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**UNLOCKING THE SECRETS TO BUILDING CUSTOMER LOYALTY FOR KOPI
KENANGAN: THE POWER OF BRAND AWARENESS AND PERCEIVED
QUALITY**

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Abstract

Coffee is a popular drink worldwide and increasingly popular in Indonesia. The coffee shop business is booming across Indonesia, including in the city of Medan. Kopi Kenangan, a famous coffee brand in Indonesia, has successfully built a strong customer base, but what is the secret behind their success? This study aims to uncover the secret to building strong customer loyalty for the Kopi Kenangan brand through brand awareness and perceived quality. Data was collected from 88 customer samples through a questionnaire taken by probability sampling and processed with a structural equation model using SPSS 23. The results of the study show that brand awareness has a positive and significant impact on brand loyalty in Kopi Kenangan customers at Sun Plaza in Medan, while perceived quality does not have a significant effect. From these results, it can be concluded that increasing brand awareness can be an effective strategy to build customer loyalty and maintain a competitive advantage in the increasingly competitive coffee industry. Furthermore, this study provides new insights for coffee shop business owners to improve customer experience and build a strong brand. By considering brand awareness, customers can have a positive perception of the brand and become loyal to it. In an increasingly competitive business, maintaining customer loyalty can be a key factor in the success of a coffee shop business.

Keyword : Brand Awareness, Perceived Quality, Brand Loyalty

INTRODUCTION

Coffee is one of the most popular drinks in the world. Coffee connoisseurs in Indonesia are increasing day by day. This is indicated by the increasing proliferation of coffee shop businesses in various cities throughout Indonesia. Currently, the coffee shop business is one of the most promising

businesses. This is due to the growing trend of drinking coffee in coffee shops or commonly called hanging out. With the increasing mobility and lifestyle of people who are influenced by outside cultures, especially in big cities in Indonesia, this has led to the development of the coffee shop business. Coffee shop is a destination that is in demand, especially by young people to just relax or hang out with friends. The 2016-2021 National Coffee Consumption from the Center for Agricultural Data and Information Systems at the Ministry of Agriculture shows that national coffee consumption in 2016 reached 250 thousand tons and grew by 10.54% to 276 thousand tons. During the 2016-2021 period coffee consumption in Indonesia is predicted to grow by an average of 8.22 % per year (databoks.katadata.co.id). This further clarifies that coffee is increasingly favored by various groups in Indonesia. Judging from the data on the amount of coffee consumption and the increase in coffee shops, entrepreneurs must build brands and promote brands. Brand or Brand according to Keller, 2003 ; Hartini, 2012 , is a product that is able to provide an additional dimension that uniquely differentiates it from other products designed to satisfy similar needs. Customers tend to spend extra money on the preferred brand because they believe that no competitor can provide the value provided by the preferred brand. Therefore, brand loyalty is considered a condition for organizational profitability and sustainability (Chaudhuri & Holbrook, 2001) . In other words, they become loyal to their favorite product brand and stick to a well-known brand name (Sun, et al, 2004).

In the city of Medan, the coffee shop business is growing very fast from the increasing number of coffee shop businesses . This trend attracts coffee memories to open branches in Medan. Kopi Kenangan is the fastest growing non-franchise coffee shop in Indonesia. Kopi Memories in running its business, of course, always pays attention to how its consumers always remember and feel satisfied with the product and are expected to be loyal to the products marketed by Kopi Memories. When brand awareness is high, brand loyalty will also increase. Consumers will evaluate the perceived quality of a product from their previous buying experience. As a result, brand loyalty and brand preference will increase and purchase intention will also increase (Chi, et al , 2009) . Brand awareness has a significant influence on perceived quality, this is evidenced by the higher brand awareness of the brand, the perceived quality formed by consumers for products is also increasing (Eliasari & Sukaatmadja, 2017) . Based on research conducted by Verinita & Dary (2019) stated that brand awareness has a positive but not significant effect on brand loyalty and based on research conducted by Samuel, et al (2018) shows that brand awareness has a negative effect on brand loyalty. Perceived quality of a strong brand adds value to consumer purchase evaluations (Low, 2000) . Based on research conducted by Athar & Da'wah (2022) states that perceived quality has an influence but not significant on brand loyalty. A product/service that is perceived (service perceived) by consumers of high quality always tends to contribute to consumer satisfaction with the product/service (Zeithaml, 2000) . Perceived quality of a strong brand adds value to consumer purchase evaluations (Low, 2000) . Based on research conducted by Athar & Da'wah (2022) states that perceived quality has an influence but not significant on brand loyalty. A product/service that is perceived (service perceived) by consumers of high quality always tends to contribute to consumer satisfaction with the product/service (Zeithaml, 2000) .

