

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

The main objective of this research project is to find out the factors influencing the purchase intention of Starbucks. The overview of this research project is presented in this chapter. The overview consists of the coffee industry background and Starbucks background. Problem definition, research question, research objectives, hypotheses of the research, justification of the research and chapter layout is included in this chapter too.

1.1 Industry Background

Today, coffee has become one of the common choices for beverage. People consume coffee on daily basis as a drink that “keeps you awake”. As much as people consume coffee, not many of those know the history of coffee. According to National Coffee Association USA, the history of consumption of coffee began with the legend namely, Kaldi that discovered coffee when he noticed that his goats that ate berries from an unknown tree become so spirited that the goats do not want to sleep at night. He reported the incidents to the locals then they started making drinks with the berries and found out that the drinks keep them awake for the day. Thus, the words about the drinks spread across to the east and reached Arabian Peninsular. When the word reached Arabian Peninsular, the first coffee cultivation began in Arabs during the 14th century. Up to date, coffee has been

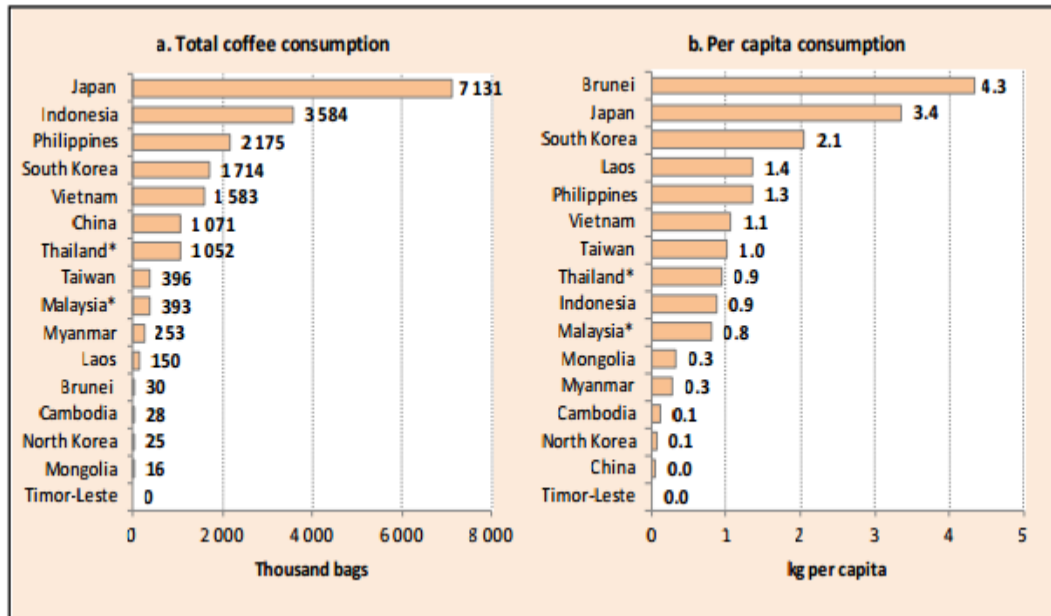
cultivated around the world in more than 60 countries and is the world's second most valuable traded commodity behind crude oil (International Coffee Organization, n.d.)

In figures, according to the statistics provided by International Coffee Organization, the world coffee exports value in the year 2009 and 2010 is 15.4 billion USD in value which doubled the value in the year 1999 and 2000 with accounted 93.4 million bags of coffee. On the other hand, the global consumption of coffee in year 2009 and 2010 sum up to 133.9 million bags with USA being the top importer of coffee followed by Germany and Italy worldwide while the largest exporter of coffee goes to Brazil followed by Vietnam and Indonesia.

While in Malaysia, coffee was first introduced in the late 18th century when it was still under the rule of British. It has existed in Malaysia for some 200 years (Maja, 2002). As shown in Figure 1, Malaysia coffee consumption has risen to become one of the top 10 country in Southeast Asia.

Nevash (2014) stated that the number of coffee cafes in Malaysia is booming due to the trend of coffee culture. One of the partners for Ministry of Coffee café, Michael Tan stated that the Malaysian started to enjoy the lifestyle since the penetration of global chain outlets such as Starbucks, Coffee Bean and Gloria Jean's. He also stated that one of the very reasons in opening the café is due to the fact of different coffee taste yearn by working class adults and the hipster lifestyle crazed by teenagers. The coffee culture is expected to grow continuously.

Figure 1: Coffee consumption in 2012 in East and Southeast Asia



Source: International Coffee Organization, (2014). *Coffee consumption in 2012 in East and Southeast Asia.*

1.1.1 Starbucks Background

Starbucks began to create history when the founders of Starbucks, namely Gordon Bowker, Jerry Baldwin, and Zev Siegl, had the passion to sell high-quality coffee beans and equipment. Thus, the first store of Starbucks was opened in Seattle's Pike Place Market in 1971 to sell coffee beans and equipment only. Today, Starbucks's menu ranges from brewed coffee, cakes, pies, and other merchandise related to coffee. Starbucks managed to make RM 301.1 million in sales for the last financial year ended April 2014 (Chan, 2014). With over 19,000 outlets worldwide and 157 stores in Malaysia, Starbucks is one of the largest coffeehouse companies in the world. Berjaya Starbucks Coffee Company, which is a joint-venture between Berjaya Group Berhad and Starbucks Coffee Company, is

operating the Starbucks in Malaysia. According to the annual report of Starbucks, Starbucks first came into Malaysia on the 17 December 1998 by opening the first outlet in Kuala Lumpur. From a “third place” where people patronize for coffee, meeting and gathering with friends, Starbucks have introduced the first ever drive-thru concept store in Johor Bahru during December 2009. Today, there are total of 14 drive-thru concept stores in whole Peninsular Malaysia. Besides that, Starbucks also introduced the Starbucks card during year 2011 in Malaysia and 1.6 million has been registered up to date (Lee, 2014). After the overwhelming result of the Starbucks card, Starbucks launched an application for both Apple iOS and Android smartphone market that store the cards virtually. Other than storing the card virtually, the application also contains information such as beverages and food menu, store locator and latest promotion from Starbucks will prompt the users too. Starbucks have won more than 100 awards since 1998 till today. The awards won by Starbucks such as one of “The 100 Best Companies to Work For” by Fortune, one of the “World’s Most Ethical Companies” by Ethisphere and many more.

1.2 Problem Statement

In any businesses, revenue or sales of the company is crucial for the company to continue operating. Revenue is the source of income that contributes to the survival of a company. According to McClintock (2014), no matter how good is the company manufacturing operation, how cutting-edge the company’s technology is, sales mechanism must be in place or everything else will be useless. For Starbucks, sales come from consumers who consume coffee and spend in Starbucks outlets. According to The Straits Times, the international

coffee chains like Starbucks and Coffee Bean are dominating the coffee industry but independents cafes and coffee shops have been growing in numbers. As there are growing numbers of new entrants in the coffee industry, Starbucks faces fierce competition. There is a 7% per annum growth rate of coffee shops in Klang Valley, Singapore and other major cities in Asia (Danial, 2014).

Moreover, more Malaysians now know how to differentiate coffee made from Arabica beans and Robusta beans. They also start to appreciate a good cup of coffee (Nair, 2014). When consumers start to become more demanding, it can be a problem to Starbucks that could not satisfy their demand by offering specialty coffee such as hand-brewed coffee as Starbucks only serves brewed coffee from their own coffee plants.

Last but not least, since there is little to none research done on coffee industry in Malaysia. Therefore, the researchers have no choice but to adopt independent variables from different models of journals to be adopted into this research.

1.3 Research Objectives

The goal of this research is to solve the problem definition stated above through the further developed specific objectives.

1.3.1 General Objectives

The primary objective of this research is to identify the factors influencing the purchase intention of Starbucks coffee. This research is to study and clarify whether the factors will influence the purchase intention of Starbucks coffee among consumers.

1.3.2 Specific Objectives

The research objectives are as following:

- 1) To examine the relationship between price and the purchase intention of Starbucks coffee.
- 2) To examine the relationship between service quality and the purchase intention of Starbucks coffee.
- 3) To examine the relationship between brand image and the purchase intention of Starbucks coffee.
- 4) To examine the relationship between corporate social responsibility and the purchase intention of Starbucks coffee.

1.4 Research Questions

Due to the increasing number of new entrants in coffee industry, consumers have more choices to choose other than Starbucks. Other than more choices, there are other factors such as price, service quality, brand image and corporate social responsibility that can affect the purchase intention of Starbucks.

This research addresses the following research questions:

- 1) How does the price influence the purchase intention of Starbucks coffee?
- 2) How does the service quality influence the purchase intention of Starbucks coffee?
- 3) How does the brand image influence the purchase intention of Starbucks coffee?
- 4) How does the corporate social responsibility influence the purchase intention of Starbucks coffee?

1.5 Hypotheses of the research

The hypotheses developed through this research are as following:

H1: There is a positive relationship between price and purchase intention.

H2: There is a positive relationship between service quality and purchase intention.

H3: There is a positive relationship between brand image and purchase intention.

H4: There is a positive relationship between corporate social responsibility and purchase intention.

1.6 Justification or Significance of the Research

In recent years, coffee has become a culture in Malaysia. According to Business Insider Malaysia, coffee shops are a rising star and fastest growing niche that leads to more new competitors are entering into the coffee industry (Danial, 2014). As there are growing numbers of new entrants in the coffee industry, Starbucks faces fierce competition. For instance, Pulp, Coffea Coffee, Artisan Roast Coffee, VCR, Typica Café and many more are famous coffee shops located in Klang Valley.

In order for Starbucks to retain their consumers and increase sales, this study helps to identify the factors that influence purchase intention of Starbucks. Research shows that numerous factors are impart in influencing the purchase intention of Starbucks. The factors include price, service quality, brand image and corporate social responsibility.

Since making profit is the core concern of any organization, therefore Starbucks could pay close attention towards the factors that influence purchase intention. This research can serve as a purpose to help Starbucks to better understand the factors that influence purchase intention and by examining these significant factors based on the respondents feedbacks, Starbucks would be able to make improvement in their current products or services. Subsequently, they could make an action plan by changing their marketing strategy to retain consumers and

increase sales. Therefore, this research can aid the coffee industry in identifying the purchase intention of the consumers.

Moreover, this research project is conducted because there are limited amount of past research studies on coffee industry specifically Starbucks in Malaysia. Hereby, the researchers took the opportunity to conduct this research to identify the factors influencing the purchase intention of Starbucks coffee. The researchers have identified four independent variables which is price, service quality, brand image and corporate social responsibility that affect the dependent variable which is purchase intention.

1.7 Chapter Layout

1.7.1 Chapter 1: Introduction

Chapter 1 is the introduction of the research and will present a clear overview of the research project by discussing industry background, Starbucks background, problem definition, research questions, research objectives, hypotheses of the research and justification of the research.

1.7.2 Chapter 2: Literature Review

Chapter 2 review the relevant literature of past researches related to this research project. All the past researches acquired are considered as secondary data such as journals, articles and reports. Firstly, the history of coffee culture in Malaysia is being discussed. Secondly, through the past researches, relevant theoretical model is reviewed and being adopted for this research. Thirdly, the definition for all the four independent variables and one dependent variable are presented. Then, proposed conceptual framework for this research is developed based on the relevant theoretical model. Lastly, hypotheses development for all the four independent variables and one dependent variable are developed.

1.7.3 Chapter 3: Research Methodology

Chapter 3 outlines the research methodology of this research project. All the methods used to analyse the data is referred as research methodology. The research methodology in this chapter includes research design, data collection, sampling design, research instrument, construct measurement, data processing and data analysis.

1.7.4 Chapter 4: Data Analysis

Chapter 4 will displays the data analysis result done for this research in the form of charts, figures and tables. Descriptive analysis will discusses on demographic profile of respondents and central tendency. Scale measurement discusses on Cronbah's Alpha reliability test and inferential statistic discusses on the multiple regression.

1.7.5 Chapter 5: Discussion, Conclusion and Implications

Chapter 5 will include the interpretation of the statistical result done for this research. Discussion of major findings, implication of the study and limitation of the study is included too. Lastly, recommendation for future research will be provided as well.

1.8 Conclusion

In conclusion, this chapter presented a summary of the research where coffee industry background and Starbucks background are discussed. Then, research objectives are identified while research questions are developed. Lastly, hypotheses of the research are mentioned and chapter layout for the whole research is drafted out as well. In chapter 2, literature review, review of relevant theoretical model will be done then a proposed conceptual framework will be developed. Lastly, hypotheses development will be discussed.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

In chapter 1, identification for background of research, problem statement, research objective, research question, hypotheses statement and significant of study had been done. In this chapter, literature review of research will be done. This research includes one dependent variable which is purchase intention and four independent variables which are price, service quality, brand image and corporate social responsibility (CSR).

The literature review begins with background of this study followed by review of all variables. Relevant past researches and review of relevant theoretical models will be discussed as well. Furthermore, proposed theoretical framework and hypotheses development will be carried out.

2.0.1 History of coffee culture in Malaysia

Coffee was first discovered by Ethiopians as energizing drinks. In Malaysia, the introduction of coffee was during the late 18th century. The coffee culture started with Kopitiam in Malaysia. Kopitiam comes from the word “kopi” which mean coffee and the word “tiam” which mean shop. According to the official website of Amecrown, the Malaysians of Hainanese and Hokkien were those who manage the Kopitiams during the

British colonisation. It is said that each Kopitiam has its own unique flavour and personality but the similarity of all the Kopitiams is the atmosphere that consists of mixture of several different cultures which is truly Malaysia (Lim, n.d.). The uniqueness of Malaysian Kopi (coffee) is the way it is roasted with butter and sugar while most of the coffee around the world is roasted only with sugar. The common coffee found in Kopitiams is Kopi which is coffee with condensed milk and Kopi-O which is black coffee. The Kopitiams has its own glorious time until 1980s where the number of old fashion Kopitiams decreases. Although the decline of Kopitiams during the 1980s, the coffee culture in Malaysia changes when big coffee company like Starbucks, Coffee Beans and many more entered into Malaysia. With the existence of all these coffee shops, the varieties of coffee have turn into more than just Kopi and Kopi-O. To name a few, Americano, Espresso, Flat White, Irish Coffee, Latte and many more are examples of varieties of coffee offered today (Medindia, n.d.). Moreover, coffee shops have become a place where people gather together to have a cup of coffee, spend leisure time or even for business discussion such as informal meeting.

According to Lee (2014), Nestle Products Sdn Bhd which produces the brand Nescafe is looking into the coffee market as the market is showing growth. Sherif Hani, business executive manager of Nestle said “coffee is growing very quickly as a Malaysian culture”. He also added that drinking coffee has become a lifestyle especially to the younger generation.

According to Lim, in addition to the growing of coffee market, Malaysia is seeing more old-fashioned Kopitiams being revived and became into new age Kopitiams. The new age Kopitiams is the same in term of decorations but with little modification in more modern ways. The introduction of new age Kopitiams started in the early 2000s and is set up as fast food outlets in shopping mall to cater to young adult.

2.0.2 Relevant past researches

There are few researches done on Starbucks company such as by Kioumars Paryani on the Starbucks Experience. Research by Kioumars Paryani discusses on the product quality, service reliability and management operations at Starbucks. Another more relevant research to this research is “Exploring the Impact of Retail Store’ Service Quality on Consumer’s Purchase Intention: The Moderating Role of CSR”. In this article, Starbucks is being used as one of the example that uses CSR as one of its business principle. On the other hand, there are more researches done on Starbucks that are related to the company’s performance and strategy such as the competitive advantage, advertising and marketing action of Starbucks. Therefore, the researches took this opportunity to study on the factors influencing the purchase intention of Starbucks.

