs if there is high involvement and high service products (Chiou & Chi-Chung, 2006; Sahin, Zehir & Kitapci, 2011). When consumers use certain service providers, certain expectations are bound to be had. How a business runs its operation and takes care of various tasks, will give consumers an idea of how it will treat its customers.

Commitment. “Brand commitment is an enduring desire to maintain a valued relationship” (Berry & Parasuraman, 1991, p.316; Maheswari, Lodorfos & Jacobsen, 2014). Consumers that are highly committed will work harder to keep the relationship going versus a consumer who is less committed. Commitment can be broken down into 2 aspects; affective (emotional) and continuance (obligation). Affective commitment can be tied to emotional attachment to a brand which cultivates a sense of belonging (Allen & Meyer, 1990; Amine, 1998,; Baloglu, 2002; Bansal, Irving & Taylor. 2004; Jones et al., 2007; Maheswari, Lodorfos & Jacobsen, 2014; Tu, Liu, & Chang, 2014), along with how the consumer can identify with the brand and is able to build a consumer-brand

relationship (Louis & Lambart, 2010; Maheswari, Lodorfos & Jacobsen, 2014). Continuance commitment/calculative or economic commitment (Evanschitzky & Wunderlic, 2006; Srivastava and Owens, 2010; Tu, Liu, & Chang, 2014) focuses more on relational motives, focusing on termination or switching costs (Kumar & Shah, 2004; Maheswari, Lodorfos & Jacobsen, 2014). Continuance commitment deals with a relationship that is long term, for example, contracts or service agreements.

Building Brand Loyalty

Understanding how consumers think and feel about a brand is vital. Companies need to know why customers are buying certain products and what the drivers are; by doing this companies can market its products better, thus increasing the customer base. When businesses focus on the customers and provide great customer service, consumers feel welcome and want to continue purchasing from the brand (Ayyar, 2014; Bueno & Jeffrey, 2013). If brands do not stay focused on the consumer and rather on the sales, then customers will leave and there will be no brand to build. When customers are loyal, companies need to be able to retain these customers and give them reasons as to why they should stay (Bueno & Jeffrey, 2013; Innis & La Londe, 1994).

Some ways to do this are by, providing good customer service, talking to your customers, reading online reviews and blogs that are brand specific (Bailey, 2016). Without paying attention and understanding what your target market looks for, the brand will not be able to prosper (Innis & La Londe, 1994; Bueno & Jeffrey, 2013; LeDesanctis, 2013). Not only is listening to the customers and hearing feedback important, but also making sure consumers are well informed about the different products that are up and coming, can help customers feel more engaged in the brand.

Companies need to use the following tactics in order to build brand loyalty: build brand awareness, promote the brand, build a positive brand image, stick to the correct target market, innovate and provide memorable experiences. In the awareness stage, consumers have no relationship with the brand. To make consumers aware of the brand, the brand needs to do advertising, send out mail, trade press, and partake in word-of-mouth communication along with promotional activities (Epstein, 2015; Grover & Srinivasan, 1992). Exposure is fundamental and the more brand and product is promoted, the more likely consumers will be aware of it. Refocusing on consumers, tracking users who have accessed the brands website (should there be one), establishing an online presence to gain more exposure, using blogs or creating videos can boost exposure which can lead to profits (Epstein, 2015; Nguyen, 2016). When consumers consistently see a product, such as Starbucks, and have more opportunities to use and purchase the product, the more likely customers will be aware of it.

Once a consumer is aware of the brand, promoting the brand to engage consumers with the product or service is the next step. Promotion helps with brand loyalty, especially if that product has a new or better version than the last one. Through promotion, brands can show consumers differentiation and thus build brand loyalty (Grover et al., 1992; VanAuken, 2013).

Upon promoting the brand and consumers being aware of it, maintaining a positive brand image is important. Brands need to represent quality to the consumer. If a brand can do that, consumers usually stay with the brand. Consumers purchase from a certain brand because it is familiar and has attained perceived quality. When brands have a positive reputation, prices can be increased; there is positive word of mouth which leads

to attractiveness (Rogerson, 1983; VanAuken, 2013). Price differences are also an indication of quality to some consumers. Creating positive brand image helps one brand demonstrate its competitive advantage over others. The brand can demonstrate this through the usage of colors, symbols, words, slogans, and sending a clear image to the consumers (Berry, Lefkowitz & Claek, 1998; Brand Image, 2016). Consumers look at brands and pick ones over others due to how that brand makes one feel and look (Brand Image, 2016; Schiffman & Kanuk. 1991).

