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# **FACTORS INFLUENCING THE CHOICE OF BRAND AT THE COFFEE BEAN AND TEA LEAF HO CHI MINH CITY**

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# **FACTORS INFLUENCING THE CHOICE OF BRAND AT THE COFFEE BEAN AND TEA LEAF HO CHI MINH CITY**

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## **ABSTRACT**

This study was conducted to identify factors influencing the choice of brand at the Coffee Bean and Tea Leaf Ho Chi Minh City. For this study, the concept of brand choice is influenced by eight factors, including Taste of Coffee, Service, Environment, Price, Location, Advertisement, Group Influence and Brand Credibility. Quantitative approach was the major method used, with statistical techniques applied, including reliability test, exploratory factor analysis, correlation and linear regression to find out factors affect brand choice at Coffee Bean. Besides that, T-test and One-way ANOVA were used to test the relationship between demographic variables (Gender, Age, Occupation, Income) and Brand choice. The unit of analysis was at the corporate level with customers of Coffee Bean brand.

This study found that there are 4 factors influencing the choice of brand, they are Brand Credibility, Service, Environment, and Price. In order to attract more customers, Coffee Bean should: a) use advertising to build strong brand credibility, b) improve service system by training programs for staffs, c) design new concept for store decoration, add more separated spaces for each type of consumer, d) have a right price policy and consider carefully when they have the intension to increase price.

Furthermore, the result of study also shows that there is no difference between choice of brand and groups of age, gender, occupation, income.

# ABBREVIATIONS

## ABBREVIATIONS

AD

BC

BRC

ENV

GI

LOC

PRI

SER

TOC

## EQUIVALENCE

Advertisement

Brand Credibility

Brand Choice

Environment

Group Influence

Location

Price

Service

Taste of Coffee

## **CHAPTER I**

### **INTRODUCTION**

*This chapter introduces the brief description of the research's background and rationale; next, research problems are specified, which are then directed down to objectives and research methodology. Then, we come up with the final part which is the research structure.*

#### **1.1. BACKGROUND OF THE STUDY**

In these recent years, the economy of Vietnam has been increasing rapidly and Vietnam is becoming an attractive retail market for foreign enterprises. They have invested in many fields through many kinds of businesses such as FDI project, retail market, franchising. Fast food industry is one of that. It has an amazing development. According to a research of AC Nielsen, in 2005, less than 8% of Vietnamese uses fast food 1-3 times each month. This number is too small compared to some countries in Asia such as Malaysia, Thailand, China (70% of consumers eat fast food at least one time each month). However, with the growth of economy and increasing of consumer demand, Vietnam fast food market in general and coffee shop market in particular is becoming a potential market for foreign investors. Many enterprises have jumped in Vietnam with many big players like Gloria's Jeans in 2006 (Gloria Jean's Coffees 2012), The Coffee Bean and Tea Leaf in 2008 (The Coffee Bean Vietnam 2012), NYDC in 2009, and the newest is Starbucks in 2013.... It has created a competitive market and also can create many difficulties for domestic enterprises such as Trung Nguyen

in competing with foreign rivals. But consumers can take many advantages from this. They will have more choices when they want to find a place for relaxing or working with partners. Customer not only can choose coffee shops of Vietnamese but also can choose international brand name with professional services and special drinks. Besides that, the increase of fast food stores such as fried chicken stores, coffee house shows the growth of society and the economic potential of Vietnamese family, especially in large cities. It allows them to have more opportunity to choose and satisfy their personal needs.

However, because people have a higher standard of living, the demand for food service also is high. They want to be as efficient as possible and want to save as much time as possible because they do not have time to stop to think carefully or search information about which food service they will purchase. Hence, each brand must find out the best way to make customers think about them at first when they need. Not only a strong brand name but also understanding what customer wants is the thing that each enterprise must know.

## **1.2. PROBLEM STATEMENT**

In 2008, a new brand from US, The Coffee Bean and Tea Leaf (The Coffee Bean Vietnam 2012) came to Vietnam. At this time, there was not too many foreign brands name in the market, The Coffee Bean and Tea Leaf can build a strong brand name after 5 years operating in Vietnam. Up to now, there are many choices for customers when they want to find a coffee shop. The consumers are placed in a hard position to choose between unfamiliar brands and brands they recognize. People usually say “Make a difference or die”, it is absolutely right with the coffee shop market today. When there are too many competitors, there are so many products on the market, the problem of business is to make their products different with competitors and that is the reason for customers to choose their products.

So how to The Coffee Bean Vietnam not only attract the old customers but also customers who never try to drink at The Coffee Bean under the pressure of competition, especially from the new coming competitor – Starbucks is a problem that they must concern. Understanding the consumer needs and wants that may affect their choice is a good strategy to satisfy customers and make them come back to the stores many times. Hence, there is a need for them to investigate and do a research on how customers perceive the brand so that they can adjust their strategies to attract more customers in order to survive in a harsh competitive environment.

### **1.3. OBJECTIVE**

- To identify what factors affect the choice of brand at The Coffee Bean and Tea Leaf Ho Chi Minh city.
- To measure the differences between demographic variables such as gender, age, occupation and income in brand choice
- To provide recommendation for The Coffee Bean in particular and other brands in general to develop their brand, attract more customers and increase their sales.

### **1.4 MAIN RESEARCH QUESTION**

In order to achieve the purpose as well as the objective mentioned in the previous section, the following research questions are proposed to be further studied:

*What are factors, and to what extent do they influencing the choice of brand at The Coffee Bean and Tea Leaf Ho Chi Minh city?*

### **1.5 IMPLICATION OF THE STUDY**

The study's outcome hopefully will provide useful information and scientific evidences which will help the managers of The Coffee Bean Vietnam to bring out specific solutions for developing the coffee chain in Vietnam. In general, through this study, the marketers of other brands will have a clear understanding about

how the customers think when they choose a brand for their needs. Besides, the study also helps to figure out main customer segment of coffee shop market in term of age, gender, average income and status. From that, the managers can point out appropriate policies for each of market segmentation. Furthermore, the study also contributes to develop definitions, concepts of choice of brand. It can be used as a useful reference for other researches to build the measurement scales of customer buying behavior in Vietnamese market.

## **1.6 THE ORGANIZATION OF THE STUDY**

This research includes five main chapters:

### **1.6.1 Chapter 1: Introduction**

To give an introduction about background of the study and reasons for conducting this research, find out the problems and objectives. Moreover, it also introduces the implication of this research and the structure of the study.

### **1.6.2 Chapter 2: Literature Review**

Giving the concepts and definitions used in the research and the theories which related to the research model.

### **1.6.3 Chapter 3: Methodology**

To introduce the method applied in the research, explain the process of building the questionnaire and the way to collect data.

### **1.6.4 Chapter 4: Research Findings**

This chapter is used to present the process of analyzing data, findings and discussing the result.