2.1 Literature review

2.1.1 Purchase Intention

Purchase intention is widely used as a predictor of subsequent purchase (Grewal, Krishnan, Baker & Borin, 1998). According to Dodds, Monroe and Grewal (1991), the purchase intention refers to the possibility of a consumer’s willingness to buy products. In 2001, Blackwell, Miniard and

Engel also stated that when the consumer think and will buy, both represents purchase intention.

Bagozzi and Burnkrant (1979) believe purchase intention as a personal behavioural tendency to a particular product. Intention to purchase is the consumer's inclination to act toward an object (Kim & Kim, 2004). Besides that, Spears and Singh (2004) also considered purchase intention as the effort of an individual consciously planning to purchase the products of a brand. According to Halim and Hamed (2005), they explained purchase intention as the number of patrons that has a proposal to buy the products in future and make repetition purchases and contact again to the specific product. Moreover, He and Hu (2008) claimed that purchase intention was the transaction after consumers evaluating the overall products, i.e. the attitudes towards purchase behaviours.

Constructs like considering something, purchasing a brand and anticipating to purchase a brand aids to scope the intentions of purchasing (Porter, 1974). Zeithaml (1988) indicated that consumer's purchase intention would be affected by individual intrinsic and extrinsic characters, objective value, quality perception, and value perception. Zeithaml (1988) also indicated that consumer's purchase intention was often determined by the perceived profits and value. The higher the purchase intention is, the more purchase willingness is. In addition, perceived value will influence purchase intention; and the higher the perceived value, the higher the purchase intention (Zeithamal, 1988).

Jin and Kang (2011) explains purchase intention relating four behaviours of consumers including the undoubted plan to buy the product, thinking unequivocally to purchase the product, when someone contemplate to buy the product in the future, and to buy the specific product utterly. According to He and Hu (2008), purchase intention is measured with the dimensions of willing to purchase, worth of purchase, and suggesting others to purchase. Schiffman and Kanuk (2000) measured purchase

intention by enquiring consumers' intention to select certain brands, including Absolutely, Possibly, Uncertain, Possibly Not, and Never. In Chang's (2009) scale, possibility of buying, considered purchase product, and recommending friends for buying were used for measuring consumer's purchase intention.

2.1.2 Price

“Price is a non-price product information and purchase intention together with the intervening variables of perceived price, perceived quality and perceived value are empirically examined” (Chang & Albert, 1994). Price is what is given up or sacrificed to obtain a product (Ahtola & Olli, 1984). This is agreeable by other researches (Monroe & Krishnan 1985). Besides that, the level of quality and the amount of sacrifice needed to purchase a product can be determined by price as well (Dodds et al., 1991). Parker and Dawar (1994) stated that retailer's reputation is not as important as price and physical appearance as a signal of quality. In short, the deciding factor for an entrepreneur will be price as a signal of product quality instead of retailer reputation. Price plays an important role in every industry (Voss, Glenn, Parasuraman & Dhruv, 1998). With the access of the internet, consumers could easily obtain information about the product features, pricing and etc. This will eventually lead to consumers to be more price sensitive (Jarvenpaa, Sirkka & Noam, 1999). Furthermore, Brucks, Zeithaml and Naylor (2007) also states that price is commonly used by consumers to indicate the quality of product.

Price promotion is the price reduction and the differences between actual price and price promotion is the amount of money consumer saved (Chen,

Monroe & Lou, 1998). Gupta and Cooper (1992) mentioned that price promotion is frequently used to attract consumers. Meanwhile, price promotion could be influenced by competitor actions as well as consumer responses to promotional activities (Dickson & Urbany, 1994; Hoch, Kim, Montgomery & Rossi, 1995). Price promotion can trigger a huge volume of business (Kendrick, 1998). Tactical implementation of price promotion involves type, timing and frequency and depth of the promotion (Krishna, 1994; Kumar & Pereira, 1997; Shankar & Bolton, 1999). Price promotion is seen as one of the tools to encourage purchase and customer loyalty as well (Villarejo-Ramos & Nchez-Franco, 2005). One of the promotional sales forms is price promotion (Empen, Loy & Weiss, 2011).

2.1.3 Service Quality

Churchill and Suprenant (1982) trusted that there is a gap between service quality and satisfaction felt by customers after accepting services and expectations. Parasuraman, Zeithaml and Berry (1985), who stated that service quality as the “expectation” before customers accept service and the “perception” after customers accept service. In short, service quality is equal to the expected service minus by perceived service. Therefore, if the service quality equals to the expectation and meet the satisfaction, thus it will significantly influence the customer perceptions (Fornell, 1992). Currently, service quality is taking into consideration by various industries where it is a signification factor which can affect the sustainability of the industry (Chun, Szu, Cheng & Pei, 2014).

Customer evaluates the service quality delivered by the three critical factors; interaction quality, service environment quality and outcome quality (Brady & Cronin, 2001). Interaction quality is based on the evaluation of interaction between the customer and the staff. The service

environment refers to the judgment about the overall environment of the store by consumers and the service outcome refers to customer's purchase experience in the store (Wu et al., 2011). The dimensions of interaction quality, environment quality and outcome quality will influence the overall service quality while each of the dimensions will be affected by their sub-dimensions. Interaction quality will be affected by attitude, behavior and expertise. Environment quality will be influenced by ambient conditions, design and social factors while outcome quality will be affected by waiting time, tangibles and valance influence (Brady & Cronin, 2001). Basically, perceived service quality is about judging an entity's overall excellence or superiority by consumer (Parasuraman, Zeithaml & Berry, 1988). Besides that, past experience, occasion force and community setting of the customer will also influence perceived quality (Holbrook & Corfman, 1985).

Service quality can be identified by tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et al., 1988). Tangibles refer to visible and touchable stuffs and equipment such as size of consumer seats, ambient of the environment, availability of newspaper and magazines and etc. Reliability could be explained by the effectiveness of the service which is provided to the customers. Short waiting time for beverage reflects high effectiveness. Responsiveness refers to the kindness of the staff that sincerely shows their willingness to solve customer's problem. For example, if the customer is not satisfied with the beverage, another beverage will be made to satisfy their want (Kioumars, 2011). Assurance refers to the confidence and trustworthiness where customer can get it from the company. Empathy could be explained by the willingness of showing care and tenderness to the customers such as introducing the recommended beverages to the customer. The authors concluded that by delivering impressive quality to the customers, the company can survive in the highly competitive sector and grab a high market share in the industry.

The five dimensions of the service quality; tangibles, reliability, responsiveness, assurance and empathy can also determine the satisfactory level of a customer.

2.1.4 Brand Image

The American Marketing Association stated that brand is defined as a name, term, sign, symbol, design or combination, intended to identify goods and services and to differentiate them from the competition (Lee & Tseng, 2011). Brand image is a set of beliefs held about a particular brand (Kotler, 1988) or a set of associations that usually organized in some meaningful way (Aaker, 1992). It can be defined as the image of any particular product that set into the mind of any individual (Aaker, 1991) and the reasons in consumer's mind linked with brand specifications (Low & Lamb, 2000).

Brand image is often used as an extrinsic cue when consumers are evaluating a product before purchasing (Zeithaml, 1988; Richardson, 1994). Keller (1993) believed that brand image can arouse consumer's positive ideas of the brand, and positive ideas of the brand could enable consumers to develop a positive attitude toward the brand. The brand image that can raise brand asset values has combined images of product attributes, trademark characteristics, users and country of origin and so on to have impression and belief on specific brand (Ahno, Hwang & Jeong, 1999). Therefore, brand image that gives values to the brand needs to be made to build up consumer based brand (Keller, 2001).

According to Dobni and Zinkhaml (1990), they believe that brand image is a consumer's basic perception, and he or she will set up a subjective

judgment on a brand no matter it is sensational or emotional. Brand image is similar to self-image of consumers as consumers associate themselves with brands (Graef, 1997). Customer's emotions to brand based on their identification with a brand image (Evanschitzky, Iyer, Plassmann, Niessing & Meffert, 2006). Brand image is actually the sum of brand perception presented by consumer's unique concepts of product characteristics or products which were reflected by the relations between brand perception and brand association in the memory (Peng, 2010). Brand associations would reflect the meanings of brands to consumers through linking product information to the brand nodes exist in the consumer's memories, thus indicating product benefits and summary evaluations of brands (Keller, 2008). Accordingly, brand image does not exist in the features, technology or the actual product itself, but it is something brought out by advertisements, promotions or users (Keller, 1993). It is powerful and unique in a way that to allow consumers to remind of a brand easily to be advantageous at competition (Lee, 2009). In 2009, Lin explained brand image as the consumer's overall perception of brands through the brand recognition. Besides that, some researchers also claimed that brand image is the perception of brand that created in memory due to brand involvement (Keller, Parameswaran & Jacob, 2011).

2.1.5 Corporate Social Responsibility (CSR)

In 1970s and early 1980s, the academic discussion no longer highlighted whether a corporation was responsive but it was solidly emphasizing on how the corporation's managerial concept could be socially in business schools (Frederick, 1987; Preston, 1986; Wood, 1992). There was a shift in the late 1980s. In this era, the social responsibility and responsiveness

played an important role where scholars must take them into consideration in business school (Sethi, 1979; Ullmann, 1985; Wartick & Cochran, 1985). While in 1990s, more and more corporations had started to implement CSR regulation where they realized that there was an increment in consumers that are concerned about the environment, human rights and other facet like ethical behaviors (Sitnikov & Bocean, 2012).

According to Frederick (1994), he stated that many companies had introduced Corporate Social Responsibility (CSR) practice in 1970 in order to respond to social pressures. Chahal and Sharma also define that CSR is a set of business and social activities which are done by a firm to enhance the society and its organizational welfare. It is also a firm's commitment to provide the equality and sustainability of benefits for diverse stakeholders (Chahal & Sharma, 2006). In addition, Mahesh defines CSR as the expectation of a corporate in society's ethical, legal issues as well as economic issues (Mahesh, 2011).

The United States' consumers pay high level of attention to the company's ethical behaviors when they are making their purchase decision. They are willing to pay for products which are produced by ethical companies at a higher price compared to the unethical companies (Creyer, 1997). CSR also assists company to get through the economic recession. Research shows that consumers are willing to pay at a premium price for products from a brand which is practicing a good social responsiveness (Quelch & Jocz, 2009).

However, consumers might also purchase the unethical companies' product, but consumer will definitely expect the products priced at a lower price so that they pay less money as a punishment to unethical company. Furthermore, consumers will not stay loyal to unethical companies (Creyer, 1997; Webb, Mohr, & Harris, 2008). Although CSR plays an important role in consumer's purchasing decision, occasionally,

consumer's attitude will not be tally with their intention towards purchasing ethical products. Consumers will also take price, quality and convenience into consideration besides ethical consideration considerations (Boulstridge & Carrigan, 2000; Hustvedt & Bernard, 2010).

2.2 Review of relevant theoretical model

2.2.1 Price

Figure 2.1 Price

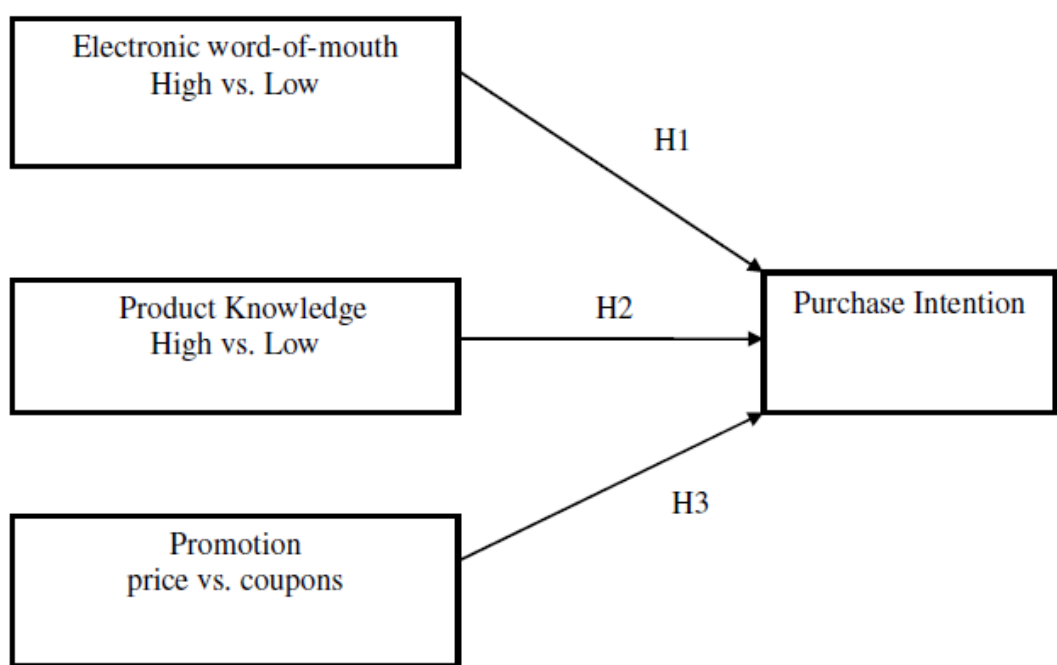


Figure 1. Conceptual model

Adopted from: Lee et al. (2014). The Effect of Word-Of-Mouth, Knowledge and Promotion on Purchase Intention of Medical Cosmetics. *International Journal of Organization Innovation*, 6(3), 96-105.

By referring to Figure 2.1, the researchers have adopted from the framework of “The Effect of Word-Of-Mouth, Knowledge and Promotion on Purchase Intention of Medical Cosmetics” by Lee et. al (2014) to create the proposed framework for this research.

Figure 2.1 presents the framework that examines the direct effects of online word-of-mouth and the level of consumer knowledge about medical cosmetics store image and purchase intention.

2.2.2 Service Quality

Figure 2.2 Service Quality

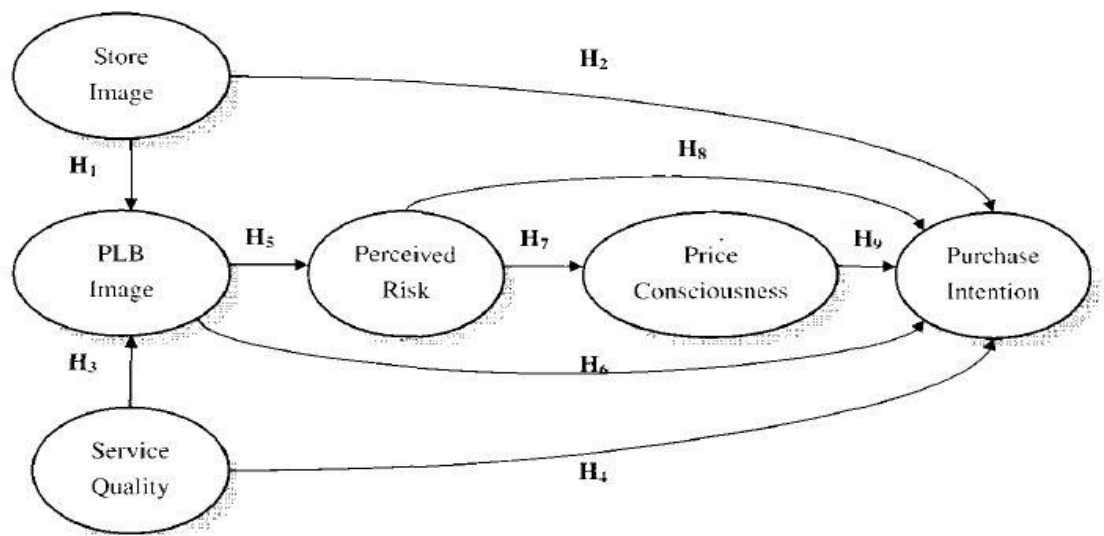


Fig. 1. Conceptual framework.