The brand should not change its foundation, but focus on its mission statement which had been created for the company. The brand should not try and reach every target market, but be bold or unique. The brand can send out wishes (Jones, 2014) and needs that show what customers might like, create a set group market segment based on one's needs and observe a consumer's buying behavior and treating high profile clients well (Van Meter, 2015).

Innovation is also important when it comes to building brand loyalty because the brand needs to stay up to date with the current trends, product lines and tastes of consumers (Ayyar, 2014). But on the other hand, if the brand changes too much, consumers may get lost and not recognize the brand anymore. "The changes need to be made so it will meet and exceed consumer's wants and needs, but still need to be able to keep the consumer if they decide to update the brand" (Alamgir, 2010; Tepeci, 2001, p.225). Companies need to keep their quality high and be consistent with what they are known for. Customers have certain expectations of how the product or service is, and when maintaining that, customers will continue to be loyal. In being innovative, the brand needs to create an unbeatable product (Giddens, 2010; Tepeci, 1991).

When companies are able to give consumers a good experience, customers will remember that and want to stick with that brand. By picking the right employees to represent the company when the customer comes into the establishment, creating a database marketing system that is based on the customers preferences whereby customers can benefit from incentives (Bailey, 2016). This helps the brand maintain business with repeat customers because retaining repeat customers is cheaper than gaining new ones. When being helpful and catering towards customers and not being as focused on numbers, customers will feel taken care of and the company genuinely cares about serving them. Companies should ask customers how their experience has been to depict care and concern in regard to its customers (Bueno & Jeffrey, 2013; LeDesanctis, 2013). Brands also need to respond to all complaints, feedback and social interactions, monitoring brand mentions and negative comments on a company's review site (Aaker, 1991; Johnson, 2015, p.1). Schultz states that it is important for consumers to feel satisfied because that reflects on one's behavior and if the employees care about how consumers feel about the products and make sure a good experience is had, consumers will leave satisfied. A satisfied customer tends to move towards the brand loyal side rather than a customer who used that product/service based on time restrictions or information deficits (Rizwan, Akbar, Muqtadir, Zia, Nasser & Amin, 2013; Schultz & Bailey, 2000).

Consumers want to purchase from a brand that delivers on its promise. Again, re-examining the mission statement and what the company stands for is important when sticking to the brand promise. When that has been understood, being able to stand by that and stick to the brand's promise is essential to building brand loyalty (Bueno & Jeffrey,

2013). By making it easier to buy your product rather than the competition, consumers will prefer your brand to others (Giddens 2010; Tepeci, 1991).

Empirical Studies on Brand Loyalty

Coca Cola, Apple, and Marriott are some well-known brands that have high brand loyalty levels among their customers due to a number of reasons. The end goal of these brands was to create a personalized experience that the consumer feels emotionally engaged with the brand (Chaudhuri & Holbrook, 2001; Williams, 2015). Brand loyalty also deals with consumers preferring your brand to others because your products or services are superior to competition (Goodson, 2011; Jacoby & Kyner, 1973; Tepeci, 1991; Wilkins, 2010).

“A combination of emotional engagement, targeted advertising and the right ambassadors have allowed Coca Cola to retain its leading brand loyalty in both soft drink categories” (Williams, 2015, p.1). Coca Cola has done market research on its potential customers and has been able to 1) determine the types of products consumers want, 2) where to promote and distribute these products and 3) what price to offer consumers in order to create the idea of “best value for their money approach” (Ming Case Study, 2014, p.1).

My Coke Rewards program allows consumers to scan Coca Cola products and earn points (Here’s How MCR Works, 2015). “The company does see a correlation between digital engagement and increased sales, both through maintained share of wallet among loyal members and through more purchases of Coca-Cola products, said Mike Weaver, director of data strategy and precision marketing” (Pearson, 2015, p.1). Because Coke has also developed such a huge presence on social media with having more than 75

million followers on Facebook, consumers see how popular the product is and what the reputation of the brand and tend to prefer that brand (Eltonnghi, 2014; Tanner, 2013).