### **1.6.5 Chapter 5: Conclusion and Recommendation**

To show the result of the study, point out the suggestions for the firm, limitations of the study and some recommendations for further research.



## **CHAPTER II**

### **LITERATURE REVIEW**

*The objective of this chapter is to bring out the literature review of brand choice and related theories. Besides, the conceptual framework for this research also is taken into discussion.*

#### **2.1. CONSUMER BEHAVIOR**

According to Kotler and Keller (2009), “*Consumer behavior is the study of how individual, groups, and organizations select, buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and wants*”. Understanding consumer behavior helps marketer have a clear picture about market, knowing what consumers needs and wants. From that, they can set a better business or marketing strategy to develop their brand.

##### **2.1.1. Consumer buying behavior**

When making a research about choice of brand, consumer buying behavior is important. According to Soderlund (2001), “*the consumer buying behavior depends on which intensions, attitudes, preferences effort to commitment, and way of identifying the consumers have*”. Consumer buying behavior depends on what kind of product the consumer will purchase.

## **2.2. BRAND**

According to Keller (2003), a brand can be defined as a “name, term, symbol, or design, or a combination of them, which is intended to signify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”. Brand image plays a vital role when brand associations held in the mind of consumers are conveyed onto a consumer’s perception about a brand. These associations can be developed from direct experience with the product, from the communication information of company, or from previous associations held about the company and origin, etc. (Martinez et al., 2003).

In a wider perspective, a brand is the symbol of all information connected with a product or service. A brand typically includes a name, logo, and other visual elements such as images or symbol. It also includes the set of expectation associates with a product or service which typically arise in people’ minds (Brand-Wikipedia, the free encyclopedia, 10-16-05).

## **2.3. BRAND CHOICE**

Understanding the consumer’ brand choice has been an interesting topic for both marketers and researchers. Brand choice investigation involves understanding the selection of brands among various product categories of consumer (Bentz and Merunka, 2000). In the past, brands have been perceived as products with different attributes; however, brands are now viewed as personalities, identities, and have special meanings intrinsic to consumers (Ballantyne et al., 2006).

Brand choice research has been investigated for many years. Many researches about brand choice have been through probability models to test the impact of marketing mix variables on consumer brand choice (Wagner and Taudes, 1986; Chib et al., 2004; Bentz and Merunka, 2000). These variables (referred in most research studies as the 4 P’s) are elements such as product features, advertising,

promotions, availability of product, service and price (Chib et al., 2004, May; Bentz and Merunka, 2000; Wager and Taudes, 1986).

**Table 1. Researches of Brand choice**

**(Source: Dave Ritter, 2008)**

Author	Independent Variables	Dependent Variables	Product Categories Studied	Methods
Orth (2005)	Situations (Host, Gift, Self) Quality* Social Benefits* Price* Emotional* Health Environment	Brand Choice	Wine	Electronic Survey
Wagner and Taudes (1986)	Marketing Mix (Advertising, Price)* Seasonality* Trends*	Purchase Rate  Brand Choice Probability	Laundry Detergent	Testing of Multivariate Polya Process Model using Consumer Panel Purchase Data
Chib et al. (2004)	Marketing Mix (Price, Feature, Display) <sup>†</sup>	Brand Choice	Soda (Beverage)	Testing of Model of Brand Choice with Scanner-Panel Data

Erdem and Swait (2004)	Brand Credibility* (Expertise, Trustworthiness, Perceived Quality, Perceived Risk, Information Cost Saved)	Brand Consideration, Brand Choice	Athletic Shoes, Cellular Providers, Headache Medication, Personal Computer.	Survey
Papatla and Krishnamurthi (1996)	Price*  Sales Promotion (Display*, Feature*)	Brand Choice	Laundry Detergent	Testing the Utility Model Using Household Scanner Data
Romaniuk (2003)	-Product Attributes* -Benefit Attributes* -Situation-Based Attributes*	Brand Choice	Fast Food Market	Survey
Miller and Ginter (1979)	Situation* Attributes*	Brand Choice	Fast Food Restaurants	Survey from Mail Panel
Alvarez and Casielles (2005)	Sales Promotions (Price*, Reference Price, Losses and Gains, Sales Promotion Techniques)	Brand Choice	Soda (Beverage)	Testing of Brand Choice Models using Logit Models from Consumer Panel Data
Singh et al. (2005)	Product Attributes (Price*, Feature, Display, Flavor, No Salt/Light*, Pack Sizes*, Brand Names*)	Brand Choice	Pretzels Potato Chips Tortilla Chips Mayonnaise Sliced Cheese	Testing of Multicategory Brand Choice Model using Household Panel Data

Fry (1971)	Personality Variables* (Sex, Social Class, Self-Confidence, etc.)	Brand Preference	Cigarettes	Experiment with a Field Study Panel
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\* Indicates variables were found to be significantly associated with brand choice.

### **2.3.1. Quality of product**

According to Jerome E. McCarthy (2009), a product is seen as an item that satisfies what a consumer needs or wants. The term of “product” refers to tangible and intangible products, as well as services. The most important aspects of the product would be quality, appearance, packaging, service and support. What makes our product 'better' than someone else's does? How does our product look as compared with our competitors? The quality of product will answer these questions.

Product quality brings many benefits for a company, from revenue to brand credibility. Product quality allows companies to set higher prices to consumers. In addition, having a higher product quality gives a competitive advantage which leads to increase profit and market share. However, some researchers have shown that quality may not equate to success without the proper marketing techniques in order to reach and communicate with consumers (Calantone and Knight, 2000; Choi and Coughlan, 2006).

Quality is not defined as a situation of using money to make money. Sometimes a product's quality can be improved by reducing waste, increasing satisfied consumers, and being more efficient in the production of the product. There has been research to support the theory that companies do not have to spend much

money to make their product superior in order to have high quality. Instead of that, they should put more attention to quality as a differentiating approach in dealing with competitors (Calantone and Knight, 2000; Berden et al., 2000). Quality is important factor that impacting brand choice because it is a part of personal risk that a consumer can take when making a decision of evaluating the purchase of product (Berden et al., 2000; Hoyer and MacInnis, 2004). Besides that, quality is a reason for customers to choose a brand because quality is a part of product perspective of a brand's identity (Uggla 2001). If a brand have a good quality, not only in product but also in service or the way they decorate a store, the packages, it will attract more customers. It also makes an impression in customer's mind.

### **2.3.2. Price**

In *Global marketing management: A strategic perspective*, Toyne and Walters (1993) said that “pricing policy is an important strategic and tactical competitive weapon that, in contrast with other elements of the international marketing mix, is highly controllable and inexpensive to change and implement.” In the view of marketers, prices set too low may mean the company is missing out on additional profits that could be earned if the target market is willing to spend more to acquire the product. Additionally, attempts to raise an initially low price to a higher price may be met customer resistance as they may feel the marketer is attempting to take advantage of their customers. In contrast, prices set too high can also impact revenue as it prevents interested customers from purchasing the product. However, with customers, it is possible to use price as a reason for brand choice in two ways: seek the lowest price to avoid financial risk or seek the higher price to gain product quality (Macdonald and Sharp, 2000). Aaker (1991) also showed that price was consistently found to be a strong quality indication, nearly as strong

as brand name. The higher price will lead to increase sale because a higher price was followed by an increasing relative perceived quality.