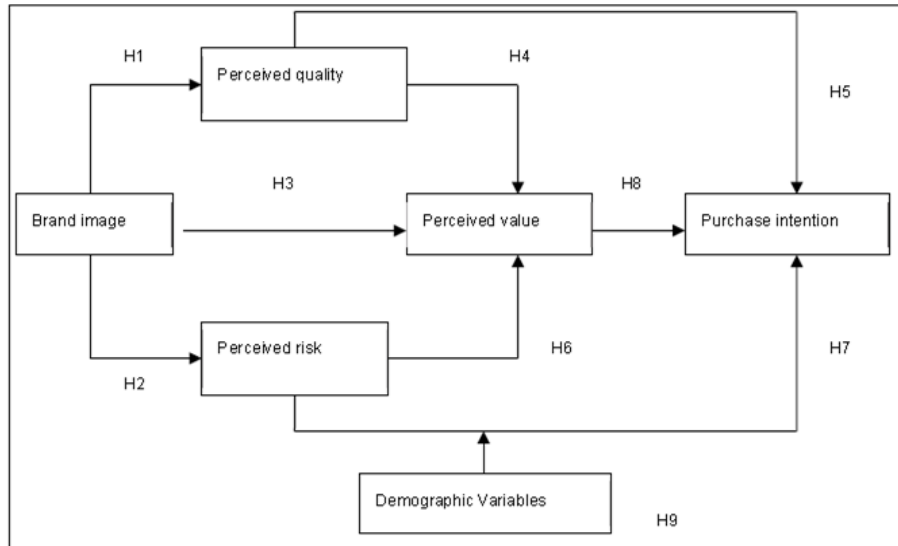
Adopted from: Wu, C. S., Yeh, Y. Y., & Hsiao, C. R. (2011). The effect of store image and service quality on brand image and purchase intention for private label brands. *Australasian Marketing Journal*, 19(1), 30.

By referring to Figure 2.2, the researchers have adopted from the framework of “The effect of store image and service quality on brand image and purchase intention for private label brands” by Wu, Yeh and Hsiao (2014) to create the proposed framework for this research.

Figure 2.2 presents the framework that shows the direct effects of store image and service quality on brand image and purchase intention for the private label brand. The framework adopted also examines the indirect effects mediated by perceived risk and price consciousness on the relationship.

2.2.3 Brand Image

Figure 2.3 Brand Image



This figure shows the research design. It also shows how the hypotheses fit into the framework

Adopted from : Wang & Tsai (2014). The Relationship between Brand Image and Purchase Intention: Evidence from Award Winning Mutual Funds. *The international Journal of Business and Finance Research*, 8(2), 27-40.

By referring to Figure 2.3, the researchers have adopted from the framework of “The relationship between brand image and purchase intention: Evidence from award winning mutual funds” by Wang and Tsai (2014) to create the proposed framework for this research.

Figure 2.3 presents the research framework that shows the relationships and effects among “brand image”, “perceived quality”, “perceived risk”, “perceived value”, and “purchase intentions”. Besides that, the effects of “demographic variables” on brand image, perceived quality, perceived value, and purchase intentions also being measured in the research.

2.2.4 Corporate Social Responsibility (CSR)

Figure 2.4 CSR

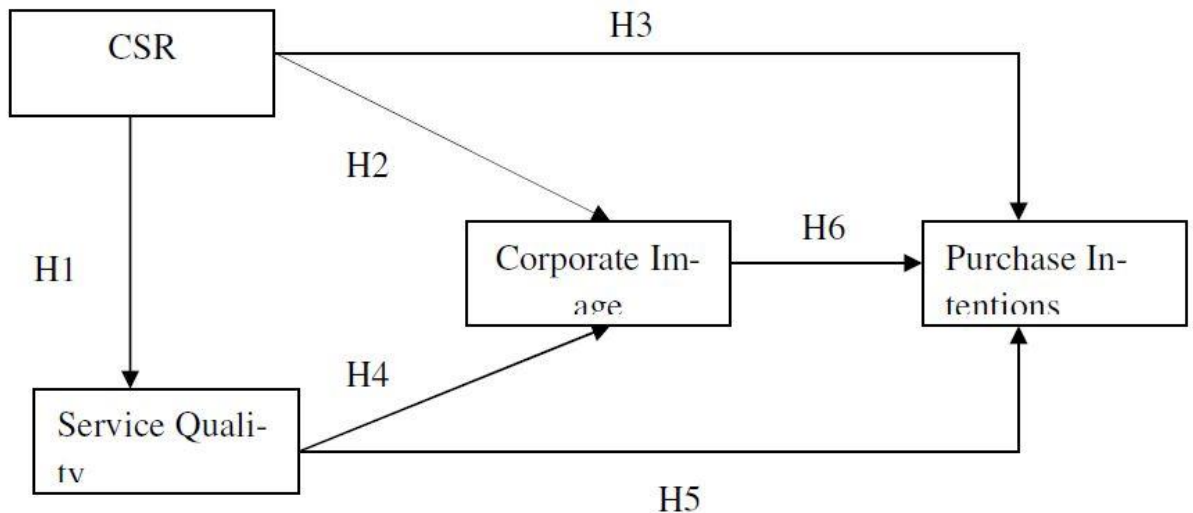


Figure 1. Research model

Adopted from: Huang et. al (2014). The relationship among corporate social responsibility, service quality, corporate image and purchase intention. *The International Journal of Organizational Innovation*, 6(3).

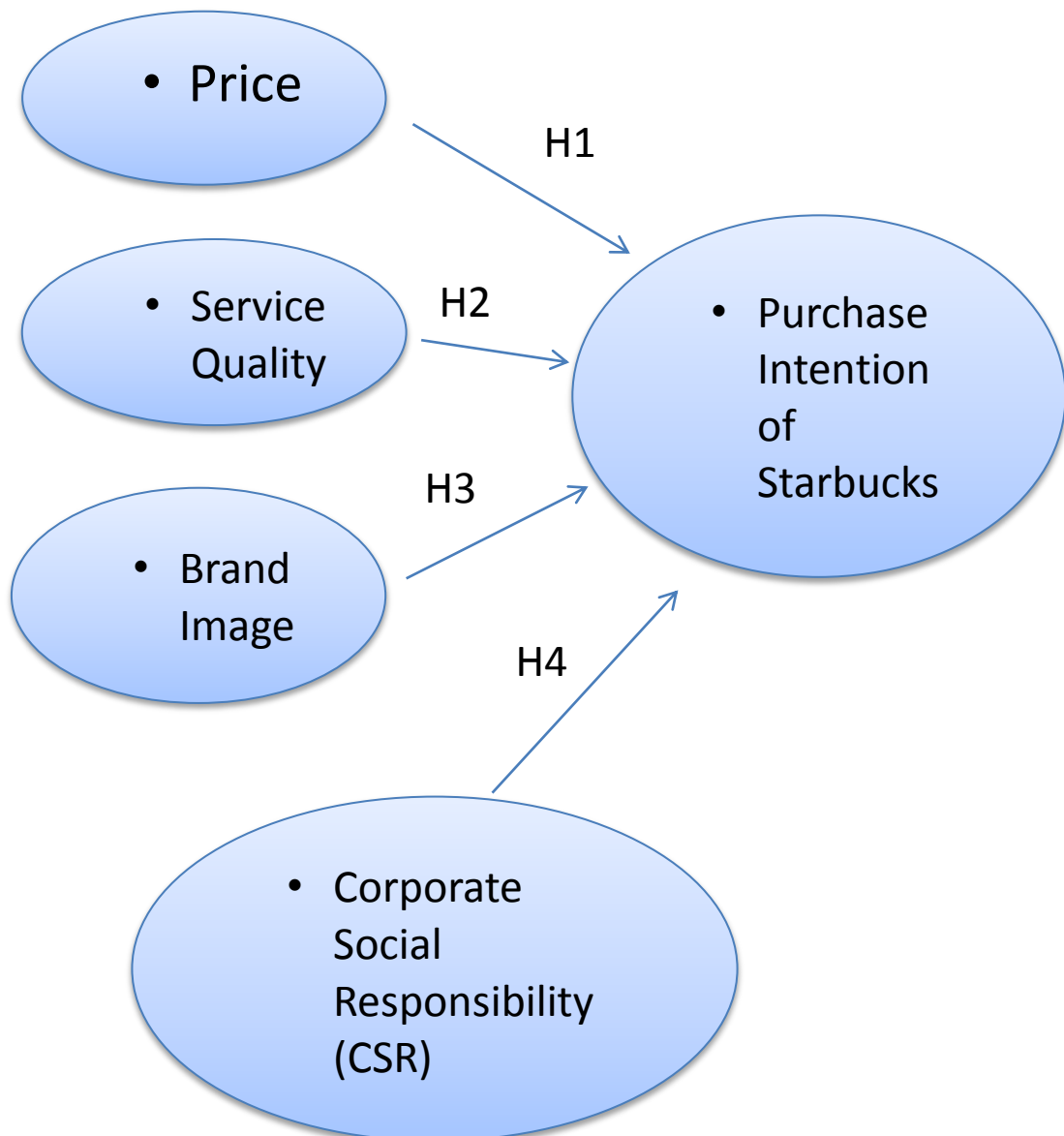
By referring to Figure 2.4, the researchers have adopted from the framework of “The relationship among corporate social responsibility, service quality, corporate image and purchase intention” by Huang et. al (2014).

Figure 2.4 presents the research framework that shows the relationships among “corporate social responsibility”, “service quality”, “corporate image”, and “purchase intentions”. Corporate image acts as mediating variable where corporate social responsibility and service quality affect the purchase intentions of consumers through corporate image.

2.3 Proposed Conceptual Framework

Figure 2.5 below is the proposed framework that would be used for this research project that is composed by the researchers. In this research, the researchers are going to determine whether price, service quality, brand image and corporate social responsibility would be influential factors that affect the purchasing decision of Starbucks.

Figure 2.5



2.4 Hypotheses Development

2.4.1 The relationship between price and purchase intention of Starbucks

Price is viewed as a critical factor for purchase intention (Erickson & Johansson, 1985). Krishna (1992) had conducted a research and concludes that price plays an important role in purchase intention and brand switching. Meanwhile, Sallaudin (1999) concludes that price is the most significant factor affecting purchase intention. Besides that, Shankar, Rangaswamy and Pusateri (2001) conclude that the primary factor used by consumers in purchasing the products or services is price. The seven researchers above all have a similar viewpoint stating that price is an important factor for purchase intention. In fact, purchase intention will be higher when the price of the product tends to be lower than acceptable price range and vice versa (Dodds, 1991). According to Hamilton, East & Kalafatis (1997), the premium price of luxury branded goods is also able to influence the purchase intention of the consumer.

Furthermore, Merrie and Zeithaml (2000) also stated that the one with the ability to influence the buying behavior of consumer is price. Additionally, Trapero, Lozada and Garcia (2010) also mentioned that the purchase intentions of consumers are based on the price. It is said that price is one of the many factors affecting the selection of products being purchased (Sallaudin, Abu Bakar, Nik Maheran & Naziman, 2010). According to Rajput, Kalhooro and Wasif (2012), they found out that there is a positive relationship between price and purchasing decision. Purchasing behaviour of consumer is related to one another when it comes to aspects like pricing, quality and decision making (Kumar, 2011). Other than that,

countless companies adopt different price models to increase the purchase intention of consumers since price is considered as an important factor in marketing strategies (Yang, Lee, Lin & Zheng, 2013).

Meanwhile, Krishna, Briesch, Lehmann and Yuan (2002) have a similar viewpoint with Inman, McAlister and Hoyer (1990) that products with price promotion are more appealing and able to create a greater purchase intention and perceived value for consumers. Consumers' purchase intention will be influenced when they encounter product with price promotion. This allows consumers to perceive that the product is cheaper and it could create a sense of urgency for consumers to purchase as the promotion might only last for a short while. Chen et al. (1998) stated that the consumer purchase intention is able to enhance with the help of a significant price promotion. Mohammad, Kousar and Mortaza (2012) have a similar thought with Ku, Kuo and Kuo (2012) that price promotion will ultimately influence consumers' purchase intention. Aydinli, Bertini and Lambrecht (2014) have a similar thought with Vranceanu (2014) that price promotion is able to impact the purchase intention of consumers as well. Based on the articles and journals we found, we conclude that there is a positive relationship between price and purchase intention.

However, a minority of researches deny that the price has a positive relationship between price and purchase intention such as Liao, Huang, Huang and Deeseentharn (2012). According to Rao and Monroe (1988), product knowledge would greatly affect the consumer purchase intention. Besides that, Lin, Lee and Chen (2012) also have the similar thoughts with Rao and Monroe (1988) that customer's product knowledge has a great influence towards the purchase intention as compared to price. Meanwhile, Keller (1993) mentioned that brand is the most important factor that will affect the consumer purchase intention which exceeds the importance of price factor. Yang et al. (2013) perceived that brand awareness has a greater influence towards the consumer purchase intention as compared to

price. According to Chen et al (1998), when a promoted product price is high, consumers have to pay more in order to enjoy the promotion, which eventually lead to a weaker purchase intention. Therefore, there is a negative relationship between price promotion and purchase intention. Meanwhile Lin, Lee, Lin and Lin (2009) pointed out that price promotion would lead to consumers doubt in the product evaluation. A high price promotion would lead to a low or negative perceived quality of the product, hence lowering the consumer purchase intention. Therefore, Lin, et al. (2009) agree with Chen, et al. (1998) that there is a negative relationship between price promotion and purchase intention. Although there are researchers believe that there is a negative relationship between price and purchase intention, however, majority have found out that there is a positive relationship in between. Thus, following hypothesis is proposed:

H1: There is a positive relationship between price and purchase intention.

2.4.2 Relationship between service quality and purchase intention of Starbucks

Service quality plays a significant role in influencing consumer decision. There is a linkage between service quality and behavioral intention (Brady, Cronin & Brand, 2001). Store that are providing better service leads to a positive behavioral intention and thus increases the consumer purchase intention and frequency of visiting to the store (Carrillat, Jaramillo & Mulki, 2009; Cronin & Taylor, 1992; Fornell 1992; Szymanski & Henard, 2001; Zeithaml, Berry & Parasuraman, 1996). If the service meets the expectation of the customers, the chances of the customer purchase the

product will be higher (Parasuraman et al., 1988; Robertson, Park & Wu, 2004; Chou, Liu, Huang, Yih & Han, 2011, Gilbert & Wong, 2003). Jang and Namkung (2009) also indicate that service quality of a restaurant would positively influence the consumer behavioral intentions which means that restaurant that provides higher service quality, consumer will also have higher purchase intention. Aaker (1991) and Zeithaml (1998) also stated that the perceived quality is also an important aspect of brand value that makes consumers pay for certain product or service services which is eventually affecting the purchase decision. Besides that, Sahoo and Bartaria (2011) also stated that there is a direct impact between service quality and customer purchase intention. Based on the finding of Garretson and Clow (1999), they also concluded that perceived quality is playing a positive role on the purchase intention. Based on the studies that we have found, we conclude that there is a positive relationship between service quality and purchase intention.

Although majority of the researchers have proven that service quality can indeed affect the purchase intention, still, there are minority of the researchers say that there is an indirectly relationship shows between service quality and purchase intention. According to Cronin and Taylor (1992), they stated that service quality shows an insignificant effect towards purchase intention. Besides that, the authors mentioned that satisfaction plays a more important role than service quality on purchase intention. Meanwhile, Chun et al. (2014) also emphasized the importance in conducting the maintenance of corporate image because corporate image acts as a moderator to diminish the effect of service quality on purchase intention. Further, the authors also emphasize the indirectly relationship between service quality and purchase intention where purchase intention can be affected by service quality through brand image (Wu, Yeh & Hsiao, 2011). After studied about the relationship between price and purchase intention, the following hypothesis is proposed:

H2: There is positive relationship between service quality and purchase intention.