The Apple brand has been able to make consumers feel like they are a better person for having the product. It is all about the portraying a certain “lifestyle, innovation, passion and style” (Quinn, 2015, p.1) – as if being part of Apple club was the thing to do. “Once connected, Apple and its cult of addicts are impervious to competitors” (Lewis, 2014, p.1). Consumers tend to forget about all other brands when a new product is released (Lewis, 2014). As a result of the consumers being solely focused on Apple products, consumers are not being affected by the premium pricing and will pay for the product no matter what. Consumers will buy anything Apple related, regardless of the price (Quinn, 2015).

Whenever there seems to be issues with Apple products, customers are patient and forgiving. Consumers tend to be understanding and will continue to buy the products even if problems arise regarding to technology (Goodson, 2011). Quinn (2015) conducted a study and found some key reasons why consumers prefer Apple to other brands and it is because the products are easy to use, and puts customers at ease when using the technology. Consumers like Apple’s ability to evolve the technology, which leads to the expectation of innovativeness and design of having such a new product. There is consistency within the brand and because of that, consumers become familiar with the brand and are able to have that connection towards it (Quinn, 2015). “By creating an emotional connection with its customers, Apple has done the near impossible – it has acquired a loyal following (Goodson, 2011, p.1)”. “Our goals are very simple- to design and make better products. If we cannot make them better, we will not do it” (Quinn,

2015, p.1). “Apple is committed to bringing the best personal computing experience to students, educators, creative professionals and consumers around the world through its innovative hardware, software and Internet offerings” (Goodson, 2011, p.1).

Marriott provides customers with a personalized experience by having associates be aware of each consumer’s personal preferences and to make sure they are taken care of. In addition, on the Marriott.com website, consumers can check account balances, search hotel options for redemption rates, book a redemption reservation, and order e-certificates in real time through one seamless process (Marriott Hotel Development, 2015). Marriott’s loyalty program is liked by consumers because they can earn rewards at many different hotels and there are not many blackout dates. Marriott is the highest in overall customer satisfaction according to J.D. Power Hotel Loyalty/Rewards Program Satisfaction (Stoller, 2014).

“Marriott Rewards significantly contributes to our ability to build brand preference by allowing us to capture and analyze a high volume of customer data. This valuable information is then used to perfect our marketing efforts aimed at maximizing revenue, share, and profit” (Marriott Hotel Development, 2015, p.1). A survey was conducted to measure what factors consumers felt were important. The categories were: ease of redeeming points/miles, ease of earning points/miles, reward program term, ease of earning points/miles and customer service. Ease of redeeming points/miles is important when determining loyalty/rewards program satisfaction which accounts for 22%. “Recommendation of friends and family plays an important role in loyalty/rewards program selection. When asked why they chose one particular loyalty/rewards program over another, 19 percent of customers cite recommendation of a friend or family member

as the reason” (Tews, 2014, p.1). Forty-three percent of consumers join the loyalty program while at the hotel, whereas 25% who join online and during a promotion, 14% of customers join due to promotional material that had been given by the hotel (Tews, 2014).

Chapter 3: Research Methodology

The methodological technique used in this study was content analysis. Content analysis “is a detailed and systemic examination of the contents of a particular body of material for the purpose of identifying patterns, themes or biases” (Leedy & Ormrod, 2001, p.155). For the content analysis, secondary data was utilized through existing literature, which included academic articles and non-academic articles that were written on Starbucks’ brand loyalty.

The data was collected using the Cal Poly Pomona’s library’s database along with the Google search tool. From the Cal Poly Pomona’s library’s database, a journal database called ProQuest was utilized. ProQuest was used to collect data from academic articles and the Google search tool was used to collect data from non-academic articles. For both sources, data collection started by searching for Starbucks brand loyalty as the keyword and only searched for articles published between the years of 2000 all the way to 2016.