The focus of this research is to find out how much influence brand trust and perceived quality have on brand loyalty at Kopi Kenangan Sun Plaza Customers in the city of Medan. The purpose of this research is to reveal the secret behind Kopi Kenangan's success in building a strong customer base, by exploring the effect of brand awareness and perceived quality on brand loyalty. This

research aims to provide insights for coffee shop business owners to improve customer experience and build a strong brand, because maintaining customer loyalty can be a key factor in the success of a coffee shop business in an increasingly competitive industry.

LITERATURE REVIEW

Brand Loyalty

According to Schiffman and Wisenblit (2015) Brand loyalty is a measure of how often consumers buy certain brands of products, whether they switch brands or not and, how often, and the degree of commitment to buy brands on a regular basis. Selvrajah (2018) stated that brand loyalty is a positive feeling of consumers towards a brand and a strong dedication to continue to make repeated purchases of the same product or service. the intensity of consumer switching to competitors' brands.

According to Oliver (1999) brand loyalty has four dimensions as indicators, namely:

- 1) Cognitive Loyalty , is the main dimension. The focus of this dimension is product quality which can affect customer preferences, product costs and product knowledge.
- 2) Affective Loyalty , as the second most important dimension. This dimension shows customer satisfaction and satisfaction with products from the same brand . This dimension can convey feelings and emotional reactions that can be positive or negative.
- 3) Conative Loyalty , is the desire to repurchase on this dimension as a reaction to a positive attitude towards a particular brand. There is the customer's attachment to the brand that the customer perceives to repurchase.
- 4) Behavioral Loyalty , shows the frequency of customer repurchases. How regularly customers buy products from a particular brand. Customers only want to buy products from certain brands to meet their needs .

BRAND AWARENESS

According to Aaker (2009) argues that brand awareness is the ability of consumers to recognize or remember a brand based on a particular product category. Brand awareness measures how many consumers in the market are able to recognize or remember the existence of a brand in a particular category. While Wardhana (2019) states that brand awareness can be utilized by companies as information and a means of providing a deeper understanding of the company's product brands to consumers and their customers to buy a brand that is already known so that consumers and their customers will feel safe and avoid various risks of use. company product brand. Surachman (2008) argues that brand awareness is the level of initial acceptance of someone when they see or hear some information about their brand . Based on the understanding of brand awareness above, it can be concluded that brand awareness is consumer awareness of the existence of a brand in its product class that distinguishes it from competing product brands in the same product class so that the brand can be recognized and well remembered in the minds of consumers.

Brand Awareness Indicator

The indicators used to measure brand awareness are adapted from a study conducted by Dhurup, et al. (2014) , namely as follows:

1. Brand recall , namely how far consumers can remember when asked what brands they remember
2. Brand recognition , namely how far consumers can recognize the brand in a particular category
3. purchase decision , namely how far consumers will enter a brand into the alternative choices when they are going to buy a product or service
4. Consumption , namely consumers buy a brand because the brand has become the top of mind of consumers.

PERCEIVED QUALITY

Perceived quality is a consumer's psychological assessment of the quality of any product based on his perception. The objective characteristics of a product include intrinsic and extrinsic quality signals. Intrinsic signals lead to perceived quality and perceived quality, increasing brand equity so managers should strive to reduce the gap between expected perceived quality and observed perceived quality (Sanyal, Datta, & Delhi, 2011) . According to Tuan and Rajagopal (2017) , perceived quality is the customer's feeling for the overall quality or superiority of a product or service with respect to the intended purpose associated with alternatives and by creating strong brand loyalty . In conclusion, perceived quality , namely consumer perceptions of the quality of goods or services, is generally related to the information obtained. thus affecting the purchase intention and consumer loyalty itself.