2.4.3 Relationship between brand image and purchase intention of Starbucks.

According to Hsu (2000), brand with strong image has higher purchase intention. Chi, Yeh and Yang (2009) points out when a product has a well-known brand name, it can win consumers' preferences and increase their purchase intention. According to Aaker (2002), a positive private brand image can lead to more image-related thoughts and greater purchase intention. The evidence from Kamins and Marks (1991) had shown that consumers have a higher intention to buy products with a better brand image. Research of Aaker (1991) & Keller (2003) also expressed that the positive image of a brand can increase the purchase intention among customers, and then exceed the recognition and loyalty toward the brand (Chen, Huang & Tsai, 2012).

Brand image is the overall mind reflection and beliefs about the particular brand by keeping in mind its unique qualities which make it different from the others (Lee, Lee & Wu, 2011). Therefore, the brand image is very important aspect towards purchase intention. It helps the consumers to decide whether which brand is a better option for them and they are forced to make purchase intentions couple of times. In previous research studies, scholars Darling (1981), Kirmani and Zeithaml (1993), and Han (1989) noted that brand image would influence consumers' brand attitude toward products. Peyrot and Doren (1994) posited that the more positive the

consumer's attitude toward brand, the more intense their purchase intention would be.

In 1998, Grewal, Krishnan, Baker and Borin stated that, the better a brand image is the more recognition consumers give to its product quality. Well-known brand image could become the major choice of purchasing specific products (Macdonald & Sharp, 2000) that brand image appears positive effects on purchase intention (Hsueh, Chiung & Lee, 2008). According to Richardson, Dick and Jain (1994), consumers usually have limited time and product knowledge to make an informed purchase decision when facing similar products to choose from. As a result, brand image is often used as an extrinsic cue to make a purchase decision. After perceiving the value, consumers are likely to appear purchase intention (Lin & Chen, 2006) that brand image plays a critical role in purchase decision.

Moreover, Arslan and Altuna (2010) defined brand image as the positive and negative feeling about the brand when it comes to the mind of the consumers abruptly or when they recall their memories. They have the view that brand image can be characterized by strength, favourability, and uniqueness of brand associations. With a strong, favourable, and unique brand image, the effect of brand credibility on purchase intention toward that brand would be larger. Harcar, Kara and Kucukemiroglu (2006) research also pointed out that consumer purchase intention will be effect by company brand, it means consumer will get affected by brand to intrigue purchase intention. Better brand image increase rate of purchase intention, on the other hand, it decreases if bad brand image happens.

Through brand image, consumers are able to recognize a product, evaluate the quality, lower purchase risks, and obtain certain experience and satisfaction out of product differentiation (Keller, 1993). Consumers are more likely to purchase well-known brand products with a positive brand image, because a brand with a more positive image does have the effect of

lowering consumers' perceived risks (Akaah & Korgaonkar, 1988; Rao & Monroe, 1988). Kotler (2000) had pointed out that for products with better brand image, consumer's perceived risk toward those products to be lower. Subsequently, the lower the perceived risk, the higher the senses of trust consumers have and lead to purchase intention. Hiscock and Jennifer (2001) also believe that brand trust has positive impact on future purchase intention, either directly or indirectly, through consumer relationship willingness. Therefore, the more positive the brand attitude toward products, accordingly the purchase intention is enhanced (Mitchell & Olson, 1981; Goldsmith, Lafferty, & Newell (2000).

In addition, brand image is a strong cue of purchase decision (Chevalier & Mazzalovo, 2012; Okonkwo, 2007). Positive purchase intention is attached with a strong brand image (Hsu, 2000). Positive brand image creates the purchase intention and a negative image creates no purchase intention. So the decision of purchase entirely depends on brand image (LiPope & Voges, 2000). According to Koh and Fang (2012), consumer perceptions of brand image have a positive impact on purchase decisions. The stronger the brand image, the stronger the consumer purchase intention (Lin, Wang, Chiou, & Chung, 2007). Brand image clarifies if or if not the brand is for the consumer and contributes the purchase decisions (Dolich, 1969) and thus, it influences the buying behavior of the customer (Johnson & Puto, 1987; Fishbein, 1967).

On the other hand, favourable brand image is the key factor in purchasing intention and cause consumers to purchase intention (Shen & Chou, 2006; Jo, Nakamoto & Nelson, 2003; Keller, 1993). A brand with good image can acquire consumer's preference and buy a product because it makes them feel safe and trustable. Chen and Chang (2010) also pointed out the positive effects of brand image would enhance consumer's purchase intention. According to Kamins and Marks (1991), they suggest that if consumers have a good and preferable brand image to a product, they will

have higher purchase intention, and if a product is familiar to consumers, they will have more confidence to buy it (Laroche, Kim, & Zhou, 1996). Although there are many researchers found out that brand image has influence on purchase intention, however, there are also few of them do not agree. For instance, according to the finding of Eze, Kwan and Wamala (2012), brand image does not have significant influence and it does not affect the purchase intention of consumers. Besides that, research of Chung, Pysarchik and Hwang (2009) also shown that brand image has no influence on customer's purchase intention.

As a result, many believe that brand image has a positive influence towards customer's purchase intention, thus, following hypothesis is proposed:

H3: There is a positive relationship between brand image and purchase intention.

2.4.4 Relationship between corporate social responsibility (CSR) towards purchase intention of Starbucks.

According to Alam and Rubel (2014), the study found no relationship between awareness of corporate social responsibility (CSR) and purchase intention. Moreover, in the study of Ali, Rehman, Yilmaz, Nazir and Ali (2010), no linkages and no effects was found in CSR activities with consumer purchase intention too. However, the group believe that CSR is an important factor that affects the purchase intention of Starbucks because many researchers had proved that there is a positive impact between CSR and consumer purchase intention. According to The Federation of Korea Industries (2009), it stated that Koreans are starting to select the companies which are more socially responsibility. Korea

companies would even invest more than 2 trillion Korean Won in planning and running CSR activities although the country is facing economic recession. The reason of conducting CSR is because there is a picking up of consumers which would switch the current product brand to a more socially desirable company's if the price is equivalent to quality of products (Lee & Park, 2009). In 2010, Lee and Shin stated that CSR activities and purchase intention are positively linked to certain extent where the higher the level of corporate social and local community contribution (CSR activities), the more positive impacts on consumer's purchase intention. It signifies that consumers tend to purchase products from "good" company. Meanwhile, they are also looking for company which performs "good" CSR activities. Shelley (2008) suggested that if a company publicized their CSR activity, it will influence the consumer's purchase intention as they have a better picture on the company's CSR activities, thus, enhance to a more favorable image towards the company. Which mean that CSR practices show a positive relationship with the purchase intention of consumer. Moreover, the concern that a firm contributes to the environment also shows a significant impact on purchase intention than price (Mohr & Webb, 2005). Although there are few researchers (such as Holmes & Kilbane, 1993; Berger, Cunningham & Kozinets, 1999) stating that there is no effects of CSR on consumer purchase intentions, yet many researchers support that there is a positive relationship between CSR and purchase intention because the assessment of the product or service and purchase intention are being affected by CSR activities (Lin, Chen, Chiu & Lee, 2011). Thus, following hypothesis is proposed:

H4: There is a positive relationship between CSR and purchase intention.

2.5 Conclusion

In this chapter, background of study with each of the variables derived from relevant and past researches are discussed. The relevant theoretical models are being adopted to form proposed conceptual framework of this research. Furthermore, the definition and hypotheses development are being explained as well. For chapter 3, all the research methodology used will be discussed.

CHAPTER 3: METHODOLOGY

3.0 Introduction

Chapter 3 will be mainly discussing on the research methodology of this research. This chapter consists of research design, primary and secondary data collection methods, sampling design, research instrument, constructs measurement, data processing and analysis and also conclusion of this chapter. With all the information provided, readers may get a better understanding and come out with better evaluation on the result of the research.

3.1 Research Design

According to Malhotra and Peterson (2006), research design is defined as a framework that helps in running the research project. It lists out a set of blueprint to attain necessary information. Besides, it also helps to solve research problem.

3.1.1 Descriptive Study

This study is a descriptive study which finds out the factors that influence the purchase intention towards Starbucks. The purpose of conducting this research is to identify and explain the relationship between factors that

affect purchase intention towards Starbucks. The factors include price, service quality, brand image and corporate social responsibility.

The hypotheses are the main concept of the research project and it is composed based on the research framework. Besides that, the researchers will carry out the pilot study before start to distribute the questionnaires. The objective of pilot test is to ensure that respondents can fully understand the questionnaires and estimate the duration to complete the entire survey (Pilot testing data collection instrument, 2011).

3.1.2 Causal Research

This research is categorized as causal research as this research is conducted to investigate whether the independent variables will have an effect on dependent variable. This research focuses on finding out the factors influencing the purchase intention of Starbucks.

3.1.3 Quantitative research

Quantitative research will be used as well to determine the factors that influence purchase intention of Starbucks. “Quantitative research is a formal, objective, systematic process in which numerical data are used to obtain information about the world” (Burn & Grove, 2005). The quantitative data collected from survey questionnaires designed are in raw

form and will be analysed using computer programs to be converted into useful information.

3.1.4 Deductive approach

For this research, deductive approach will be used. “A deductive approach is concerned with developing a hypothesis (or hypotheses) based on existing theory, and then designing a research strategy to test the hypothesis” (Wilson, 2010). Moreover, deductive approach can be explained as “reasoning from the general to the particular” (Pelissier, 2008). Firstly, the researchers review relevant journals done by researchers to get better understanding on the research done by us. After literature review, four hypotheses are formed. Then, a proposed theoretical framework was developed to show the relationship between the four independent variables and one dependent variable. Lastly, survey questionnaires will be distributed to respondents and data collected will be analyzed to test on the four hypotheses formed by us.

3.2 Data Collection

Data collection plays a significant role because it allows one to answer research questions, test hypotheses and evaluate outcomes. Researchers have to ensure that the data collected is in a proper and correct manner because the data is very

important for the data editing and coding. Data can be categorized into two main categories which are primary and secondary data. Primary data is defined as the “raw” data as it is without any analysis or processing. The primary data can be generated from the transcripts of interviews, surveys or recorded observation. As for the secondary data, it is usually are historical and already assembled. Secondary data refers to the historical data that have been assembled for some purpose where it requires no access to respondents or subjects. (Zikmund, Babin, Carr & Griffin, 2010).

3.2.1 Primary Data

In this research project, the questionnaires will be freely distributed to the respondents that consumed Starbucks through hardcopies. The objective of conducting this research project is to test the impact of independent variables (price, service quality, brand image and corporate social responsibility) on the dependent variable (purchase intention). Therefore, the questionnaires are designed based on the measurements so that the results of finding will be accurate and correct.

3.2.2 Secondary Data

In this research, most of the secondary data is acquired through the reading of journals, articles, Internets, reports and textbook. The journal are mostly online journals accessed through the UTAR database such as Lexis Malaysia, NSTP e-Media, Proquest and many more which is the UTAR's online resource getaway. On the other hand, minority of the journals are from free online database such as Google Scholars.

3.3 Sampling Design

Sampling refers to the process of making a conclusion about the whole population by using a part of the larger population (Zikmund, 2003). Samples are being used to perform and examine the research study due to the difficulty in surveying the entire population as it requires too much time and money (Saunders, Lewis & Thornhill, 2010).

3.3.1 Target Population

“The target population must be carefully defined so that the proper sources from which the data are to be collected can be identified” (Zikmund et al.,

2010). The target population in this research are males and females age range from 18 to 65 years old in Klang Valley areas. According to Department of Statistics Malaysia, Population and Demography Statistics Division, Gen X and Gen Y occupy the majority. This is the reason of limiting the age range from 18 to 65 in order to approach target respondents more easily. However, the baby boomer should not be left out, hence, the age range of 18 to 65 is formed. According to Malcolm (n.d.), baby boomer is aging from 68 to 50; Gen X is aging from 49 to 35 while Gen Y is aging from 34 to 20.

Figure 3.1: Population by age group and sex, 2000 - 2014, Malaysia

Jadual 8.1.2: Penduduk mengikut kumpulan umur dan jantina, 2000 - 2014, Malaysia
Table 8.1.2: Population by age group and sex, 2000 - 2014, Malaysia

Kumpulan umur/ Jantina Age Group/sex	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*	2014*
Jumlah/Total															
0-4	2,833.4	2,801.2	2,742.4	2,668.8	2,609.5	2,555.8	2,524.7	2,513.5	2,512.5	2,515.0	2,508.6	2,505.6	2,524.7	2,549.7	2,547.6
5-9	2,646.0	2,665.8	2,714.7	2,733.0	2,741.3	2,741.6	2,724.3	2,697.3	2,670.9	2,659.8	2,659.5	2,619.8	2,581.8	2,549.2	2,526.5
10-14	2,523.7	2,598.8	2,640.4	2,684.8	2,719.3	2,742.1	2,749.0	2,741.2	2,721.1	2,691.1	2,654.0	2,665.5	2,670.0	2,668.6	2,664.2
15-19	2,335.7	2,438.0	2,516.3	2,594.1	2,660.9	2,719.1	2,764.4	2,801.9	2,828.3	2,841.8	2,837.4	2,852.6	2,853.6	2,841.9	2,822.2
20-24	2,088.5	2,149.2	2,231.0	2,334.2	2,448.9	2,561.8	2,666.5	2,752.8	2,818.7	2,869.8	2,912.0	2,964.9	3,017.5	3,059.5	3,085.9
25-29	1,919.5	1,948.1	1,981.6	2,019.9	2,068.3	2,135.3	2,226.1	2,349.5	2,498.5	2,652.2	2,789.6	2,871.6	2,924.5	2,957.1	2,979.2
30-34	1,837.1	1,854.0	1,869.4	1,886.9	1,909.5	1,938.0	1,970.0	2,002.7	2,040.5	2,096.3	2,181.7	2,267.6	2,368.5	2,473.1	2,564.0
35-39	1,668.2	1,702.6	1,735.4	1,765.6	1,792.2	1,816.0	1,838.5	1,862.5	1,889.9	1,920.9	1,954.8	1,977.3	1,996.6	2,016.0	2,047.0
40-44	1,451.0	1,490.6	1,530.7	1,570.5	1,608.4	1,644.4	1,678.1	1,709.9	1,739.0	1,765.7	1,791.5	1,811.5	1,827.7	1,842.0	1,853.1
45-49	1,205.1	1,250.1	1,291.1	1,331.3	1,373.0	1,416.2	1,459.2	1,501.3	1,541.5	1,579.3	1,614.3	1,643.4	1,667.1	1,685.4	1,699.5
50-54	877.7	934.2	992.7	1,048.0	1,097.4	1,142.2	1,185.3	1,229.2	1,276.0	1,323.9	1,370.8	1,415.7	1,455.0	1,489.8	1,521.8
55-59	657.9	684.9	718.2	759.5	807.3	857.8	908.0	953.8	993.5	1,029.4	1,066.0	1,111.1	1,159.8	1,209.3	1,257.1
60-64	519.3	537.7	553.8	568.0	583.6	605.4	635.2	675.1	723.8	775.3	823.5	863.2	896.8	927.3	960.1
65-69	378.3	392.5	411.0	432.9	454.4	472.4	488.8	499.5	506.8	517.2	538.0	570.5	613.0	661.2	708.5
70-74	264.2	275.7	284.7	291.5	299.1	311.1	326.0	346.7	371.4	393.5	409.3	421.3	436.5	479.7	499.7
75-79	142.7	152.8	166.6	181.6	194.9	205.4	213.1	216.5	218.0	222.3	233.4	247.5	267.8	289.7	308.4
80+	146.7	156.3	162.5	167.5	173.3	181.2	192.8	205.0	217.3	228.1	244.4	262.8	289.0	316.7	346.8
Jumlah/Total	23,494.9	24,030.5	24,542.5	25,038.1	25,541.5	26,045.5	26,549.9	27,058.4	27,567.6	28,081.5	28,588.6	29,062.0	29,510.0	29,915.3	30,261.7

Source: Malaysia Informative Data Centre, (n.d.). *Population by age group and sex, 2000-2014, Malaysia.*

3.3.2 Sampling Frame and Sampling Location

Sampling frame is the set of source materials from which the sample is selected. Its purpose is to provide a means to choose the particular members of the target population that are being interviewed in the survey (Turner, 2003). In this research study, the respondents range from students

to working adults in Klang Valley are. However, there is no specific location or institution to conduct the survey for this research study. Thus, 270 sets of questionnaires were randomly distributed through convenience sampling method where respondents that are most easily and conveniently available response to the questionnaires.