The articles that were chosen came from various business and hospitality journals. As mentioned, the years of articles fell between the years 2000-2016 to decrease the number of articles being shown. The keywords used for ProQuest were Starbucks brand loyalty, what do customers look for when it comes to brand loyalty for Starbucks and factors of brand loyalty for Starbucks. Upon using those various keywords, data search from ProQuest resulted in over 200 articles. After reviewing the articles individually, only 10 academic articles were selected. In reading the articles, the researcher picked articles based on the use of Starbucks factors, examples of brand loyalty for Starbucks and how the keywords were mentioned at least two to three times per article. These

articles were chosen primarily because they explained what brand loyalty was in relation to Starbucks, the factors that define brand loyalty for Starbucks and how to promote brand loyalty for Starbucks. The other articles were excluded due to the fact that the material was not relevant to this particular study. Additionally, these articles were not used because there was no mention of Starbucks, Starbucks brand loyalty nor why consumers are loyal to Starbucks.

In searching for nonacademic articles on Google, the same search criteria was utilized. The keywords used for Google were Starbucks brand loyalty, what do customers look for when it comes to brand loyalty for Starbucks and factors of brand loyalty for Starbucks. Google search resulted in more than 1,000,000 results. The search results included website articles which were affiliated with Starbucks and additional articles posted by Starbucks. Since it was impossible for the author to review all of the results from Google, this study only looked at articles related to Starbucks' brand loyalty and selected the articles published in the first 5 pages, along with having been written after the year 2000. The researcher picked articles that mentioned Starbucks brand loyalty and the like because the previous keywords showed up in the articles at least two to three times per article. The other articles that were not mentioned were too old, did not relate to Starbucks brand loyalty or other keywords and did not contribute to the findings section.

Consequently, this study included 10 academic articles and 19 non-academic articles for data analysis. After determining the final list of articles for this study, content analysis was used to determine the influential factors that affected Starbucks' brand loyalty.

Chapter 4: Research Findings

A total number of 29 articles on Starbucks were reviewed and cited in this section and helped in identifying the most influential factors of Starbucks' brand loyalty. The factors were based on the existing literature both from the academic and non-academic articles. All the articles used within the findings section below describe what Starbucks has done within each factor and can show the reason why Starbucks has been successful in promoting its brand loyalty. Table 1 summarizes the review of the articles that were used for this study.

Table 1

Summary of brand loyalty factors of Starbucks

Factors	
Perceived Service Quality	<ul style="list-style-type: none">• Comfy chairs, sofas, a unique place to be and quiet (Dada, 2014; Hennessey, 2015; Marshall, 2015; Niamh, 2015; Tepper. 2015b).• Distinct place which is neither home nor office, but a “third place” (Marshall, 2015).• Great place for customers to work, meet friends/colleagues and socialize (Marshall, 2015).• Starbucks wanted to be known for more than just selling coffee (Starbucks Corp Shareholders Meeting, 2011; Song, 2012).
	<p>Starbucks is more than the coffee, it is an entire experience. This is where the consumer perceives quality that is different from the competitors.</p>
Economic Costs	<ul style="list-style-type: none">• Starbucks prices are incredibly high and the coffee is not good

(Herman, 2012; Sentenac, 2013).

Monetary Costs

- Consumers buy a regular gift card and earn points and overtime gain access to My Starbucks rewards card (Starbucks Rewards, 2016).
- Consumers can take the receipt received earlier that morning and redeem it later that day for a medium iced drink (Starbucks Melody, 2015).

Starbucks coffee prices are considered high. However the rewards program does reduce the price for repeat customers. There are 6.2 million Starbucks rewards members (Harris, 2015).

Nonmonetary Costs

- Drive-thru operations (Tatsak, 2006).
- Mobile Order and Pay (order drink from the app even if you are not at the store and can pay at the same time) [Harris, 2015].
- 20% of transactions are mobile (9 million per week) [Harris, 2015].
- App can enable customers to have drinks delivered as well [Conditt, 2015; Harris, 2015].

Faster service leads to repurchase intention (Ahkter, 2010). By having drive-thru service and by creating a mobile app whereby consumers can purchase their drinks before, while or on their way to a store, Starbucks has reduced waiting time (nonmonetary cost).

Transaction Costs

- Starbucks created an atmosphere of service (Dada, 2014, Hennessey, 2015;

Marshall, 2015; Niamh, 2015; Tepper, 2015b).

- Being recognized by Starbucks employees makes customers happy (Starbucks Melody, 2012).
- Treat your customers as “you are worth it attitude” (Meister, 2012).

Being consumer friendly is one of the main traits of Starbucks. By providing good service, Starbucks has reduced the transaction cost for the customer.