However, setting a suitable price for customer is not easy. Some says that a higher price means that the perceive quality is high. The others do not think so. According to Papatla and Krishnamurthi (1996), they stated that when a brand offered a low price, they will get a greater share of consumers' attention. Greater attention, in turn, should be associated with greater liking for the brand.

### **2.3.3. Location**

The role of distribution channel is to provide to a company the accomplishment of the task of delivering the product at a right time, place, and quantity at a minimum cost (Bucklin, 1966). Most definitions of power within studies on supply chains marketing channels are based on the definition by El-Ansary and Stern (1972), who define power as 'the ability of a channel member to control the decision variables in the marketing strategy of another member in a given channel at a different level of distribution'.

According to Rosenbloom (1999), he stated that the effectiveness of location to distribute the product is considered as a necessary tool for competing successfully in a harsh competitive market. If a firm has a strong distribution channel with advantages in location for consumer coming easier, they will have a chance to attract more consumers and leave an impression in customer's mind.

### **2.3.4. Advertisement**

Advertising is a tool to tell to consumers about the existence and benefits of products and services, and tries to persuade consumers to buy products (MacKenzie, 2004). Moreover, Kotler *et al.*, (2005) claimed that the purpose of advertising is aim to attract target consumers to either think or react to the product

or brand. As a way to reaching the advertisement goals, advertisements as well as their content play a vital role in the process of commercial communication. More specifically, it is the advertised product and brand as well as the content of the advertisement that determine greater or lesser memory retention among the consumers (Royo-Vela, 2005).

Advertising is also one of five major components of promotional mix. It will help the firm create the brand awareness, position products in consumers' minds.



The objectives of advertising campaigns are summarized in the figure below:

**Table 2: Possible advertising objectives**  
(Kotler et al., 2002)

<b>To inform</b>	
• Telling the market about a new product.	Describing available services.
• Suggesting new uses for a product.	Correcting false impressions.
• Informing the market of a price change.	Reducing buyers' fears.
• Explaining how the products work.	Building a company image.
<b>To persuade</b>	
• Building brand preference.	Persuading buyers to purchase now.
• Encouraging switching to your brand.	Persuading buyers to receive a sales call.
• Changing buyer perceptions of product attributes.	
<b>To remind</b>	
• Reminding buyers that the product may be needed in the near future.	Keeping the product in buyers' minds during off seasons.
• Reminding buyers where to buy the products.	Maintaining top-of-mind product awareness.

As can be seen in Table 2, there are 3 different types of advertising objectives, includes informing, persuading or reminding. When introducing a new product category, informative advertising is used to build a primary demand, but when

competition increases, persuasive advertising becomes more important. Here, the company's objective is to build selective demand for a brand by persuading consumers that it offers the best quality for their money. On the other hand, reminding advertising is used to keep customers thinking about the product (Kotler *et al.*, 2002).

There are many types of advertising activities such as direct marketing to consumer, public relations to introduce product, build awareness system, sale promotion. An advertisement can be in the types of television, print advertisements, posters, radio, internet and others such as innovative media, transit and displays (Jobber, 2001)

There are other factors that affect brand choice as well. Researchers have examined the casual effects of these variables on brand choice. These variables include situational factors, group influence, services, brand credibility, and trends. The studies used within brand choice researches have involved experiments and surveys of key marketing variables to measure impact on brand choice (Charlton and Ehrenberg, 1973; Simonson *et al.*, 1994; Erdem and Swait, 2004)

### **2.3.5. Group influence**

The next of factors affecting consumers' brand choice is social grouping, which includes small groups, social roles and status, and family that affect all individuals to some extent. There are two types of social influences, they are informational and normative type (Deutsch and Gerard, 1995). The informational social influence means that "influence to accept information obtained from another as evidence about reality", while normative social influence is "influence to conform the expectation of another person or group" (Deutsch and Gerard, 1995). Some of these groups have a direct influence on a person, i.e. membership groups, groups

that a person can belong to (Kotler *et al.*, 2005), and reference groups which “serve as direct (face-to-face) or indirect points of comparison or reference in forming a person’s attitudes or beliefs” (Armstrong *et al.*, 2005, p. 148). However, some people are affected by groups in which they do not belong to; such as groups that a person desires to belong to and a fan’s admiration for an idol, etc. Finally, a wife, husband or a child have strong influences on a consumer and thus the family plays a vital role in consumer buying behavior in society (Kotler *et al.*, 2005).

In a research of Witt (1969), he examined the social influence of others on consumer brand choice followed by Bonfield’s (1974) work that expanded the scope social influence plays in conjunction with other attitudinal variables on choice. It indicated that the consumer brand choice can be influence by others such as social groups or interpersonal influence. Their decision may be suggested by friends, relative or words-out-of-mouth from the society.

#### **2.3.6. Brand credibility**

Brand credibility is originated from source credibility. According to Ohanian (1990), source credibility is positive characteristics of a sender that influence receiver’s message acceptance or the believability of an entity’s intentions.

Previous research described that source credibility comprised of trustworthiness, expertise and attractiveness (Hovland, Janis & Kelly, 1953; Sternthal & Craig, 2002; Keller & Aker, 1997). Hence, brand credibility refers to believability in characteristics of brand product information.

- Trustworthiness: Trustworthy means that a person who receives a message trusts in the sender. The extent to what entity is considered reliable or honest source of information.

- Expertise: The extent to what entity has good knowledge and skills.

-Attractiveness: The extent to what entity is valued by personality characteristics.

Therefore, brand credibility requires consumers to perceive that the brand is willing (trustworthiness), has the ability (expertise) and is dedicated (attractiveness) to consistently deliver what they promised (Erdem and Swait, 2004).

Some studies have investigated the effect of brand credibility. In 2002, Erdem and Swait stated that brand credibility plays a role in moderating variable of the impact of product price. Maathuis, Rodenburg and Sikkel (2004) suggested that brand credibility affects the consumers' decision making.

### **2.3.7 Brand Awareness**

Rossiter and Percy (1987) describe brand awareness as being essential for the communications process to occur as it precedes all other steps in the process. Without brand awareness occurring, no other communication effects can occur. For a consumer to buy a brand they must first be made aware of it. Brand attitude cannot be formed, and intention to buy cannot occur unless brand awareness has occurred (Rossiter & Percy 1987; Rossiter et al., 1991).

Brand awareness has been hypothesis to play a crucial role in determining the consideration set: the small set of brands which a consumer gives serious attention when making a purchase (Howard & Sheth 1969; Narayana & Markin 1975). The composition of this small set of brands which are considered during decision-making is important. A brand that is not considered cannot be chosen (Baker et al. 1986), and further, the probability of the brand being chosen is a function of the number of other brands in the consideration set.