3.3.3 Sampling Elements

Sampling elements is the item from which the information is flavored (Malhotra, Hall, Shaw & Oppenheim, 2002). The sampling elements consist of students, undergraduates and working adults in Klang Valley.

3.3.4 Sampling Technique

The procedure for selecting sample members from a population is called the sampling method (Stat Trek, 2014). According to Zikmund et al. (2010), the sampling method can be divided into two categories which are probability techniques and nonprobability techniques. For this research, the researchers will be using the nonprobability sampling. “Nonprobability sampling is a sampling technique in which units of the sample are selected on the basis of personal judgment or convenience; the probability of any particular member of the population being chosen is unknown” (Zikmund et al., 2010). The convenience sampling which is under nonprobability sampling is chosen to test the relationship between independent variables and dependent variable. Convenience sampling is by obtaining people that are most conveniently” (Zikmund et al., 2010). Besides that, convenience sample have the advantages of easy sample selection and data collection (Anderson, Sweeney, & Williams, 2008). With the convenience sampling, the researchers could easily distribute the questionnaires to the target

population; students, undergraduates and working adults from Klang Valley. In this research study, hardcopies questionnaires were distributed to the respondent face to face to avoid biased response from respondents

3.3.5 Sampling Size

According to Roscoe (1975), he suggested that simple rules of thumb are needed in order to select an appropriate sample size based on an analysis of acceptable confidence level in behavioral research. In short, the sample size that is best recommended should be at least 30 and not exceeding 500 (Roscoe, 1975). The sample size of 250 respondents is expected. Hence, 270 sets of questionnaires were distributed to students, undergraduates and working adults in Klang Valley. Meanwhile, a total of 20 copies of pilot test sample had been distributed and performed before the actual survey was conducted to ensure the quality, reliability and accurateness of the research study.

3.4 Research Instrument

In this research study, the research instrument used is self-completion survey. A self-completion survey is where the respondent read and answered the survey questionnaires without the help and presence of a trained interviewer (Hair, Black, Babin, Anderson & Tatham, 2006). The questionnaires were developed and adopted from literature review. Respondents are required to follow given instructions and answer the question without bias.

3.4.1 Questionnaire Design

The questionnaires are used for the purpose of this research study. English language and close-ended questions are used in the questionnaire. The category and rating questions are the two types of close-ended question being used in the survey. Category question is each of the respondent's answer is only able to fit a single category whereas the rating question are of the likert-style rating where respondents are question to how strongly he or she disagrees and agrees with the statement (Saunders et al., 2010).

A brief summary of the purpose of conduction this research and the group members are attached at the front cover. The questionnaire is divided into three sections; Section A, Section B and Section C. Section A consists of the respondent's demographic information such as gender, age, race, education level and average monthly expenses at coffee outlets.

Section B consists of the independent variables such as price, service quality, brand image and corporate social responsibility, which are the factors influencing the purchase intention of Starbucks coffee. This section requires respondent to answer by using five-point likert scale.

Section C consists of the dependent variable which is the purchase intention of Starbucks coffee. This section requires the respondent to answer whether they have the intention to purchase Starbucks coffee by using the five-point likert scale. Attached in Appendices include Survey Questionnaire for Pilot Testing (Appendix A) and Actual Survey Questionnaires (Appendix B).

3.4.2 Pilot Testing

Pilot test is a small-scale research that compiles data from respondents with similar characteristic that can use in the study (Zikmund et al., 2010).

Pilot test provides researches the opportunity to find out potential

problems that may occur to respondent while answering the questionnaire and make adjustment (Pratt & Gau, 2008). Pilot tests were conducted before the actual survey to ensure the accuracy and reliability of the questionnaire (Saunders et al., 2010). It is being distributed face to face to respondent to allow easier collection of feedback. A total of 20 copies of pilot test sample had been distributed to consumers who have consumed Starbucks coffee before and performed in Klang Valley area before the actual survey will be conducted. After conducting pilot test, amendment such as restructure of the question, addition and cancellation of questions as well as insertion of independent and dependent variable definition were made to let respondents understand the variables better. The pilot test result was analyzed by Cronbach's Alpha to test the reliability of the questionnaires. The result is as below.

Table 3.1 Result of reliability test for pilot test

Variables	Cronbach's Alpha Value
Price (Independent Variable)	0.582
Service Quality (Independent Variable)	0.722
Brand Image (Independent Variable)	0.502
Corporate Social Responsibility (Independent Variable)	0.632
Purchase Intention towards Starbucks (Dependent Variable)	0.845

Source: Develop for the research

From the table above, there are two variables that have lower than acceptable value for Cronbach's Alpha and the rest is in an acceptable range. No questions were dropped from the pilot test to improve the value

because the researchers will make the correction after the actual survey questionnaires is distributed and analysed.

3.5 Construct Measurement

3.5.1 Measurement Scale

There are four types of scale measurement that are commonly used in doing research which include the nominal, ordinal, interval and ratio scales. In this research project, nominal, ordinal and interval scales are being used in the survey questionnaire.

According to Saunders, et al. (2010), nominal scale refers to the data where the values cannot be measured numerically, but can be distinguished by classifying into categories. For the research, nominal scale will be used for 3 questions in section A of the questionnaire. Questions such as gender, race and education level used the nominal scale. Besides that, ordinal scales allow things to be arranged in order based on how much of some concept they possess (Zikmund et al., 2010). In section A, question asking on age and personal monthly spending uses the ordinal scale.

Lastly, interval scale refers to the numerical data for which the difference or “interval” between the data values for a variable can be stated (Saunders et al., 2010). The questionnaires in Section B and Section C use the interval scale where the scales provided are 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. By using interval scale, the relationship strength between the independent variables and

dependent variable can be determined. Normally, Likert-style rating scale would be treated as a part of interval scale because it is non-comparative scaling technique and one-dimensional in nature (Wu, 2007).

3.5.2 Origin of Constructs

In this research project, few previous established survey instruments from several literatures had been adopted. The origins of the constructs will be shown in Table 3.2.

Table 3.2: Origin of Constructs

Constructs	Sources
Price	Chew, Lee, Lim, Loke, Wong (2012)
Service Quality	Huang, Yen, Liu and Huang (2014)
Brand Image	Shehzad, J. (2012)
Corporate Social Responsibility (CSR)	Wencel, F. (2012)
Consumer's purchase intention towards Starbucks	Chaisurivirat, D. (2009) Chew, Lee, Lim, Loke, Wong (2012)

Source: Developed for the research

Table 3.3: Sample Items of the Constructs

Constructs	No. of Items	Sample Items
		<ol style="list-style-type: none">1. Price is the most important factor making purchase at Starbucks.2. I compare prices of other coffee outlets (eg. Coffee Bean etc) before I purchase.

Factors Influencing Purchase Intention of Starbucks

Price	7	<ol style="list-style-type: none"> 3. I buy Starbucks because the price is appropriate. 4. My purchase intention will increase when Starbucks is having promotion. 5. I will switch to other coffee brand if it is providing promotion and discount. 6. The premium price of Starbucks suggests to me that they used high quality coffee beans. 7. I will purchase Starbucks if the price is the lowest among competitors.
Service Quality	6	<ol style="list-style-type: none"> 1. Service personnel who can provide customer individualized care improve service quality. 2. Service personnel who understands customer needs improve service quality. 3. Service personnel who provide appropriate services with the promised time improve service quality. 4. Store that considers customer interests as a priority improve service quality. 5. Store that provides customer with personalized service improve service quality. 6. Store that provides reliable services improve service quality.
		<ol style="list-style-type: none"> 1. Brand image is an important aspect of every product.

Factors Influencing Purchase Intention of Starbucks

Brand Image	5	<ol style="list-style-type: none"> 2. I will switch to other brand if it provides good quality products. 3. I will purchase those brands which have good reputation in the market. 4. If brand image doesn't go well I will not buy it. 5. I agree that brand reputation influences me to buy product.
Corporate Social Responsibility (CSR)	5	<ol style="list-style-type: none"> 1. I would walk an extra five minutes to a coffee outlet that I knew was socially responsible. 2. I will be willing to pay more money for coffee or products from a socially responsible coffee outlet. 3. I will increase the number of visits to a coffee outlet if I knew it was socially responsible. 4. Whether a coffee outlet is socially responsible or not is important to me in making purchasing decision. 5. I could easily switch from a coffee outlet that was socially responsible to one that was not.
Consumer's purchase intention towards Starbucks	3	<ol style="list-style-type: none"> 1. I intend to patronize Starbucks in the next month. 2. It is very likely that I will purchase Starbucks. 3. It is very likely that I will purchase Starbucks.

Source: Developed for the research

3.6 Data Processing

After collected all the survey questionnaires back from the respondents, all data must go through a series of data preparation process. Data processing involved questionnaire checking, data editing, data coding, data transcribing and data cleaning. These processes are important because its main purpose is to improve the quality of the findings and provide more accurate result for the research by producing lesser error.

3.6.1 Questionnaire Checking

Questionnaire checking is the first step of data processing that been done to ensure the quality level of the data. In this research, pilot test had been conducted and this questionnaire checking process was carried out in order to detect any initial stage's error or problem such as instruction misunderstanding and question difficulty in the questionnaire. The purpose of checking is to rectify errors by taking actions to correct the mistakes before the real survey is conducted. This is to maintain the reliability of the research. After the real survey being conducted, this process had to be done again to eliminate those unacceptable or unsatisfactory questionnaires such as incomplete questionnaire, participants did not follow the instructions, missing data and so on. By having these unacceptable questionnaires, it may affect the accuracy and usefulness of the data collected (Hair, Bush & Ortinau, 2009).

3.6.2 Data Editing

According to Zikmund et al. (2010), editing is the process of checking the completeness, consistency and legibility of data and making the data ready for coding and transfer to storage. Data editing used to monitor the questionnaire to prevent incompleteness and inconsistency from the responses where correction can be taken to increase the precision or accuracy of the questionnaires. This process involves checking for errors and adjusting data for omissions to improve the quality of overall statistical research study. For instance, unsatisfied answers will be discarding if there is a possibility to harm the overall result. This process helps to filter the ambiguous and inaccurate data from respondents. Therefore, in order to create value form collected data, editing is needed before transfer the data to information.

3.6.3 Data Coding

Coding is the process of assigning a numerical score or other character symbol to previously edited data (Zikmund et al., 2010). All data were properly coded to make transferring data from questionnaires to a computer an easy job and at the same time enhance and ensure the accuracy of the answers. Codes are meant to represent the meaning in the data. It often is numerical symbols because it enables easier interpretation of data as compare to lengthy alphabetical descriptions and they can easily transfer the data into computer programs in the shortest time possible. For instance inside the questionnaire section A, gender of respondents can be assigned as “1” for male and “2” for female. This is to make the data entry easier. Meanwhile in Section B and C, level of “strongly disagree”, “disagree”, “neutral”, “agree”, and “strongly agree” can be coded accordingly from 1 to 5 for answering in questionnaire.

3.6.4 Data Transcribing

Transcribing data includes transforming the data code from the questionnaire or coding sheets onto disks or directly into computer by keypunching (Malhotra & Paterson, 2006). After the data is being scanned by optical scanning, it will sent by computer memory and turns into the transcribed data. Therefore in this research, the data obtained from questionnaire was transcribed by keying into the Statistical Project of Social Science (SPSS) software. Verification was conducted in order to ensure the accuracy or validity of the data key into SPSS.

3.6.5 Data Cleaning

For the last step of data processing which is the data cleaning process, checking for questionnaire and data was more extensive as compare to data checking since there are made by computer. The purposes for data cleaning were crucial for consistently checking and identifying data that is out-of-range, logically inconsistent or have extensive values (Malhotra & Paterson, 2006). SPSS software is used to maintain the consistency of the data. With the help of SPSS software, it smoothen the process of data cleaning because checking using computer is much more accurate and consistent and it also helped to overcome extensiveness of value too.

3.7 Data Analysis

3.7.1 Statistical Packaging for the Social Science (SPSS)

For this research project, version 20 of SPSS for Windows is used to analyse the quantitative data collected as it can aid in quantitative data handling. SPSS is chosen to be used to carry out data entry and analysis and to construct tables and graphs. In addition, SPSS contains data collection and organization, data output and statistical tests. The SPSS is also capable to handle a large amount of data and perform all the analyses.

3.7.2 Descriptive analysis

“Descriptive statistics is the term given to the analysis of data that helps describe, show or summarize data in a meaningful way such that, for example, patterns might emerge from the data” (Laerd Statistics, 2013). As the data collected from the survey questionnaires of 270 respondents is raw data, it can be describe or summarize in a meaningful way by using descriptive statistics to any companies in the coffee industry especially Starbucks. The descriptive statistics also present distribution or spread of the marks by using frequency distribution, measures of central tendency (mean, mode median), measure of dispersion (range, standard deviation and coefficient of variation) and measure of shapes (skewness and

kurtosis). Most importantly for the research, descriptive statistics will be used so that the factors influencing purchase intention of Starbucks can be presented in a more meaningful way that enable easier understanding by people.

3.7.3 Scale Measurement

To check the reliability of the data collected, scale measurement is being used.

3.7.3.1 Reliability test

Cronbach's Alpha was developed by Lee Cronbach back in 1951. In reliability test, Cronbach's Alpha is used to determine the reliability and validity of the constructs which are price, service quality, brand image, corporate social responsibility and purchase intention towards Starbucks. The reliability is the measure of internal consistency while validity is the measure of accuracy of a concept (Zikmund et al., 2010). The internal consistency reflects the homogeneity of the test variables that constructs the whole research and the closer is the result to 1, the higher is the internal consistency (Sekaran & Bougie, 2009). The range of the value for Cronbach's Alpha is as below.

Table 3.4 Range of Cronbach's Alpha value

Cronbach Coefficient alpha (α)	Indication
α value < 0.60	Poor reliability
α value between 0.61 and 0.70	Fair reliability
α value between 0.71 and 0.80	Good reliability
α value between 0.81 and 0.95	Very good reliability

Source: Zikmund, Babin, Carr & Griffin (2010). *Business Research Method* (8th ed.).

3.7.4 Inferential analysis

3.7.4.1 Multiple Regression Analysis

“Multiple regression analysis is an extension of simple regression analysis allowing a metric dependent variable to be predicted by multiple independent variables” (Zikmund et al., 2010). According to Stockburger (n.d.), multiple regression analysis is an extension of simple linear regression in which more than one independent variable (X) is used to predict a single dependent variable. In addition, the significant of each independent variable on dependent variable can be determined by using multiple regression analysis. For instance, the researchers will be able to see which factors that influence the purchase intention of Starbucks the most. Multiple regression analysis will be used for this research since there are four metric independent variables and one metric dependent variable.

3.8 Conclusion

In Chapter 3, all the methodology used for the research is being discussed. Research design consists of descriptive study, casual research, quantitative research and deductive approach. Both primary data and secondary data are being used for data collection. In addition, sampling design, research instrument, construct measurement, data processing and data analysis that include SPSS, descriptive analysis, scale measurement and inferential analysis are being discussed. Chapter 4 will be discussing in details all the analyses and interpretation of the result derived from the response of the survey questionnaires distributed.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

Chapter 4 will describe in detail the outcome or results of the research project based on the data analysis done by using Statistical Package for Social Science (SPSS) version 20. There are three parts for this chapter. Firstly, the descriptive analysis will be describing on the demographic profile of the target respondents and central tendency. Secondly, the scale measurement will be the Cronbach's Alpha reliability test for the actual survey. Lastly, the inferential statistics will include the multiple regressions of the constructs.