Situational factors

- Locations are safe, and consistent throughout the world (Dada, 2014; Hennessey, 2015; Tatsak, 2006)

Physical surroundings

- Starbucks is a refuge from everyday hassles (Rippin, 2007; Venkatraman, & Nelson, 2008).
- Nostalgia and safe refuge entice customers to frequent a Starbucks (Mayo, 2011; Rippin, 2007; Simon, 2009; Venkatraman, & Nelson, 2008).

As mentioned earlier, Starbucks creates a place where consumers want to come and relax and/or work and socialize. The access to music, comfy chairs, and free Wi-Fi, determines why consumers want to spend time at Starbucks. Consumers also like the consistency of the locations and the brand.

Social surroundings

- Casual, friendly environment in the Starbucks shop
 - My StarbucksIdea.com (where consumers share ideas about the brand and feel more involved) [Niamh, 2015].
 - Starbucks cups and merchandise can be seen everywhere and can
-

affect consumers purchasing behavior (Ahearn, 2013).

- Many stores, located in grocery stores, enables more consumers to have the Starbucks café experience (Tepper, 2013b).

Starbucks is everywhere. Consumers are guided in what they buy based on who they are with and where they are. Whether a consumer is at the mall or school, constant exposure to the Starbucks brand is bound to happen. Because Starbucks is everywhere, consumers are drawn to the brand and end up purchasing the brand because it is the appropriate behavior.

Temporal perspectives

- Average customer frequents Starbucks 18 times a month: 10% twice a day (Jennings, 2012).
- My Starbucks Rewards can earn points (Starbucks Rewards, 2016).

Starbucks consumers purchase Starbucks quite often. The use of My Starbucks rewards card, enables consumers to earn points and obtain free drinks or food. This promotes repurchase behavior.

Task definitions

Nothing to indicate what a consumer needs to do prior to shopping for coffee.

Antecedents

Because antecedents refer to a customer's emotional and physical state prior to purchase, this is not something that Starbucks can affect.

Perceived value

- Starbucks prices are incredibly high and the coffee is not good
-

(Herman, 2012; Sentenac, 2013).

- Coffee beans are burnt (Passy, 2015; Weinberg, 2011).
- Consumers feel that they are getting their money's worth because of perceived quality and are willing to pay more (Meister, 2012; Starbucks Corp Shareholders Meeting, 2011).
- Employers are trained to treat customers with "you are worth it attitude" (Meister, 2012).

Different consumers see the brand differently, thus there are is no consensus here as to perceived value.

Satisfaction

- Barista experience (being remembered and feeling special) [Starbucks Melody, 2012].
- Order through the mobile app (Harris, 2015).
- Drinks being delivered when ordering through the app (Conditt, 2015).

The barista experience and the mobile applications contribute to good experiences with the Starbucks brand, leading to satisfaction.

Trust

- Cookie cutter locations, consumers feel safe, consistent, familiarity (Dada, 2014; Hennessey, 2015).
- Familiarity and consistency lead to perceived value and trust

Starbucks locations are consistent, whether they are in Washington, DC or even in another country, consumers know what to expect. Because the brand is familiar and consistent,

consumers are more relaxed and will be able to trust the brand.

Commitment

- Barista experience when employees remember consumers and/or their drinks as well, leads to a cheerful customer (Starbucks Melody, 2012).
- A consumer can tap into various emotions such as bittersweet nostalgia and safe refuge

Through brand self-connections, whereby the brand can understand what the consumer's needs and emotions are, Starbucks has been able to build an emotional attachment to the brand.

Status

- Being seen at Starbucks is viewed as a status symbol (Chai, 2012; Patterson. Scott & Uncles, 2010; Piong, 2013).
- Principle of consensus states that when consumers see others behavior, that will dictate what the appropriate behavior is (Chai, 2012; Piong, 2013).
- Seeing Starbucks coffee cups and emulating that behavior is an example of the principle of consensus

When consumers see others purchasing from a particular brand, the idea of this, is socially acceptable. As a result, purchasing from Starbucks is a way to gain status.

Chapter 5: Conclusion

Summary of Findings

This study examined the influential factors that affected Starbucks' brand loyalty through content analysis. The purpose of this study was to understand the relevance of the brand loyalty factors and how it compares to Starbucks' brand loyalty, and to provide some practical suggestions for their use in the hospitality industry.