Wilson (1981 cited in Woodside & Wilson 1985) confirmed the importance of top-of-mind awareness in a study which found that the higher the position of the brand in the consumer's mind measured by unaided recall, the higher the purchase intention and the higher the relative purchase of the brand. In another study, increases in brand awareness were shown to increase the probability of choice even without any accompanying change in attitude or perceptions (Nedungadi 1990).

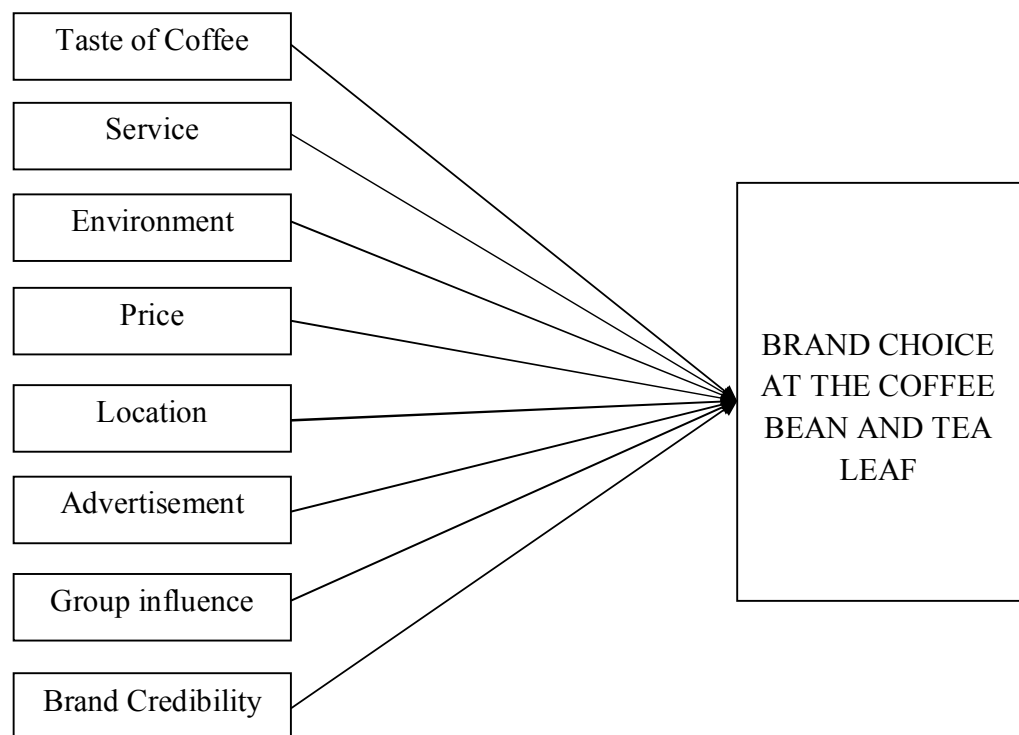
### **2.3.8 Celebrity Endorsement**

In recent years, *celebrity endorsement* has become much more common and is used as a part of a company's marketing strategy for their brand communication by resorting to different celebrities who play the role of presenters of a particular brand or in other words, act as a spokesperson for a specific brand. Celebrities, because of their special characteristics such as personality, good looks, special skills and classy lifestyles have a leading role in public's decision making. Smita (2006) in her research study examined the significance of celebrities in advertisement and came up with the conclusion that in order to add glamour and excitement to their brands, advertisers use celebrity endorsers. Various studies have indicated that using celebrity endorsers generates a more positive response and higher purchase intentions than non-celebrity endorsers (Byrne et al., 2003). The study of Agarwal and Kamakura (1995) showed that celebrity endorsement is used in about 20% of the advertisements as a promotional strategy. According to McCracken (1989), a celebrity provides a kind of cultural meaning and the association of it later transfers on to the brand. In turn, customers' perceptions and opinions regarding an advertised brand are thus improved.

## 2.4. CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESES

From the literature review research of some authors, I find out the conceptual framework for this research presented below at Figure 1. It shows the theoretical framework proposed for this study and it will be analyzed in the next chapters. This framework consists of two kinds of variables which are independent variable and dependent variable. In sum, this theoretical framework is developed in order to show the relationship between all the variables.

There are 8 independent variables that affect the choice of brand at the Coffee Bean and Tea Leaf Ho Chi Minh city, and it corresponds with 8 hypotheses.



**Figure 1. Conceptual Framework**

#### **2.4.1 Taste of Coffee**

Taste of coffee is one of the most important factors influencing customer satisfaction (Fornell et al., 1996). The success of a brand in customer satisfaction is based on the quality of product. Companies conform to requirements set by consumers (Borden et al., 2000). Quality is significant on the performance of a product (Calantone and Knight, 2000). Besides that, the interaction of a product meeting or exceeding consumer expectations based on its performance is how quality is evaluated (Fornell et al. 1996; Reeves and Bednar, 1994). Performance specifications generally define how quality is judged for products (Ennew et al., 1993). Findings from research indicate that marketing strategies, differentiation, cost leadership, and focus are drivers of quality (Calantone and Knight, 2000). It shows that the quality of products is an important factor that an enterprise must concentrate on. In coffee shop market, the taste of coffee is one of the most important factors that consumers consider a lot when choosing a brand to come. If a brand has a consistency quality, a special taste, this will make their reputation become stronger. The stronger reputation, a stronger brand awareness system as a brand has a good quality in coffee product will be the first choice of consumer who has an intension to go to coffee shop. Hence, the following hypothesis is presented:

*H1: Taste of Coffee positively affects the choice of brand at The Coffee Bean and Tea Leaf Ho Chi Minh City.*

#### **2.4.2. Service**

Dayang and Francine (2009) had explained good service quality as the quickness of correcting problems, reliability of information provided, politeness, friendliness and helpfulness of the cafeteria staff and dining privacy. A firm has a

good service system will take a higher place in market. It is also important for cafeteria staff to have personal characters of polite, friendly and helpful in order for customers to feel satisfied. From that, the customers can come back more time. Therefore, a hypothesis is suggested to present this relationship between those variables:

*H2: Service positively affects the choice of brand at The Coffee Bean and Tea Leaf Ho Chi Minh City.*

#### **2.4.3. Environment**

The environment can come from the design, manufacturing, usage from consumers, disposal of the product, and literature of the product to stay within the boundaries of government law, industry standards, and consumer standards (Bruen, 2002). In the case of coffee shop, environment comes from the design, the atmosphere at the coffee shop, decoration of the store. Based on the information above, a third hypothesis is formed:

*H3: Environment positively affects the choice of brand at The Coffee Bean and Tea Leaf Ho Chi Minh City.*

#### **2.4.4 Price**

The higher the price of a product, the more perceived risk a consumer incurs (Quester and Smart, 1998). In general, consumers often associate a high-priced retail product with higher quality than those of lower pricing (Lambert, 1972). Prices are used by marketers in retail stores in order to appeal to different consumers on different levels. The consumer uses comparative judgments in order to evaluate a potential purchasing decision. The consumer utilizes reference prices in order to make these comparisons (Alvarez and Casielles, 2005). Reference



pricing is a subjective price level that is used by the consumers to determine if the product is at an acceptable price for purchase (Mayhew and Winer, 1992). A consumer might perceive a lower priced product to be considered “cheap” or having low quality, whereas a different consumer could potentially see the low cost as a good value (Hruschka, 2002; Lambert, 1972).