4.1. Survey Distribution and Return Rate

The survey questionnaires were distributed randomly through convenience sampling method. Total of 270 questionnaires were distributed. However, there were 5 questionnaires missing during the distribution and 3 of the questionnaires were rejected because it contains biased response. For instance, all the answers were only in "strongly disagree" and "neutral" for the likert-scale rating questions. To sum up, total of 262 questionnaires were used for the research.

4.2 Descriptive Analysis

Descriptive analysis describes basic characteristics and summarizes the raw data into an understandable way such as using charts and tables. The demographic profile of the respondents in section A of questionnaire will be summarized.

4.2.1 Demographic Profile

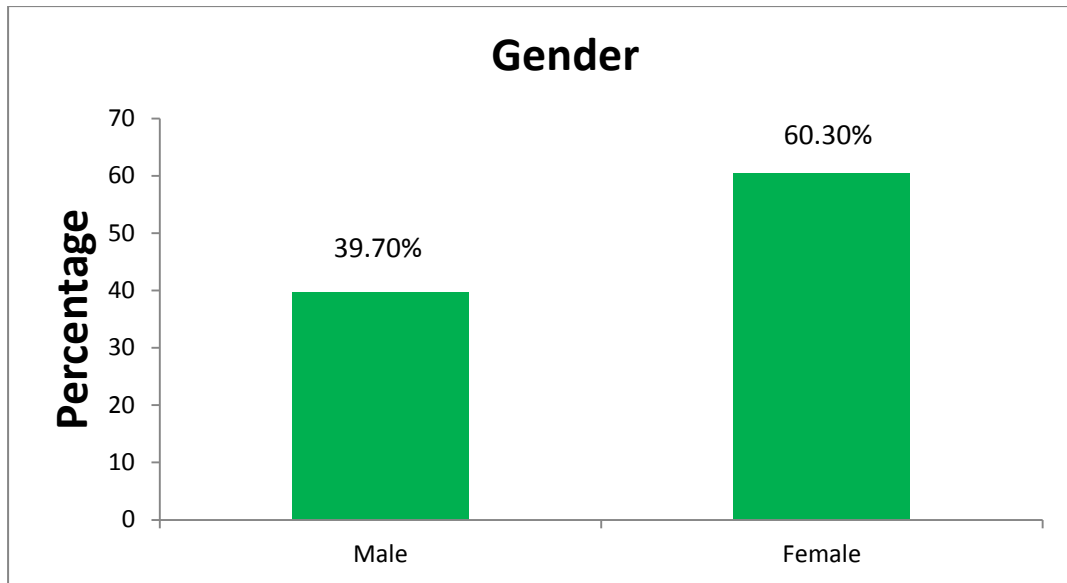
There are 5 questions in section A of the questionnaire that represent the demographic profile of the respondents.

Table 4.1 Respondents' Gender

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Male	104	39.7	39.7	39.7
	Female	158	60.3	60.3	100.0
	Total	262	100.0	100.0	

Source: Develop for the research

Figure 4.1 Respondents' Gender



Source: Develop for the research

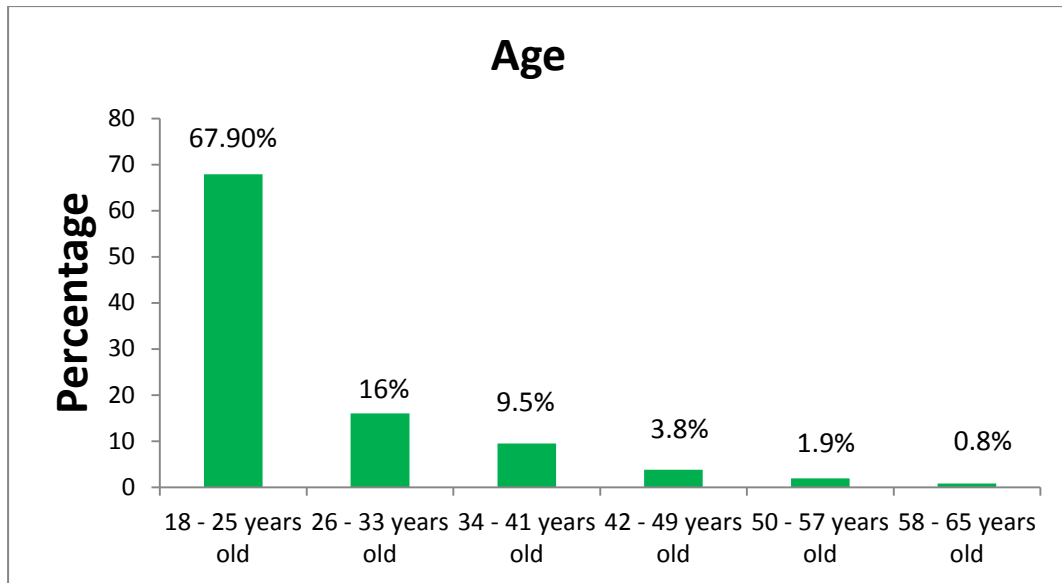
Based on the questionnaires collected, there are total of 262 respondents. There are 104 (39.70%) of the respondents are male and 158 (60.30%) of the respondents are female.

Table 4.2 Age

	Frequency	Percentage	Valid Percentage	Cumulative Percentage
18 - 25 years old	178	67.9	67.9	67.9
26 - 33 years old	42	16.0	16.0	84.0
34 - 41 years old	25	9.5	9.5	93.5
Valid 42 - 49 years old	10	3.8	3.8	97.3
50 - 57 years old	5	1.9	1.9	99.2
58 - 65 years old	2	.8	.8	100.0
Total	262	100.0	100.0	

Source: Develop for the research

Figure 4.2 Age



Source: Develop for the research

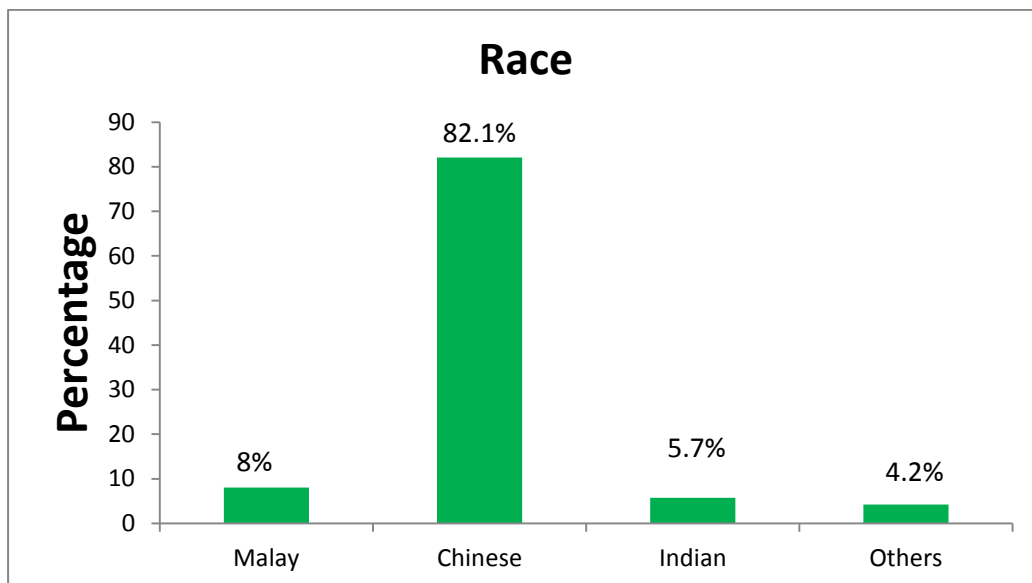
Table 4.2 and Figure 4.2 shows that majority of respondents are from age 18 to 25 years old which consists of 178 persons or 67.90% of the total respondents. Others are 42 (16%) age from 26 to 33 years old, 25 (9.5%) age from 34 to 41 years old. 10 (3.8%) age from 42 to 49 years old, 5 (1.9%) age from 50 to 57 years old and 2 (0.8%) age from 58 to 65 years old.

Table 4.3 Race

	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Malay	21	8.0	8.0	8.0
Chinese	215	82.1	82.1	90.1
Valid Indian	15	5.7	5.7	95.8
Others	11	4.2	4.2	100.0
Total	262	100.0	100.0	

Source: Develop for the research

Figure 4.3 Race



Source: Develop for the research

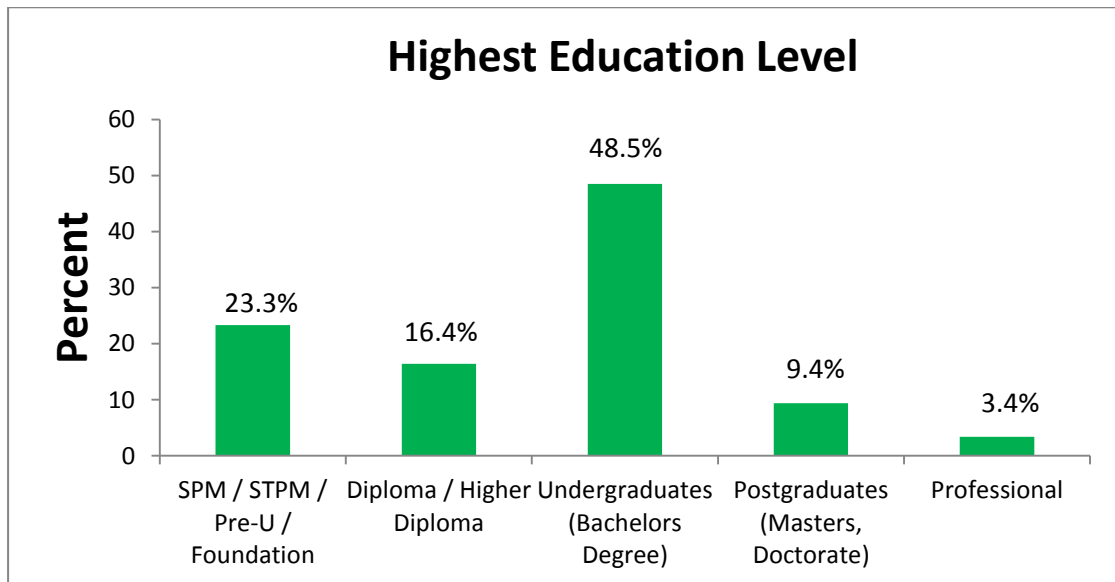
Based on table 4.3 and figure 4.3, 215 (82.1%) of the respondents are majority Chinese and 21 (8%) of the respondents are Malay. Follow by 15 (5.7%) of the respondents are Indian and 11 (4.2%) of the respondents are of others race.

Table 4.4 Highest Education Level

	Frequency	Percentage	Valid Percentage	Cumulative Percentage
SPM / STPM / Pre-U / Foundation	61	23.3	23.3	23.3
Diploma / Higher Diploma	43	16.4	16.4	39.7
Undergraduates (Bachelors Degree)	127	48.5	48.5	88.2
Postgraduates (Masters, Doctorate)	22	8.4	8.4	96.6
Professional	9	3.4	3.4	100.0
Total	262	100.0	100.0	

Source: Develop for the research

Figure 4.4 Highest Education Level



Source: Develop for the research

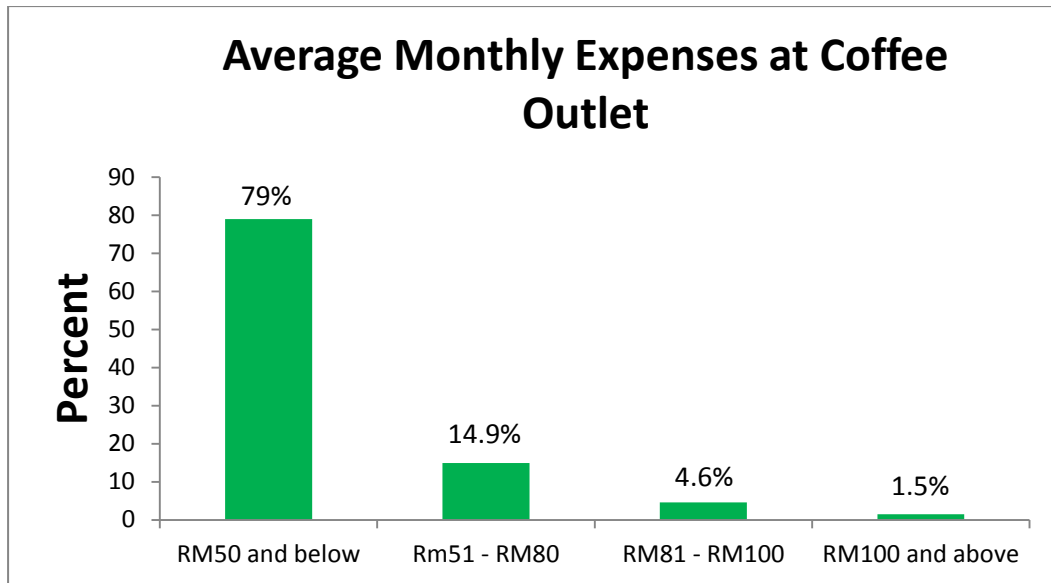
As shown in table 4.4 and figure 4.4, 61 (23.3%) respondents have highest educational level of SPM / STPM / Pre-U / Foundation, 43 (16.4%) respondents are diploma / higher diploma. The majority are undergraduates which consists of 127 (48.5%), follow by 22 (9.4%) are postgraduates and lastly 9 (3.4%) are professional.

Table 4.5 Average Monthly Expenses at Coffee Outlet

	Frequency	Percentage	Valid Percentage	Cumulative Percentage
RM50 and below	207	79.0	79.0	79.0
RM51 - RM80	39	14.9	14.9	93.9
RM81 - RM100	12	4.6	4.6	98.5
RM100 and above	4	1.5	1.5	100.0
Total	262	100.0	100.0	

Source: Develop for the research

Figure 4.5 Average Monthly Expenses at Coffee Outlet



Source: Develop for the research

Based on the result shown in table 4.5 and figure 4.5, 207 (79%) of respondents spent RM50 and below on average monthly at coffee outlet, 39 (14.9%) spent RM51 to RM80 on. Then, 12 (4.6%) spent RM81 to RM100 on average and lastly 4 (1.5%) spent RM100 and above on average.

4.3 Scale Measurement

Cronbach's Alpha reliability test is used to measure internal consistency and reliability of the data.

4.3.1 Reliability Test

Table 4.11 Reliability Statistics

No.	Variable	Cronbach's Alpha	Total number of items	Number of item(s) dropped
1	Price	0.711	7	2
2	Service Quality	0.855	6	-
3	Brand Image	0.701	5	1
4	Corporate Social Responsibility (CSR)	0.768	5	-
5	Purchase intention towards Starbucks	0.899	3	-

Source: Develop for the research

To enhance the reliability value, two questions from price which is question 3 and question 6 were dropped to get Cronbach's Alpha value of 0.711 and 1st question from brand image was also dropped to get Cronbach's Alpha value of 0.701.

According to Zikmund et al. (2010), Cronbach's Alpha value less than 0.6 has poor reliability, fair reliability is between 0.61 and 0.70, good reliability is between 0.71 and 0.80 and very good reliability is between 0.81 and 0.95. From the table shown above, brand image scored 0.701 and falls under fair reliability. During the analyse of reliability test, Other than that, two variables which is price scored 0.711 and corporate social responsibility scored 0.768 which fall under good reliability. Last but not least, the only independent variable, service quality scored 0.855 while the

dependent variable, purchase intention towards Starbucks scored 0.899 which fall under very good reliability.

4.4 Inferential Analysis

4.4.1 Multiple Regressions

Table 4.12 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.311 ^a	.097	.083	1.88066

a. Predictors: (Constant), AVG_CSR, AVG_Price, AVG_Service, AVG_Brand

Source: Develop for the research

Based on the table above, the value of (R^2), the square of the correlation (R) is 0.097. The value implies that 9.7% of the purchase intention towards Starbucks is influenced by price, service quality, brand image and corporate social responsibility.