Perceived Quality Indicator

As according to Sweeney & Soutarh (2001) states several indicators of perceived quality as follows:

1. Has consistent quality
2. Is well made (the product is good)
3. Has an acceptable standard of quality
4. Product defects are rare
5. Would perform consistently (consistent performance)

RESEARCH METHODS

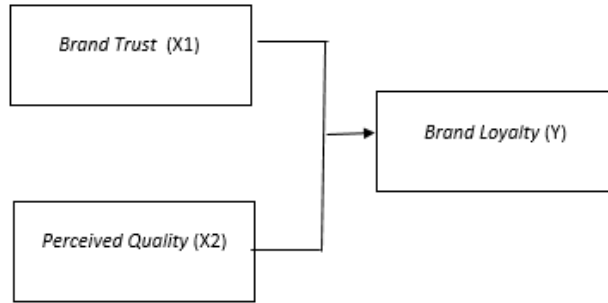
This type of research is associative research and uses a quantitative approach. And using a data processing tool, namely IBM SPSS version 23. This research was conducted in the city of Medan. The selected location is Sun Plaza, Jl. KH. Zainul Arifin No.7, Upper Madras, Kec. Medan Polonia, Medan City, North Sumatra. This research started from January to March 2023. Sugiyono (2012: 137) states that data collection can use primary sources and secondary sources. The primary data source in this study is the customer of Kopi Kenangan Sun Plaza Dikota Medan using a questionnaire and using a Likert scale as a measurement scale. Secondary data sources used in this study are data sources obtained through literature and internet media.

Population and Sample

Population is an association or location chosen by researchers based on the number and certain criteria consisting of objects or subjects to be studied , which will be concluded (Sugiyono, 2016: 135). The population in this study is an unknown number of visitors at Kopi Kenagan Sun Plaza. The formula for calculating the sample mean (\bar{x}) with the number of samples (n) and the sample

standard deviation (s) when the population is unknown. The formula also includes the use of t scores to calculate confidence intervals at a given level of significance. Therefore, it can be referred to as the sample average formula with confidence intervals using the t score so that a total sample of 88 samples is obtained.

CONCEPTUAL FRAMEWORK



- H1 = Effect of brand awareness on brand loyalty
- H2 = Effect of perceived quality on brand loyalty
- H3 = Effect of brand awareness and perceived quality on brand loyalty

Research Results and Discussion

Descriptive Statistical Analysis

Table 1. Descriptive Statistics

Descriptive statistics					
	N	Minimum	Maximum	Means	std. Deviation
X1	88	6.00	20.00	16.4886	2.63920
X2	88	8.00	15.00	12.4205	1.49114
Valid (Listwise)	88	8.00	20.00	16.5568	2.55450

source:processed data, 2022

From the table above, it can be seen that the statistical picture of the total score is the sum of items 1 to the last item in one variable, as shown in the table above. The number of each data sample is 88. The test results show that the brand awareness variable from the above test results shows a minimum value of 6 and a maximum value of 20, the mean is 16.48 and the error rate is 2.63. The perceived quality variable has a minimum value of 8, a maximum value of 15, a mean of 12.42, and an error rate of 1.49. The dataset for the tax compliance variable is 88, minimum 8, maximum 20, mean 16.55, and error rate 2.55.

Validity Test Results

According to Sugiyono (2019) the validity test is used to measure the legitimacy or validity of a questionnaire. a questionnaire can be said to be valid if the questions on the questionnaire are

able to reveal something that is measured by the questionnaire. The decision is valid or not according to Sugiyono (2019) if the test results can be said to be valid if the significance value is less than 0.05 (<0.05) so that from the results of the research test it can be seen that all items have a correlation value between each item with a total score of more than rtable 0.2096 with this then it can be said that the questionnaire items in table 2 below are valid.