Therefore, price is a major factor in determining brand choice. First, several studies have been conducted in order to determine the effect of price on brand choice. Studies have found an inverse relationship for sales and pricing. Second, the consumer wants the best product at the best price. As a result, it is theorized that who trusts in the influence of price on brand choice, which is presented in the following hypothesis:

*H4: Price positively affects the choice of brand at the Coffee Bean and Tea leaf Ho Chi Minh City.*

#### **2.4.5. Location**

Location of store in distribution channel is an important thing that the manager of all firms should care, especially in service sector like coffee shop market. A brand has a good store, located in the center, in big streets will easily to attract consumers. When it has a good location, it will create a convenience for consumer in moving to the store, finding the way to come. Nowadays, people are always busy with their work and they want to save as much time as possible. They do not want to be in a situation that they cannot find out the way to come to a coffee shop to meet their partner or friends. Therefore, location can influence the choice of brand of consumers as below hypothesis:

*H5: Location positively affects the choice of brand at the Coffee Bean and Tea Leaf Ho Chi Minh City.*

#### **2.4.6. Advertisement**

As a definition above, the advertisement is one of the components of creating brand image. The advertising can affect the consumer choice through some activities such as discount, free gifts or introduce some new attractive products. The impressive advertisements will make consumers feel excited when coming to the store. Moreover, the advertisement can bring many benefits for consumers. They will know about new products, discount time or promotional program. Hence, the next hypothesis is presented:

*H6: Advertisement positively affects the choice of brand at the Coffee Bean and Tea Leaf Ho Chi Minh City*

#### **2.4.7. Group Influence.**

According to Kotler et al., (1999) personal influence plays a vital role in the consumers' decision process. Consumers consult each other for opinions of new products and brands and the advice of other people can strongly influence the buying behavior. How much personal influence affects the buying behavior and choice of brand depends on the situation and the individual. It has more influence on later adapters than on early adopters. Further, it is more important in the evaluation stage of the buying decision process and in risky buying situations.

A buyer can be influenced by its culture. It includes values, preferences and behavior that a person gets from its family or other institutions. Another factor

can be more social. This is where a person is influenced by small group like membership groups and family (Kotler and Amstrong, 2004)

Besides that, the purchase decision can be affected by an attitude of others. For example, when a consumer has decides to buy P/S. He meets a friend in the store and says that Colgate makes the teeth look whiter. Then the consumer will probably buy Colgate. Similarly, the choice of brand at Coffee Bean of consumers may be influenced by their friends, or they just come to the store because of suggestions from others. Therefore, we need to test whether group influence affects the choice of brand by using Hypothesis 7:

*H7: Group influence positively affects the choice of brand at the Coffee Bean and Tea Leaf Ho Chi Minh City.*

#### **2.4.8. Brand Credibility**

Brand credibility has a strong relationship with choice of brand. When the credibility increases, it will increase customer satisfaction, create more impressions about the brand. As 3 elements of brand credibility, including trustworthy, expertise and attractiveness, the brand credibility not only helps the firm build a good reputation but also helps consumers making a decision easier. Consumers can just consider about the credibility of brand, they don't need to ask friend for a recommendation, because the more credible the brand, the higher is the purchase intension toward that brand. The last hypothesis in this study is presented to illustrate that relationship as follows:

*H8: Brand credibility positively affects the choice of brand at the Coffee Bean and Tea Leaf Ho Chi Minh City*

## **2.5. CHAPTER SUMMARY**

In this chapter, the theoretical foundations which are used to predict factors influencing the choice of brand are reviewed. Thanks to the fundamentals of previous model, the theory of consumer buying behavior, the theory of brand choice, they support to develop a conceptual model which includes different dimensions affecting the choice of brand at The Coffee Bean and Tea Leaf Ho Chi Minh City.

This section also provides some theoretical foundations for the variables included in the proposed conceptual model and the theorized relationships among those variables. There are eight hypotheses illustrating the relationships among constructs based on previous researches on brand choice, past literatures and theories in this study.

## CHAPTER 3

### METHODOLOGY

*This chapter is going to describe the research methods used in this study. This research is going to investigate factors influencing the choice of brand at The Coffee Bean and Tea Leaf Ho Chi Minh city. In order to do so the research methodology which is undertaken is as follow: First, the research purpose is identified, second the research design suitable for this study is chosen. Besides, the research sample and methods of data analysis used in this study is also discussed.*

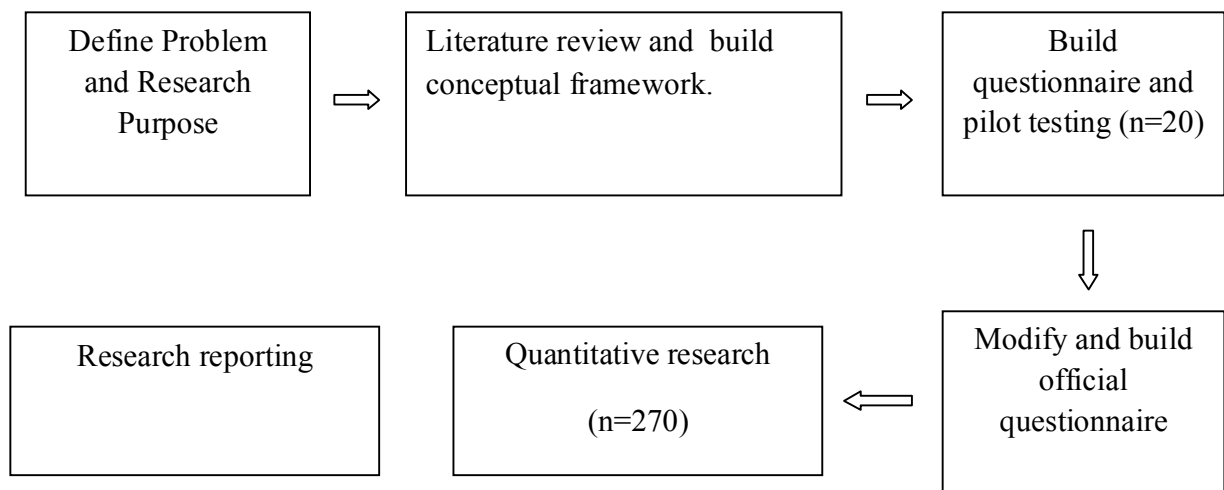
#### 3.1. RESEARCH DESIGN

Research design is the plan and structure of investigation so conceived to obtain answer to reach questions. The plan is the overall scheme or program of the research. It includes an outline of what the investigator will do from writing hypothesis and their operational implications to the final analysis of data. A research design expresses both structure of the research problem and the plan of investigation used to obtain empirical evidence on relations of the problem (Cooper and Schindler, 2006). In fact, the choice of research design must be appropriate to subject under investigation.