Factors Influencing Purchase Intention of Starbucks

Table 4.13 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	97.464	4	24.366	6.889	.000 ^b
	Residual	908.974	257	3.537		
	Total	1006.438	261			

a. Dependent Variable: AVG_Purchase

b. Predictors: (Constant), AVG_CSR, AVG_Price, AVG_Service, AVG_Brand

Source: Develop for the research

Based on the ANOVA table above, it shows that the overall model is significant with F ratio = 6.889 and P-value = 0.000. P-value at 0 also indicates that at least one of the independent variables has positive relationship with dependent variable.

Table 4.14 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.415	1.214		2.812	.005		
AVG_Price	-.019	.039	-.030	-.501	.617	.992	1.008
AVG_Service	.035	.045	.047	.777	.438	.959	1.043
AVG_Brand	.180	.067	.178	2.698	.007	.804	1.244
AVG_CSR	.116	.042	.178	2.737	.007	.828	1.207

a. Dependent Variable: AVG_Purchase

Source: Develop for the research

Based on the table shown above, two of the independent variables show no positive relationship with dependent variable. Price and service quality have no positive relationship with purchase intention of Starbucks with the

P-value 0.617 and 0.438 respectively. On the other hand, brand image and corporate social responsibility shown to have positive relationship with purchase intention of Starbucks with the P-value of 0.007 for both independent variables. The following equation is formed based on Table 4.14:

Purchase Intention towards Starbucks

$$= 3.415 - 0.019 (\text{Price}) + 0.035 (\text{Service Quality}) + 0.180 (\text{Brand Image}) + 0.116 (\text{Corporate Social Responsibility})$$

Lastly, on collinearity statistics, tolerance value range from 0.84 to 0.92 while variance inflation factor (VIF) is in the range of 1.

4.4.2 Test of Significant

Hypothesis 1:

H₀: There is no positive relationship between price and purchase intention.

H₁: There is a positive relationship between price and purchase intention.

Reject H₀ if $P < 0.05$

Based on table 4.14, the P-value of price is 0.617 which is higher than 0.05. Thus, do not reject H₀ and reject H₁. The researchers conclude that there is no positive relationship between price and purchase intention of Starbucks.

Hypothesis 2:

H₀: There is no positive relationship between service quality and purchase intention.

H_1 : There is a positive relationship between service quality and purchase intention.

Reject H_0 if $P < 0.05$

Referring to table 4.14, the P-value of service quality is 0.438 which is higher than 0.05. Thus, do not reject H_0 and reject H_1 . The researchers conclude that there is no positive relationship between service quality and purchase intention of Starbucks.

Hypothesis 3:

H_0 : There is no positive relationship between brand image and purchase intention.

H_1 : There is a positive relationship between brand image and purchase intention.

Figures in table 4.14 shown that P-value of brand image is 0.007 which is lower than 0.05. Thus, reject H_0 and accept H_1 . The researchers conclude that there is a positive relationship between brand image and purchase intention of Starbucks.

Hypothesis 4:

H_0 : There is no positive relationship between CSR and purchase intention.

H_1 : There is a positive relationship between CSR and purchase intention.

Based on the figures in table 4.14, the P-value of corporate social responsibility is 0.007 which is lower than 0.05. Thus, reject H_0 and accept H_1 . The researchers conclude that there is a positive relationship between corporate social responsibility and purchase intention of Starbucks

4.5 Conclusion

In this chapter, all of the respondent's demographic profile has been analysed under descriptive analysis. Under scale measurement, all the five constructs have been tested with reliability test and result proved to be reliable. As for inferential analysis, multiple regressions of the constructs are being discussed. For Chapter 5, the researchers will look into the discussion and conclusion of the whole research. After making conclusion, implications for the research will be discussed in detailed.

CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATION

5.0 Introduction

Chapter five summarizes all the statistical analysis of descriptive, central tendency, inferential, multiple regression, Cronbach's Alpha reliability test and multicollinearity analyses in the preceding chapter. Besides, the researchers also further explain and carry on to the findings to justify the research objective and developed hypotheses. Moreover, limitations encountered by the researchers throughout the research project will be pointed out. Thus, the researchers will explain the recommendations in detail for future research purpose and lastly, will be ended with a short conclusion of chapter five.

5.1 Summary of Statistical Analysis

5.1.1 Descriptive Analyses

5.1.1.1 Demographic profile

There are total of 262 respondents that have participated in completing the questionnaires. In the demographic profile, there are 158 female respondents and 104 male respondents. Meanwhile, majority of the respondents are aging between 18 to 25 that consists of 178 respondents, 42 respondents are aging between 26 to 33 years old, 25 respondents are

aging between 34 to 41 years old and 10 respondents are aging between 42 to 49 years old. Minority of the respondents are aging between 50 to 57 years old that consists of 5 respondents in this age range and only 2 respondents are aging between 58 to 65 years old.

Based on the questionnaires collected, 215 out of 262 of the respondents are Chinese, follow by 21 Malay and 15 Indians. The remaining of 11 respondents is from other races. While for the education level, most of the respondents are undergraduates (Bachelor Degree) holder which consists of 127 respondents, 61 of the respondents are SPM/ STPM/Pre-U/ Foundation holder and 43 out of 262 respondents are Diploma/ Higher Diploma holder. Minority of the respondents are postgraduate holder that made up of 22 respondents. There are only 9 respondents has the highest academic qualification of Professional.

Other than that, majority of the respondents spent below RM 50 which made up of 207 respondents; follow by 39 of the respondents that spent RM 51 to RM 80 at coffee outlets. Minority of the respondents spent RM 81 to RM 100 that consists of 12 respondents and a number of 4 respondents that have spent averagely RM 100 and above at coffee outlets monthly.

5.1.2 Scale Measurement

The scale measurement is based on the reliability test. In this study, Cronbach's Alpha is used to measures each of the five constructs. According to the results, purchase intention towards Starbucks scored the highest among the constructs which valued at 0.899, followed by service quality at 0.855, corporate social responsibility (CRS) at 0.768, and price at 0.711 and brand image at 0.701. Thus, from the results, it indicates that the variables of purchase intention towards Starbucks and services quality

are considered to have very good reliability because both fall between 0.90 and 0.95, while for CSR, price and brand image, each of it are still considered to have good reliability since it fall between 0.70 and 0.80. In summary, all the variables appeared to be reliable with alpha coefficient that are greater than 0.6.

5.1.3 Inferential Analyses

5.1.3.1 Multiple Regressions Analysis

Multiple regressions purpose is to test whether there is a relationship between the independent variables (price, service quality, brand image and corporate social responsibility) towards consumer's purchase intention of Starbucks. From the result of regression shown in Table 4.12, R Square value is 0.097. This implies that 9.7% of the purchase intention towards Starbucks is influenced by price, service quality, brand image and corporate social responsibility (CSR). As for the remaining 90.3%, it is explained by other factors such as product knowledge, brand awareness, ambience, taste and corporate image.

By referring to Table 4.14 Table Coefficient, it shows that among the four the independent variables, price and service quality show no positive relationship towards the purchase intention of Starbucks. The value for price is 0.617 and followed by service quality which value is 0.438. Meanwhile, brand image and CSR shows a positive relationship towards the purchase intention of Starbucks. The value for brand image is 0.007 and followed by CSR which value is 0.007. The result shows that both brand image and CSR are both have an equally strong effect on the

customer's purchase intention towards Starbucks. As a result, only brand image and CSR hypothesis (H3 and H4) are supported with a significant level without exceeding 0.05.

Looking into the standardized Beta value will pinpoint which variable is the most to least influential on purchase intention towards Starbucks when all the 4 variables are computed together. According to the figures in table 4.14, both the brand image and corporate social responsibility have the equivalent influence on purchase intention towards Starbucks at standardized Beta value of 0.178.

Multicollinearity refers to high correlations among the independent variable. It is common issue with statistics where two or more independent variables in a multiple regression model are highly correlated (Sekaran & Bougie, 2009) For multicollinearity, tolerance value not less than 0.10 indicate that there is no issue with collinearity (Sekaran & Bougie, 2009). According to Field (2009), tolerance value close to 0 indicates the presence of multicollinearity while tolerance value close to 1 indicates little multicollinearity. Based on table 4.14, there is no multicollinearity problem among the independent variable as all the tolerance value is more than 0.10 and range from value of 0.804 to 0.992. As for variable inflation factor (VIF), Hair et al. (2006) suggest that variance inflation factor (VIF) not higher than 10 signals no problem with correlation among independent variables. This is further supported by Sekaran and Bougie (2009) that suggest that variance inflation factor (VIF) not higher than 50 means no problem with correlation. From the figures in table 4.14, all the variance inflation factor (VIF) value is with the range of 2 which is not higher than 10 or 50 as suggested by the researchers. Thus, there is no problem with correlation among all the independent variables.

5.2 Discussion of the Major Findings

The main purpose of this research study focuses on the relationship between price, service quality, brand image and corporate social responsibility toward purchase intention of Starbucks. Table 5.1 below showed a summary of the hypotheses testing's results.

Table 5.1 Summary of the Result of Hypotheses Testing

Hypotheses	Beta Value	Significant Value	Supported /Rejected
H1: There is a positive relationship between price and purchase intention.	-0.030	0.617	Rejected
H2: There is a positive relationship between service quality and purchase intention.	0.047	0.438	Rejected
H3: There is a positive relationship between brand image and purchase intention.	0.178	0.007	Supported
H4: There is a positive relationship between CSR and purchase intention.	0.178	0.007	Supported

Source: Developed for the research

5.2.1 Price

H₁: There is a positive relationship between price and purchase intention.

According to the results that the researchers have worked out, they found out that price is not significant towards purchase intention. Price is viewed as a critical factor for purchase intention (Erickson & Johansson, 1985). Furthermore, the purchase intentions of consumers are based on the price (Trapero et al., 2010; Sallaudin et al., 2010; Rajput et al., 2012). Krishna et

al. (2002) have a similar viewpoint with Inman et al. (1990) that products with price promotion are more appealing and able to create a greater purchase intention and perceived value for consumers. Mohammad et al. (2012) have a similar thought with Ku et al. (2012) that price promotion will ultimately influence consumers' purchase intention.

However, today the coffee culture has led to the rising number of coffee companies (Nair, 2014). This ultimately affects the factors influencing the purchase intention of consumers as they now have more evoked sets to choose from besides Starbucks. Consumers pay more attention to other factors such as product knowledge and brand instead of the price of the coffee. Essentially, Lin et al. (2012) also have the similar thoughts with Rao and Monroe (1988) that consumer's product knowledge has a great influence towards the purchase intention as compared to price. Consumers hardly have the intention to purchase a product which they have no knowledge of. Meanwhile, Keller (1993) mentioned that brand is the most important factor that will affect the consumer purchase intention which exceeds the importance of price factor. Consumers hardly have the intention to purchase brand that is not within their comfort zone as they are more suspicious with new brand (Hallward, 2007). Yang et al. (2013) perceived that brand awareness has a greater influence towards the consumer purchase intention as compared to price. According to Chen et al. (1998), when a promoted product price is high, consumers have to pay more in order to enjoy the promotion, which eventually lead to a weaker purchase intention. Meanwhile Lin et al. (2009) pointed out that price promotion would lead to consumers doubt in the product evaluation, thus lowering the consumer purchase intention. Thus, Lin et al. (2009) agree with Chen et al. (1998) that there is a negative relationship between price promotion and purchase intention. Furthermore, according to Liao et al. (2012), they mentioned that price promotion has no positive relationship towards purchase intention. In addition, Forbes report by Rachel (2014)

pointed out that when a consumer buy Starbucks at high price is for the ambience provided in the Starbucks outlets where the ambience provides comfort and warm aroma to them. Therefore, price has no positive relationship towards purchase intention.

5.2.2 Service Quality

H₂: There is a positive relationship between service quality and purchase intention.

According to the results that the researchers have worked out, they found out that service quality is not significant towards purchase intention. Generally, service quality plays a significant role in influencing consumer decision where the authors believe that there is a linkage between service quality and behavioral intention (Brady et al., 2001). In other words, if the service meets the expectation of the customers, the chances of the customer purchase the product will be higher (Parasuraman et al., 1988; Robertson, Park & Wu, 2004; Chou, et al., 2011, Gilbert & Wong, 2003).

In fact, the trend has changed. Consumers are not only looking for the best service provided by the particular company. They are also looking at other factors like ambience, taste of the beverage, corporate image and etc. simultaneously. These factors can eventually affect the purchase intention. For instance, Cronin and Taylor (1992) proved that service quality is insignificant towards purchase intention. The authors also highlighted that satisfaction is taken into consideration in making purchase decision. Besides, corporate image is also significantly important when deciding whether to purchase or not. In other words, when corporate image is bad, it will diminish the intention to purchase towards the product (Chun, et al., 2014). Furthermore, service quality can be impacted through brand image

sometimes especially when the brand image is poor, consumer will automatically perceive the service quality is bad too (Wu, et al., 2011)

A survey was conducted by Lee, et al. (2011), the authors stated that brand image is significantly important towards purchase intention where brand image affects the overall beliefs about the particular brand and preserve a unique quality that makes the products superior than others.

Other than that, Gerardo (2014) mentioned that consumers visit Starbucks due to familiarity. Consumer most frequent answer to morning coffee is “Starbucks”. This proves the power of branding and positioning of Starbucks. In addition, Starbucks in China which are sold at higher price than Starbucks in US. A person carrying a cup of Starbucks in China represent status symbol where service quality is not taken into account (Shaun, 2012). Therefore, service quality has become insignificant towards purchase intention.

5.2.3 Brand Image

H₃: There is a positive relationship between brand image and purchase intention.

Based on the research outcome, H₃ is being supported as the result showed that brand image is significant towards purchase intention. The result generated from this study is consistent with the result of the researchers that had been mentioned in Chapter 2, such as Chi et al. (2009), Hsueh and Lee (2008), and Hsu (2000), where these researchers points out that when a product has a well-known brand name, it will increase the consumer’s purchase intention by winning their preferences towards the brand.

In fact, favourable brand image is the key factor that causes consumers to purchase intention (Shen & Chou, 2006; Jo et al., 2003; Keller, 1993). It is actually a strong cue of purchase decision (Chevalier & Mazzalovo, 2012; Okonkwo, 2007). For instance, a positive brand image will creates purchase intention and a negative image will creates no purchase intention. This means that the decision of purchase is entirely depends on brand image (LiPope & Voges, 2000). In reality, consumers usually have limited time and product knowledge to make an informed purchase decision when facing similar products to choose from (Richardson, Dick & Jain, 1994). Therefore, brand image is often used as an extrinsic cue to evaluate a product before making a purchase decision. Besides that, according to Laroche et al. (1996), if a product is familiar to consumers, they will have more confidence to buy it. This is because a brand with good image will makes consumers feel safe and trustable to consume it, thus it would help to enhance the consumer's purchase intention (Chen & Chang, 2010). In short, brand image is a very important aspect towards purchase intention.

5.2.4 Corporate Social Responsibility (CSR)

H₄: There is a positive relationship between CSR and purchase intention.

In this research, H₄ is being supported. Based on the result of the study, CSR is significant towards purchase intention. The result is similar with the outcome by Lin et al. (2011), Lee and Shin (2010), and Shelley (2008), whereby the researchers support that there is a positive relationship between CSR and purchase intention because the assessment of the product or service and purchase intention are being affected by CSR activities. In another word, company that publicized CSR activities will

influence the consumer's purchase intention by enhancing to a more favourable image towards the company.