Table 2. Test the Validity of Each Variable

variable	Items	r count	r table	Decision
Brand Awareness (X1)	Item 1	0,798	0,2096	Valid
	item 2	0,752	0,2096	Valid
	butir 3	0,732	0,2096	Valid
	item 4	0.802	0,2096	Valid
Perceived Quality (X2)	Item 1	0,242	0,2096	Valid
	item 2	0,387	0,2096	Valid
	item 3	0.546	0.2096	Valid
Brand Loyalty (Y)	item 1	0.678	0.2096	Valid
	item2	0.645	0.2096	Valid
	items3	0.786	0.2096	Valid
	item 4	0.767	0.2096	Valid

Source: Data processed, 2022

Reliability Test Results

Table 3. Reliability Test

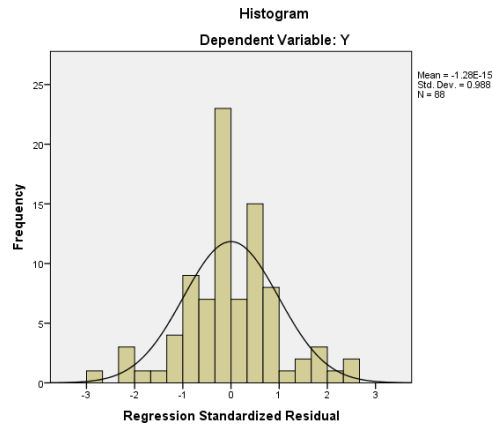
variable	Alpha	r limit	Decision
Brand Awareness (X1)	0.894	0.600	Reliable
Perceived Quality (X2)	0.719	0.600	Reliable
Brand Loyalty (Y)	0.885	0.600	Reliable

Source: Data processed, 2023

From the table above it can be seen that the Cronbach alpha value for variables above is 0.600. Because this value is greater than 0.600, the questionnaire measuring instrument is reliable or meets the reliability requirements.

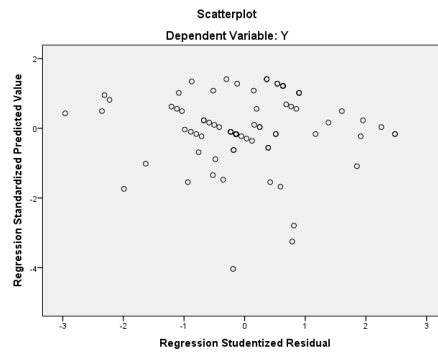
Classical Assumption Test

Normality test



In the graph, it can be seen that the variables are normally distributed, this is indicated by the distribution of the data, which does not tilt to the left or to the right.

Heteroscedasticity Test



From the Scatterplot graph presented, it can be seen that the points spread randomly do not form a clear pattern and are spread both above and below zero on the Y axis. This means that there is no heteroscedasticity in the regression model, so the sieve regression model is used to meet Brand Loyalty.

Multiple Linear Regression Analysis

Table 4. Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	4.869	1.459		3.337	.001		
X1	.809	.069	.836	11.639	.000	.806	1.241
X2	-.133	.123	-.077	-1.078	.284	.806	1.241

a. Dependent Variable: Y

Source: Data processed, 2023

The regression equation is as follows:

$$Y = 4.869 + 0.809X_1 - 0.133X_2$$

Hypothesis Testing Results

t test (test the regression coefficient partially)

Table 5. T test results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.869	1.459		3.337	.001
X1	.809	.069	.836	11.639	.000
X2	-.133	.123	-.077	-1.078	.284

a. Dependent Variable: Y

Source: Data processed, 2023

- It can be seen that the sig value for the effect of X1 on Y is 0.000 < 0.05 and the calculated t value is 11.639 > in the table above. It can be concluded that there is a quite beneficial effect between brand awareness (X1) on brand loyalty (Y) based on ttable 0.67729.
- Considering that the sig value of X2's influence on Y is -1.078 > 0.05 and the t count value is 1.078 > t table 0.67729 in the table above, it can be concluded that there is a negative and insignificant perceived quality (X2) effect on Brand Loyalty (Y).