This study was implemented though quantitative research. The quantitative approach is the set of statistical and numerical data. It is clarified by researching on many variables on a large number of factors. The objective of this approach is to find out if there is a truth underlying predictive assumptions (O'Neil, 2005). In

this approach, surveys with multiple choices answers are used. Moreover, this approach helps researchers transmit the information to numbers which can be statistically analyzed (Creswell, 2003). Creswell (2003) also pointed out the purpose of the quantitative research is to analyze the relationship between one construct with another which results in developing mathematical models, hypotheses.

In this study, the aim is to figure out factors influencing the choice of brand at the Coffee Bean and Tea Leaf Ho Chi Minh City. To examine this, a proposed research model mentioned in chapter 2 is applied and questionnaires surveys is designed based on reviewing literatures, previous studies then delivered them to those who have experience in using the products of Coffee Bean Ho Chi Minh city.



**Figure 2. Research process**

### **3.2. RESEARCH VARIABLES**

Distinction of variables is necessary in a research to reach to the response to a research question or hypothesis tests. Researchers are mostly interested in relationship among variables. The type of variables in this study has been brought here:

- Independent variables: is a specialty from physical and social environment that is accepted after the selection, interference or modification by a quantitative researcher so that its impact may be observed on other variables (dependent variables).
- Dependent variable: is a variable in which changes occur under the impact of independent variables.

In this research, the independent variables are quality, price, location, advertisement, group influence, consumer personality and brand credibility; while choice of brand is dependent variable.

### **3.3. DATA COLLECTION METHOD**

#### **3.3.1. Secondary data**

Library method: to collect the information related to research literature review and background, the library method was applied. In this process, many books and articles mainly about branding, brand choice, consumer buying behavior were collected mostly via internet

#### **3.3.2. Primary data**

Based on initial objectives as well as the conceptual framework, I set up the first pilot questionnaire. This pilot testing was used to understand how respondents

interpret and answer the questions. The pilot testing took averagely 20 minutes to complete for each respondent. The respondents were encouraged to express their point of view freely. Firstly, I gave some ideas about the factors of brand choice by providing them measurement scales. Then, the pilot questionnaire was designed to get their ideas of factors impacting brand choice.

After that, I established the official questionnaire and used it to collect data for the study

### **3.3.3. Questionnaire construct**

Questionnaires are a set of written questions used in order to obtain and store necessary information by researchers during their research. Questions are designed to examine important variables for the study and are answered by respondents. After collecting data, measurement scales are used to test qualities of data. The main reason for using a self-administered questionnaire is it's a low-cost method to question effectively a large number of people and thanks to its flexibility and ease to control, it can be applied to obtain various data in different cases (Moore, 2002)

The questionnaire that was used for this study was developed by the researcher through identification of demographic characteristics, dependent and independent variables from related literature review

In order to collect data effectively, the questionnaire was designed easily enough for every customer to understand. Likert scaling was used to obtain the respondents' evaluation of the specific brand personality. Respondents were asked to indicate their level of agreement or disagreement with a series of short statements on a given five point range of responses from 1 (strongly disagree) to 5 (strongly agree).



The questionnaire includes two parts. In the first part, the respondents required indicating their degree of agreement to evaluate factors influencing brand choice. The respondents have to circle the numbers which indicate 5 point scale. In the second part, four questions were constructed to know the demographical variables of the respondents, including age, sex, average income and occupation.

**Table 3. Demographic variables**

<b>Variable</b>	<b>Scale</b>	<b>Form of answer</b>
Gender	Nominal	Two-answer
Age	Nominal	Multi-answer
Occupation	Nominal	Multi-answer
Income	Nominal	Multi-answer

**Table 4. Measurement scale of variables**

<b>Section</b>	<b>Measurement Question</b>
<b>Taste of coffee</b>	<ul style="list-style-type: none"> <li>- The taste of coffee is unique (TOC1)</li> <li>- Coffee is well-made (TOC2)</li> <li>- Coffee reaches the standard of safety (TOC3)</li> <li>- Coffee has a stable quality (TOC4)</li> </ul>
<b>Services</b>	<ul style="list-style-type: none"> <li>- Staffs are careful (SER1)</li> <li>- Staffs are Professional (SER2)</li> <li>- The orders are accurate (SER3)</li> <li>- The uniform is polite (SER4)</li> <li>- The payment is quick (SER5)</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>- The space of store is polite (ENV1)</li> <li>- The atmosphere is fresh (ENV2)</li> <li>- The decoration is elegant and attractive (ENV3)</li> <li>- The space is quiet (ENV4)</li> </ul>

<b>Price</b>	<ul style="list-style-type: none"> <li>- Coffee has a reasonable price (PRI1)</li> <li>- The Coffee Bean offer a good product for the price (PRI2)</li> <li>- The price is economical (PRI3)</li> <li>- The price of Coffee Bean is lower than other brands (PRI4)</li> </ul>
<b>Location</b>	<ul style="list-style-type: none"> <li>- Easy to find because it is located in the centre (LOC1)</li> <li>- Easy to go because it is located in big streets (LOC2)</li> <li>- Located in big buildings, shopping centres make a convenience for consumers (LOC3)</li> <li>- Located in big residential areas (LOC4)</li> </ul>
<b>Advertisement</b>	<ul style="list-style-type: none"> <li>- Ads of CB are interesting (AD1)</li> <li>- Ads make consumers want to come to the store (AD2)</li> <li>- Ads brings many benefits for consumers (AD3)</li> <li>- Ads make me feel excited when going to the store (AD4)</li> </ul>
<b>Group Influence</b>	<ul style="list-style-type: none"> <li>- I know about the Coffee Bean brand through my friends or relative (GI1)</li> <li>- I usually go to the Coffee Bean store with friends (GI2)</li> <li>- The choice of Coffee Bean to come is suggested by my friends (GI3)</li> <li>- I usually decide to go to Coffee Bean store without any suggestions from others (GI4)</li> </ul>
<b>Brand Credibility</b>	<ul style="list-style-type: none"> <li>- The Coffee Bean brand is trustworthy (BC1)</li> <li>- Because the CB has the origin from US, I have confidence in their product (BC2)</li> <li>- CB is very prestigious because it is appraised by many experts of different countries (BC3)</li> <li>- I choose CB because of its brand credibility (BC4)</li> </ul>

<b>Brand Choice</b>	<ul style="list-style-type: none"> <li>- Coffee Bean is my favourite brand name (BRC1)</li> <li>- I will continue encouraging and choosing Coffee Bean to come (BRC2)</li> <li>- I will suggest Coffee Bean brand for friends (BRC3)</li> <li>- I will come back this store many times (BRC4)</li> </ul>
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### 3.4. SAMPLING METHOD

This study applied nonprobability sampling because it has some practical advantages. Firstly, nonprobability sampling is usually less expensive and costly to conduct than probability sampling. Secondly, nonprobability sampling procedures can satisfactorily meet the sampling objectives. Lastly, the nonprobability sampling is the only feasible alternative when the population may not be available for study in certain cases. Among methods of nonprobability sampling, the most common form “convenience sampling approach” is used in this research because the sample population is easy and convenient to meet.