Worldwide interest about CSR is growing day by day. People are getting more and more concern towards whether the particular company had involved in CSR. Often CSR is dismissed as merely another public relations tool. So, it is important to recognize the relationship between consumers' purchase intentions and organizations' involvement in socially responsible programs (Melissa & Dustin, 2011). Some of the researchers suggested that a corporation's CSR behavior can positively affect consumers' attitudes toward the corporation (Brown & Dacin, 1997; Sen & Bhattacharya, 2001, 2003; Mohr & Webb, 2005; Perez, 2008). For example, the positive attitudes of consumers towards the company's reputation, image, and product evaluation can be influenced by CSR activities (Brown & Dacin, 1997). Besides that, Lin, Chen, Chiu and Lee (2011) support the positive relationship of CSR and purchase intention as they stated that CSR activities will influence the evaluation of product or service and ultimately affect the purchase intention of consumer. Moreover, the study of Mohr and Webb (2005) noted that CSR practices have a positive relationship to consumer purchase intention; also, firms that have environmental concern will have a stronger positive impact on a purchase intention over price. Thus, this hypothesis is accepted due to positive relationship was found in the study.

5.3 Implications of the Study

5.3.1 Managerial Implications

This research study is able to help marketers and companies particularly Starbucks to improve their company performance, increase their revenue and build a strong brand in coffee industry. Coffee and coffee consumption have changed dramatically in the past decade. Nowadays, coffee has become more than just a beverage. Drinking coffee has become a culture of Malaysian. Thus, this research was carried out to uncover the factors that drive consumer's purchase intention towards Starbucks in order to better maximize merchandising and marketing efforts of Starbucks. From the research statistical outcome, it showed that there is no positive relationship between price and service quality toward the intention. The result proves that there are other factors such as product knowledge, brand awareness, ambience, taste and corporate image that influence purchase intention towards Starbucks. Consumers will still purchase that particular coffee brand regardless of price if the product is known to them. Other than that, Cronin and Taylor (1992) proved that service quality is insignificant towards purchase intention. The authors highlighted that satisfaction is taken into consideration in making purchase decision.

Based on the statistical results, there is positive relationship between brand image and purchase intention towards Starbucks. According to Starbucks official website, Starbucks have been promoting their coffee outlets as "third place" where people go to Starbucks not just for coffee but it is the third place for their consumers other than home and workplace. Therefore, to enhance further Starbucks as "third place", Starbucks should consider in carrying out reminder advertisement to

promote this heritage of Starbucks. Reminder advertisement will help in boosting sales of Starbucks by reminding audiences of the advertisement about Starbucks that leads to purchase intention. For instance, during football games such as English Premier League or even World Cup, Starbucks could advertise and promote their coffee to football fans. Usually for football games, football fans in Asia countries will have to be awake to catch the games and a cup of coffee will help in keeping them awake during the game or even the next morning after the game. Other than that, product placement can be done as well.

In this research, corporate social responsibility also has a positive relationship with purchase intention towards Starbucks. In this context, Starbucks is well known for their fair trade for coffee beans. Other than that, they also use recyclable cups for take away order and encourage their consumers to use the Starbucks tumblers to save on using paper cups. Other than all the CSR practices mentioned, Starbucks can carry out donation of sales or even collection of consumer donations to help needy people around the world. From this research, companies can take up this opportunity to enhance or support corporate social responsibility activities as it will leads to purchase intention.

5.4 Limitations of the Study

Throughout the process of conducting the research study, there are some limitations even though rhw research has reached its aim. One of the limitations faced by the researchers is the time constraint. Due to the limited time, a number of 270 sample sizes were chosen to conduct the research and questionnaires were distributed throughout Klang Valley. Therefore, this research might not be accurate enough to represent the overall consumer's purchase intention in Klang Valley.

Besides that, the limited resources are also a limitation in this research. With the limited database accessibility, the researchers are unable to obtain more journals and articles from other databases as most databases require a certain amount of payment in order to be able to access. Some useful journals and articles are not available with the current databases the researchers are using. Additionally, local journals and articles related to this research are very limited, thus the researchers have no choice but to rely more on foreign journals and articles.

Furthermore, the major limitation the researchers faced is the insufficient articles and journals related to coffee industry as well as the content of articles and journals mostly are from overseas. With the data that collected, this particular study is not able to generalize by the population of Malaysia.

Conjointly, this research is only towards Starbucks. Therefore, the research is only limited to Starbucks among the other coffee companies in the coffee industry such as Coffee Bean & Tea Leaf, Dome Café, Gloria Jean's Coffee, San Francisco Coffee and etc.

On top of everything, the limited independent variables chosen for this research is also one of the limitations. In this research, the researchers have only chosen 4 independent variables. There may be other variables such as taste, ambience and other factors that might be affecting the consumer's intention to purchase Starbucks.

In conclusion, the overall result of our study will not be affected even with the above limitations mentioned. The limitations are merely to provide a better understanding for future research.

5.5 Recommendations for Future Research

There are some recommendations for future researchers so that researchers have a clearer picture towards similar respective research's area. These recommendations ease the researchers in conducting research in the future.

First of all, future researchers are encouraged to develop a larger sample size in order to enhance the accuracy and reliability of the data and results. The number of sample size can be enlarged to 500 respondents instead of 270 respondents. Besides that, future researchers are encouraged to remain the consistency among the races, age ranges and education level by distributing the same amount of questionnaires to the targeted group.

Apart from that, future researchers are advised to reserve more time for distribution of questionnaires so that researchers have more time to find more suitable and qualified respondents. It is impossible to complete data collection in a short period for sample sizes as big as 500 respondents. Next, researchers are suggested to explain the elements to the respondents if the respondents found it a bit confused in answering the questions. It is also to avoid respondents simply answering the questions. Respondents may need some explanation to have a better understanding so that the researchers will have a more accurate and reliable data and information.

Besides, future researchers are encouraged to check out other variables that will manipulate the dependent variable (purchase intention). Other variables such as taste, ambience and environment factors are also the factors that might affect individuals' intention to purchase Starbucks. However, researchers can look deeper into the variables such as brand image and corporate social responsibility. It is because the results of the research for the particular variables are significant.

Furthermore, it is recommended that future researches would take mediating variables into consideration as well. Mediating variable such as satisfaction gain by consumers could greatly affect the purchase intention by clarifying the relationship between the individual variables as well as the dependent variable.

Lastly, in case future researchers would want to examine more on the service quality variable, future researchers are suggested to adopt questionnaires carefully because every individual has a different perception towards service quality and

they might perceive differently from one and others. Therefore, future researchers have to make sure that the questions will not be tricky and hard to understand.

5.6 Conclusion

In a nutshell, the objectives to study the relationship between price, service quality, brand image and corporate social responsibility towards Starbucks purchase intention have been fulfilled throughout this particular research project. There are two factors shows positive relationship and the rests show no positive relationship on the purchase intention towards Starbucks. Thus, several recommendations have been stressed on as guidance for future researchers to conduct similar research.

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APPENDICES

Survey Questionnaire for Pilot Test (Appendix A)



Dear respondents:

We are students of Universiti Tunku Abdul Rahman (UTAR) and are currently conducting a research as part of our final year project. The purpose of this research is to find out the factors influencing the purchase intention of Starbucks.

This questionnaire has been designed in such a way that it can be completed in about 10 minutes. You will be asked to respond to all the questionnaire and your answers will be kept private and confidential.

Thank you for your participation in this research.

RESEARCH GROUP MEMBERS:

CHENG PAU YEE	1102779
KENNY WEE KHAI MUN	1101605
LEOW MAY YEE	1102161
YEO LING	1102199

PART A: Demographic Information

Please tick (✓) on the relevant answer, each question should have only **ONE** answer.

1. Gender

Male ☐ Female ☐

2. Age

18 – 25 years old ☐

26 – 33 years old ☐

34 – 41 years old ☐

42 – 49 years old ☐

50 – 57 years old ☐

58 – 65 years old ☐

3. Race

Malay ☐ Chinese ☐ Indian ☐ Others ☐

4. Your highest education level:

High School Certificate ☐

Diploma ☐

Bachelors Degree ☐

Master Degree ☐

Professional ☐

PhD ☐

5. Faculty

Faculty of Accountancy and Management (FAM) ☐

Faculty of Medicine and Health Sciences (FMHS) ☐

6. Personal spending monthly on coffee

RM50 and below ☐

RM51 – RM80 ☐

RM81 – RM100 ☐

RM100 and above ☐

**PART B: FACTORS INFLUENCING PURCHASE INTENTION OF
STARBUCKS**

Instruction: Circle only **ONE** option for each question below. You are given 5 choices of answers ranging from **1(Strongly Disagree)** to **5(Strongly Agree)**.

i)Price

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Price is the most important factor making purchase.	1	2	3	4	5
2	I compare prices of other coffee shop (eg. Coffee Bean etc) before I purchase.	1	2	3	4	5
3	I buy Starbucks because the price is appropriate.	1	2	3	4	5
4	My purchase intention will increase when Starbucks is having promotion.	1	2	3	4	5
5	I will switch to others brand if it's providing promotion and discount.	1	2	3	4	5

Factors Influencing Purchase Intention of Starbucks

6	The premium price of Starbucks suggests to me that they used high quality coffee beans.	1	2	3	4	5
7	I will purchase Starbucks if the price is the lowest among competitors.	1	2	3	4	5

ii) Service Quality

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Service personnel who can provide customer individualized care increases customer's purchase intention.	1	2	3	4	5
2	Service personnel that understands customer needs increases customer's purchase intention.	1	2	3	4	5

3	Service personnel that provides appropriate services with the promised time increases customer's purchase intention.	1	2	3	4	5
4	Store that considers customer interests as a priority increases customer's purchase intention.	1	2	3	4	5
5	Store that provides customer with personalized service increases customer's purchase intention.	1	2	3	4	5
6	Store that provides reliable services increases customer's purchase intention.	1	2	3	4	5

iii) Brand Image

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Brand image is the important aspect of every product.	1	2	3	4	5
2	I will switch to others brand if it provides the good quality of the products.	1	2	3	4	5
3	I will purchase those brands which have a good reputation in the market.	1	2	3	4	5
4	If brand image doesn't go well I will not buy it.	1	2	3	4	5
5	How much do you agree that brand reputation influence to buy product?	1	2	3	4	5

iv) Corporate Social Responsibility

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I would walk an extra five minutes to a coffee shop that I knew was socially responsible.	1	2	3	4	5
2	I will be willing to pay more money for coffee or products from a socially responsible coffee shop.	1	2	3	4	5
3	I will increase the number of visits to a coffee shop if I knew it was socially responsible.	1	2	3	4	5
4	Whether a coffee shop is socially responsible or not is important to me in making purchasing decision	1	2	3	4	5
5	I could easily switch from a coffee shop that was socially responsible to one that was not	1	2	3	4	5

PART C: PURCHASE INTENTION

For each statement below, kindly circle **ONE** number only that represents your opinion the most. You are given 5 choices of answers ranging from **1(Strongly Disagree)** to **5(Strongly Agree)**.

No.	Purchase Intention	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I plan to purchase Starbucks in near future.	1	2	3	4	5
2	I intend to drink Starbucks in the next month	1	2	3	4	5
3	It is very likely that I will purchase Starbucks.	1	2	3	4	5
4	Purchasing Starbucks is something I would do.	1	2	3	4	5
5	I am willing repurchase Starbucks.	1	2	3	4	5

Actual Survey Questionnaire (Appendix B)



Dear respondents:

We are students of Universiti Tunku Abdul Rahman (UTAR) and are currently conducting a research as part of our final year project. The purpose of this research is to find out the factors (price, service quality, brand image, corporate social responsibility) influencing the purchase intention of Starbucks.

This questionnaire has been designed in such a way that it can be completed in about 10 minutes. You will be asked to respond to all the questionnaire and your answers will be kept private and confidential.

Thank you for your participation in this research.

RESEARCH GROUP MEMBERS:

CHENG PAU YEE	1102779
KENNY WEE KHAI MUN	1101605
LEOW MAY YEE	1102161
YEO LING	1102199

PART A: Demographic Information

Please tick (✓) on the relevant answer, each question should have only **ONE** answer.

1. Gender

- ☐ Male ☐ Female

2. Age

- ☐ 18 – 25 years old
☐ 26 – 33 years old
☐ 34 – 41 years old
☐ 42 – 49 years old
☐ 50 – 57 years old
☐ 58 – 65 years old

3. Race

- ☐ Malay ☐ Chinese ☐ Indian ☐ Others

4. Your highest education level:

- ☐ SPM / STPM/ Pre-U/ Foundation
☐ Diploma / Higher Diploma
☐ Undergraduates (Bachelors Degree)
☐ Postgraduates (Masters, Doctorate)
☐ Professional

5. Average monthly expenses at coffee outlets (Starbucks, Coffee Bean, San Francisco Coffee, etc)

☐ RM50 and below

☐ RM51 – RM80

☐ RM81 – RM100

☐ RM100 and above

PART B: FACTORS INFLUENCING PURCHASE INTENTION OF STARBUCKS

Instruction: Circle only **ONE** option for each question below. You are given 5 choices of answers ranging from **1(Strongly Disagree)** to **5(Strongly Agree)**.

i) Price

Description: Price is defined as the payment in form of money required or given for something.

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Price is the most important factor making purchase at Starbucks.	1	2	3	4	5
2	I compare prices of other coffee outlets (eg. Coffee Bean etc) before I purchase.	1	2	3	4	5
3	I buy Starbucks because the price is appropriate.	1	2	3	4	5
4	My purchase intention will increase when Starbucks is having promotion.	1	2	3	4	5
5	I will switch to other coffee brand if it is providing promotion and discount.	1	2	3	4	5

Factors Influencing Purchase Intention of Starbucks

6	The premium price of Starbucks suggests to me that they used high quality coffee beans.	1	2	3	4	5
7	I will purchase Starbucks if the price is the lowest among competitors.	1	2	3	4	5

ii) Service Quality

Description: The service quality is known as the outcome from expectation of service used and perceptions about the service company.

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Service personnel who can provide customer individualized care improve service quality.	1	2	3	4	5
2	Service personnel who understands customer needs improve service quality.	1	2	3	4	5
3	Service personnel who provide appropriate services with the promised time improve service quality.	1	2	3	4	5
4	Store that considers customer interests as a priority improve service quality.	1	2	3	4	5
5	Store that provides customer with personalized service improve service quality.	1	2	3	4	5

Factors Influencing Purchase Intention of Starbucks

6	Store that provides reliable services improve service quality.	1	2	3	4	5
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iii) Brand Image

Description: Brand image is explained as the consumer's overall perception of brands through the brand recognition (Lin, 2009)

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Brand image is an important aspect of every product.	1	2	3	4	5
2	I will switch to other brand if it provides good quality products.	1	2	3	4	5
3	I will purchase those brands which have good reputation in the market.	1	2	3	4	5
4	If brand image doesn't go well I will not buy it.	1	2	3	4	5
5	I agree that brand reputation influences me to buy product.	1	2	3	4	5

iv) Corporate Social Responsibility (CSR)

Description: Corporate social responsibility is the management of corporation on the impact they have on the environment and society by willingly to go beyond obligations (Kilcullen and Kooistra, 1999)

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I would walk an extra five minutes to a coffee outlet that I knew was socially responsible.	1	2	3	4	5
2	I will be willing to pay more money for coffee or products from a socially responsible coffee outlet.	1	2	3	4	5
3	I will increase the number of visits to a coffee outlet if I knew it was socially responsible.	1	2	3	4	5
4	Whether a coffee outlet is socially responsible or not is important to me in making purchasing decision	1	2	3	4	5
5	I could easily switch from a coffee outlet that was socially responsible to one that was not	1	2	3	4	5

PART C: PURCHASE INTENTION

Description: Possibility of a consumer's willingness to buy products or when consumer think and will buy refers to the purchase intention.

For each statement below, kindly circle **ONE** number only that represents your opinion the most. You are given 5 choices of answers ranging from **1(Strongly Disagree)** to **5(Strongly Agree)**.

No.	Purchase Intention	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I intend to patronize Starbucks in the next month	1	2	3	4	5
2	It is very likely that I will purchase Starbucks.	1	2	3	4	5
3	Purchasing Starbucks is something I would do.	1	2	3	4	5