The findings indicate that several of the brand loyalty factors have been applicable to Starbucks: perceived quality, nonmonetary costs, transactional costs, situational factors (physical surroundings, social surroundings), status, satisfaction, trust and commitment. The following brand loyalty factors were not found applicable to Starbucks: monetary costs and switching costs. Within situational factors, task definitions and antecedents are difficult to assess and hence are not considered to be significant.

Some of Starbucks' strategies have contributed to multiple brand loyalty factors: the creation of the "third place", the barista experience, the rewards card and the mobile Order and Pay app. These approaches have impacted brand loyalty factors of perceived service quality, physical surroundings, perceived value, nonmonetary costs, transaction costs, satisfaction, trust and commitment. The creation of the "third place" where Starbucks customers can relax, socialize and be comfortable has contributed to the brand loyalty factors of perceived service quality, physical and social surroundings. In addition the consistency of the Starbucks environment has contributed to consumer trust. By providing a great experience where the barista remembers the customer, recalls his or her preferences, and makes the customer feel special, Starbucks influenced the brand loyalty factors of satisfaction and commitment. The positive barista experience has also reduced

transactional costs for the consumer. The rewards card by which a customer gets discounts for using a card frequently has affected perceived value and to some extent monetary costs. The Mobile Order and Pay application has reduced waiting time (nonmonetary costs) and increased satisfaction. Starbucks coffee, coffee stores and merchandise (cups, mugs and other merchandise) are seen everywhere; this influences brand loyalty factors of social surroundings as well as status. Customers feel as if their status has improved because they are being seen by others at Starbucks or using Starbucks products.

Monetary costs as a factor have not contributed very much to brand loyalty because Starbucks coffee is priced quite high for the quality offered. Because it can take time to earn points and become a Starbucks rewards member, consumers might feel the monetary costs that are attributed to this are not worth the perks. Within the situational factors, task definitions are hard to determine since what a customer expects to get out of the coffee may be different each time (to wake up, morning coffee routine or mere relaxation). When it comes to antecedents, this also reflects how the consumer felt emotionally and physically prior to purchase, which Starbucks cannot really control. However, when employees provide great and friendly customer service, the intent is to help alter the consumer's mood, should it be a negative one or to make the consumer feel better even if they are already in a cheerful mood.

Building a successful brand is difficult and having consumers believe in the product takes time to develop. As mentioned above, the coffee industry is vast and many other companies want to emulate Starbucks in order to attain brand loyalty. Due to Starbucks' successful brand loyalty strategy, other companies try to understand how

Starbucks creates an impact from these factors to build brand loyalty. If businesses are able to create a product that has been deemed as having a perceived value, then consumers are more likely to purchase the product. But at the same time, in copying what Starbucks does, brand uniqueness will fade and brand loyalty will be harder to maintain. Consumers have many choices of coffee already, so being able to differentiate from one coffee brand to another is the best way to build brand loyalty.

Practical Implications

This study is important to the food and beverage area within the hospitality industry because there are certain factors that are significant to Starbucks, which can be utilized by other hospitality companies as well. Moreover, the study is important because it is expected to help other hospitality businesses to determine which factors are vital to their organization and the best strategies to incorporate to increase brand loyalty. Conclusively, in being able to understand what Starbucks has done and how the brand has been able to impact these factors to build brand loyalty, other businesses will have a way forward.

In examining the various factors that can be relevant to hospitality, there are some that stand out. They are as follows; perceived quality, physical and social surroundings, status, satisfaction, trust and commitment.

For example, it would be very important for hospitality customers to feel that they are getting a superior experience (perceived quality/satisfaction) wherever they go (hotel, casino, restaurant etc). In addition to the general personalized services that these businesses offer (a personalized butler, toiletries, pillow, free drinks, flowers, etc.), hospitality businesses can help the social experience for clients. They can orchestrate

social gatherings for guests such as a happy hour, a wine and cheese get together or even a game night at the casino. The idea of these businesses having such networking events can be something guests will look forward to, because it is a mean to get away from their hectic schedule and attend an event which is informal and relaxed. Since people often are on their own, whether they are traveling or in their own city, by hosting these networking events, hospitality businesses allow for consumers to meet and network with others. It focuses on both the physical surroundings and social surroundings for the guests whilst contributing to better experiences, resulting in building brand loyalty. Customers who stay or visit these places will feel a part of a club if they can access what is available by becoming a loyal member. This will increase the perceived value of the brand (value for money). With positive experiences like this, the customer will learn to trust the brand and perceived value of the brand will be higher.