The population of this study is customers who use products of The Coffee Bean Vietnam. My questionnaires were distributed to people who went to the café and had free time between the hours of 10 am -9pm during the whole week in Ho Chi Minh City with the agreement of the owners of the stores and the permission of respondents and the questionnaire surveys also were spread via the social network, emails in order to collect data as much possible in case of a great number of invalid data. By collecting data through email, I used the screening questions to know whether they are customer of Coffee Bean or not.

When collecting data at the store, most of the questionnaires were handed face to face and returned after around 15 minutes. Participant error which arises from

feelings such as physical condition, mental and stress at the time of answering the question can lead to low response, respondent guessing answers or unable to read and understand the question. As a result of this, I tried to make the questions few and easy to read.

### **3.5 SAMPLE SIZE**

According to Tabachnick and Fidell (1996), in order to conduct a good regression analysis, the size of sample needs to follow the formular:

$$N \geq 8M + 50$$

With:

- N: sample size
- M: number of independent variables

Based on that, researcher decides to collect data with the sample of 270 respondents.

Because a convenience sample is made, the questionnaire was done by 270 respondents of 3 stores in District 1, 1 in District 5 and 2 in District 3 as below:

- Coffee Bean Kumho, 39 Le Duan St., Dist.1, HCMC
- Coffee Bean Metropolitan, 235 Dong Khoi St., Dist.1, HCMC
- Coffee Bean Nguyen Thai Hoc, 157-159 Nguyen Thai Hoc, Dist.1, HCMC
- Coffee Bean Nguyen Thi Minh Khai, 94 Nguyen Thi Minh Khai, Dist. 3, HCMC
- Coffee Bean Cach Mang Thang 8, 60-62 Cach Mang Thang 8, Dist.3, HCMC
- Coffee Bean Now Zone, 235 Nguyen Van Cu, Dist.5, HCMC

### **3.6 DATA ANALYSIS TECHNIQUES**

This study applied descriptive statistics, for example, percentage and frequency to describe the general characteristics of respondents. Exploratory factor analysis was also conducted for the measures of the research to form new variables for regression analysis, T-test and ANOVA.

The main technique of the study is regression analysis. It was used to explore the relationship between independent variables and dependent variables. Besides that, it helped to find out the answer for research question.

## **CHAPTER 4**

### **DATA ANALYSIS AND RESULTS**

*The purpose of this chapter is to give descriptive method included descriptive statistic and some test to ensure the significance of result. Next is regression analysis and empirical results.*

#### **4.1. INTRODUCTION**

This chapter is going to present the result of data analysis by using SPSS. To find out factors that affect the choice of brand at the Coffee Bean and Tea Leaf Ho Chi Minh city, I used reliability test to determine the relationship between each item in each factor. After that, I used factor analysis to group each item together and create new group for Pearson correlation. The last test was regression which aims to solve the research question.

#### **4.2. SAMPLE DESCRIPTION**

As mentioned in the previous chapter, the questionnaires were designed and delivered to the participants during April, 2013. Totally 270 questionnaires were manually returned and via email, including 190 from the stores and 80 through email. However, there were 240 valid questionnaires. The demographic information of sample is presented in the below table 4.1

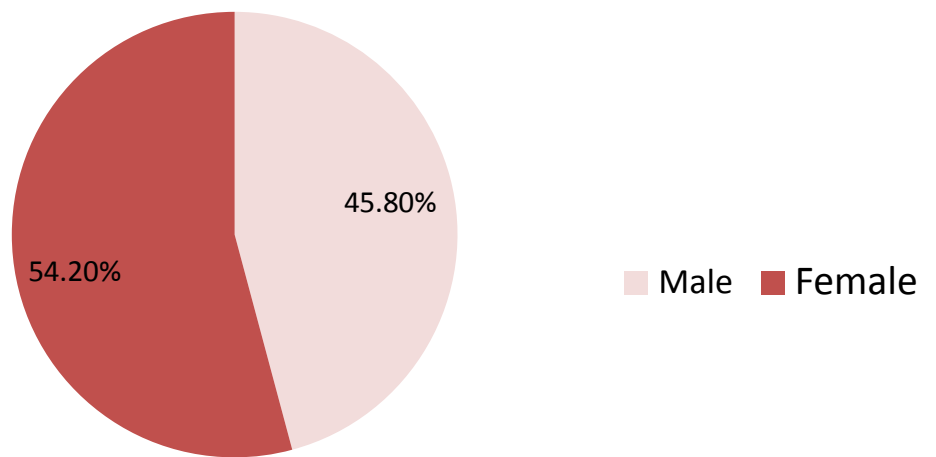
**Table 5. Descriptive statistics for demographic variables**

<b>Measure</b>	<b>Items</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Gender</b>	Male	110	45.8
	Female	130	54.2
<b>Age</b>	Under 25	73	30.4
	25-35	127	52.9
	Over 35	40	16.7
<b>Occupation</b>	Employee	113	47.1
	Manager	39	16.2
	Freelancer	37	15.4
	Student	51	21.3
<b>Income</b>	Less than 5 mil VND	49	20.4
	5-15 mil VND	115	47.9
	Over 15 mil VND	76	31.7



#### 4.2.1. Gender

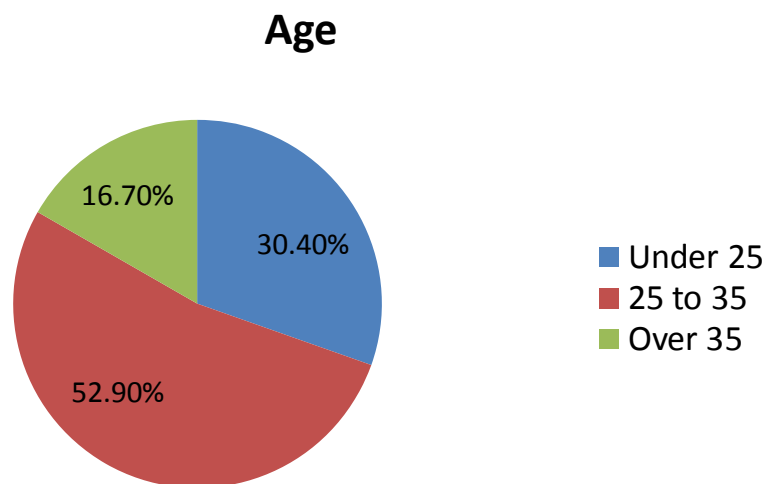
**Figure 3. Percentage of Gender**



This pie chart shows the percentage of sex of customers at The Coffee Bean store. Because the non-probability sampling was used, the percentage of male and female is not equal. The female respondents are estimated 54.2% whereas the number of male respondents account for 45.8%.