Table 6. F test results (test together)

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	367.357	2	183.679	77.924	.000 ^b
Residual	200.358	85	2.357		
Total	567.716	87			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Sumber : Data diolah, 2023

Based on the table above, the value of Fcount > Ftable (77,924 > 3.95), then H0 is rejected, meaning brand awareness and perceived_together influence brand loyalty.

DISCUSSION

The Effect of Brand Awareness on Brand Loyalty

Based on the results of the study, it appears that brand awareness has an effect on brand loyalty, as evidenced by a significant value (0.00) less than 0.05 and a t count value of 11.639 > t table 0.67729 is proven. The t-count is positive, indicating that it has a positive impact on brand loyalty. Thus, it can be concluded that increasing brand awareness can be an effective strategy to build and maintain customer loyalty in an increasingly competitive coffee industry. In addition, the results of this study provide new insights for coffee shop business owners to improve customer experience and build strong brands. In an increasingly competitive business, maintaining customer loyalty can be a key factor in the success of a coffee shop business. Therefore, increasing brand awareness can be an important first step in efforts to build a strong customer base and maintain a competitive advantage in the coffee industry. This is similar to the statement of Dhurup et al. (2014) which states that the more consumers know a brand, the greater the consumer will build closeness to the brand, thus encouraging consumers to be loyal to that brand. The role of the brand that is formed in the minds of consumers is influenced by knowledge, awareness and experience of the brand. The same thing was also expressed by Ndoen & Yudhaningsih (2018) in their research which stated that there was a positive and significant influence between brand awareness and brand loyalty.

The Effect of Perceived Quality on Brand Loyalty

The impact of perceived quality has a negative effect on brand loyalty was negative and not significant, according to the study's findings. This is because the significance value is 0.284 > 0.05 and the value is 1.078 > t table 0.67729, so the t-count also recognizes a negative value, which means it has a negative effect, namely H. Foroudi, et al. (2018) argues that when consumers have high perceived quality of a brand, this situation can influence consumer preferences and form consumer loyalty to that brand. Perceived quality can encourage consumer minds to build consumer closeness with the brand. The results of the research are in line with research conducted by Athar & Da'wah (2022) which states that perceived quality has an influence but is not significant on brand loyalty. A product/service that is perceived (service perceived) by consumers of high quality always tends to contribute to consumer satisfaction with the product/service (Zeithaml, 2000).

The Effect of Brand Awareness and Perceived Quality on Brand Loyalty

According to research, the combined effect of brand awareness and perceived quality has a beneficial and sizeable effect on brand loyalty. Fcount has a value of 77,924 with a significance level of 0.00, according to the table above. Ftable is 3.95 at the 95 percent confidence level (= 0.05) The result is, F count > F table and a significance level of 0.00 > 0.05 in both calculations, indicating that brand awareness and perceived quality are positive and significant to brandloyalty. This is in line with the findings of Fenetta & Keni (2019) which state that brand awareness and perceived quality have a positive and significant influence on brand loyalty.

CONCLUSION

The following conclusions can be drawn from the analysis of the hypothesis testing data and its follow-up, namely:

1. Based on the research results, it can be concluded that brand awareness has a significant positive effect on brand loyalty in the increasingly competitive coffee industry. Therefore, a strategy to increase brand awareness can be an important first step in efforts to build a strong customer base and maintain a competitive advantage in the coffee industry.
2. However, the research results show that perceived quality does not have a significant effect on brand loyalty. Although perceived quality can influence consumer preferences and form consumer loyalty to certain brands, in the context of this study it is not proven to have a significant effect.
3. In addition, the research results also show that the combined effect of brand awareness and perceived quality has a significant positive effect on brand loyalty. Therefore, coffee shop business owners must pay attention to these two factors in an effort to build a strong brand and maintain customer loyalty.
4. Overall, this research provides new insights for coffee shop business owners in developing their marketing strategies. Factors such as brand awareness and perceived quality must be considered carefully as they can have a significant impact on brand loyalty.

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