In order to provide a positive experience for the customer, the brand has to have information about the customer's tastes, preferences, experiences and has to act on this as quickly as possible. This can be done using the new technologies available such as "The Internet of Things (IoT)" (Todd, 2016). For example, hospitality businesses can automatically send electronic key cards to their guests' mobile devices, providing a comprehensive self-check-in and room key service, notify them of new menu items that are available which might suit their food preference. A casino could allow repeat customers access to their preferred machine by having an electronic key, and once the electronic key has been used, the information can be transmitted to the bar and a drink of their choice can automatically be sent to their location. This will impact the transactional and nonmonetary costs (reducing wait time). By being able to access the

data in the customer databases, hospitality businesses can automatically upload customer information at each visit, ensuring all guests enjoy a consistent, customized experience (Young, 2015). Hospitality businesses can also implement IoT technology to help customers get other personalized services; i.e. (correct diet for those who have restrictions based on health issues, décor or smells that are intolerable to the guest or preferred dealers at the casino tables) and in doing this, will contribute to creating positive experiences and promoting consumer's satisfaction, trust and commitment to the brand. Additionally, IoT and big data can work together in understanding customer's preferences, tastes and other motivations that consumers look for, and in doing this, hospitality businesses will be able find more ways to target consumers and to learn more about them and figure out ways to attract customers which would eventually lead to them becoming loyal to the brand.

“With big data, marketers will be able to collect information and analyze what truly motivates people, what activities they participate in and what their day is like” (Delgado, 2016, p.1). By investing in big data analytics, hospitality businesses can really start to understand the customer. In analyzing the data, businesses will learn what customers think of each brand they come into contact with and use this to create a specialized product or service. They can use data analytics to know where to place advertisements, how to promote a brand and how to properly target market consumers. Businesses can look for new trends in customer tastes and use this to create a brand that has high perceived value and satisfaction. Additionally, big data can inform businesses how people behave socially (who they like to meet, what music environment is popular) and create the appropriate physical and social environment for the customer when they

frequent restaurants, hotels, casinos and other hospitality businesses. By analyzing big data and findings what brands customers switch to and why, business can incorporate into their brands qualities which will foster trust and commitment. Conclusively, hospitality businesses can use the results from the analysis to offer the right products and services.

Limitations and Further Research

The limitation of this study is that the findings cannot be generalized. The brand factors listed may not be complete and the data on Starbucks may not be exhaustive. The data collection was limited due to the fact that the researcher only looked at certain articles using the ProQuest database and a Google search tool. In using the keywords for both the ProQuest database and Google, there were over 1,000,000 articles that were shown. As a result, not all articles could be reviewed and because of that, some existing literature was not taken into account. Additionally, there are many more databases along with websites that could be utilized; but due to time constraint and being that there is only one researcher, looking through all of those other articles, is nearly impossible. However, with the time given, the researcher looked through as many articles as possible to understand and formulate what the existing literature is stating and base the findings on that.

The drawbacks of using content analysis is that 1) material being observed may not reflect what current trends are, 2) it is time consuming, 3) it is error prone 4) one can be too liberal in drawing inferences and 5) can be difficult to automate or computerize information (Advantages and Disadvantages of Content Analysis, 2011). In addition other important disadvantages of content analysis include: the difficulty in it assessing

validity and the subjective bias of the individual(s). There is also limited data and other information is left out (Content Analysis in Qualitative Research, 2015).

In furthering the research, Starbucks can be compared to another competitor or multiple competitors to see if the other brands have touched upon the same brand loyalty factors or if there are other factors that can be taken into account. In comparing Starbucks and other brands, researchers can see which brand is doing a better job in terms of marketing and attracting consumers. Studies can also be conducted in finding other factors that compare to Starbucks and its competitors. Further research can also allow for the comparison of how consumers view Starbucks in various countries, what brand loyalty factors are important for those consumers and how the brand can mold to those previous factors. There has been research done on Starbucks and brand loyalty, but more updated literature needs to be written.

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