#### 4.2.2. Age

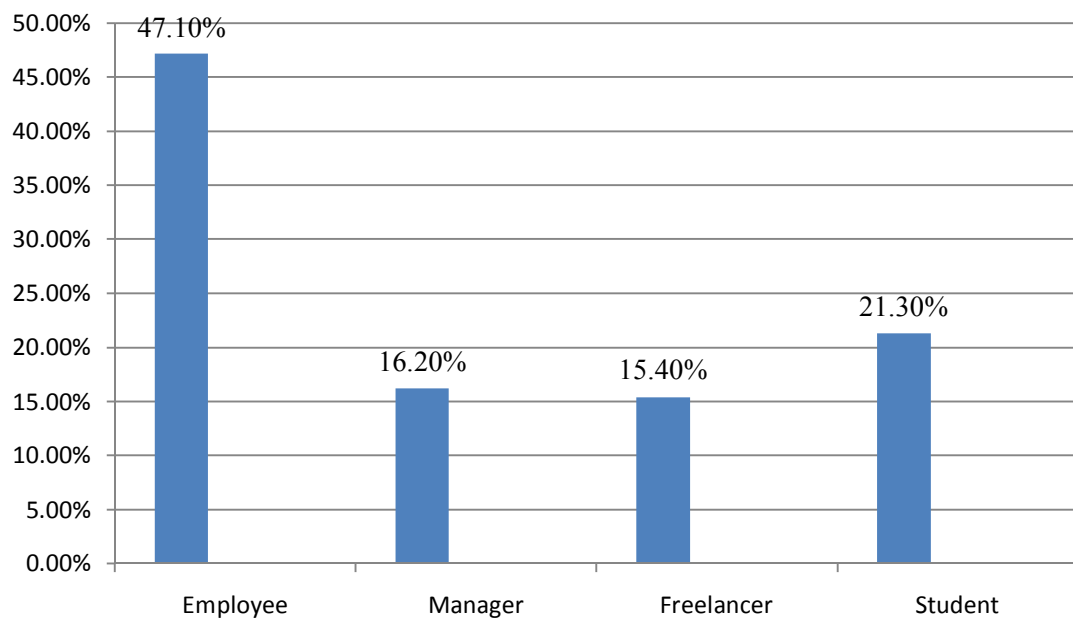
**Figure 4. Percentage of Age groups**



In terms of age group, the dominant group is from 25 to 35 years old (52.9%), followed by the group under 25 years old (30.4%), while the group of over 35 made up for 16.7%- the smallest group. It shows that the main target customer of The Coffee Bean is young people. They are person who likely to be catch up with the new trend of young people. It seems similar with other brands such as Highland Coffee, Gloria's Jean or Starbucks.

### 4.2.3 Occupation

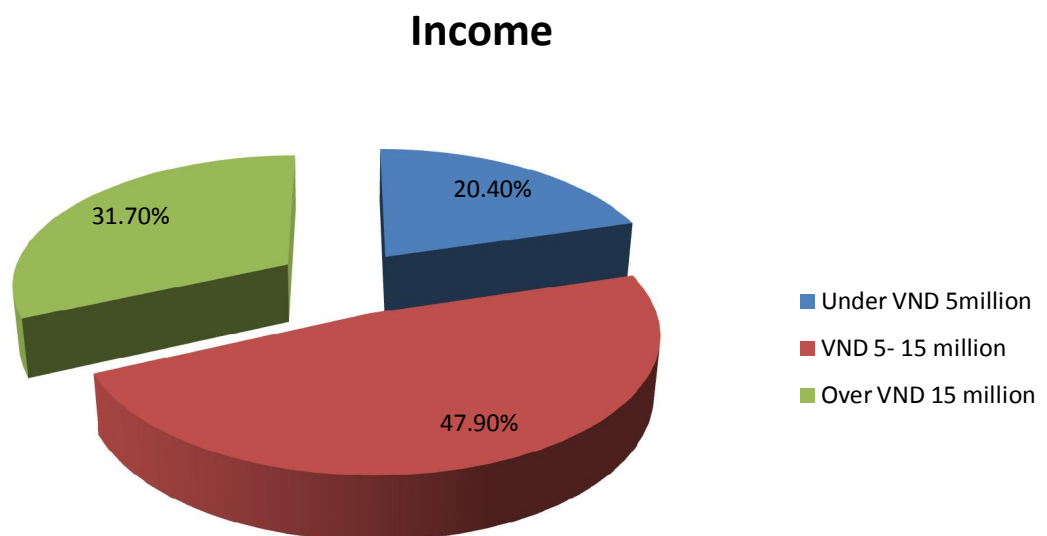
**Figure 5. Percentage of Occupation**



Regarding to verify the occupation of the respondents, results describe that 47.1% of them is “Employee”, the “Student” takes a second rank with 21.3% and the last two groups – “Manager” and “Freelancer” account for 16.2% and 15.4% respectively. As a description in Age group, a haft of the customer of Coffee Bean is between 25 and 35 years old and they are mainly employee.

#### 4.2.4 Income

**Figure 6. Percentage of Income**



In explaining the individual income of respondents, the largest group is a group with the income “from VND 5 million to VND 15 million” (47.9%), followed by the income “Over VND 15 million” (31.7%), and only 20.4 % of respondents have their monthly income of “under 5 million VND”. It indicates that the customer of Coffee Bean has high income and living standard of them also is high.

### 4.3 RELIABILITY TEST

According to Sekaran, “Reliability test is conducted to ensure the consistency or stability of the items”. The measurement of reliability showed through Cronbach’s Alpha. Cronbach’s  $\alpha$  (alpha) is a coefficient of internal consistency. It is commonly used as an estimate of the reliability of a psychometric test for a sample of examinees. It was first named alpha by Lee Cronbach in 1951, as he had intended to continue with further coefficients.

The reliability acceptance level should be more than 0.6. When alpha range from 0.00 to 0.2, the reliability is very low, from 0.2 to 0.4, the reliability is low. When it increase from 0.4 to 0.6, the reliability can be sufficient. Over 0.6 is high and from 0.8 to 1, the reliability is very high (Nunnally, 2005)

Cronbach’s alpha of all independent variables and dependent variable was showed in this below table

**Table 6. Reliability test for measurement scales by Cronbach's Alpha**

<b>Variables</b>	<b>Measurement items</b>	<b>Cronbach’s <math>\alpha</math></b>	<b>Number of items* (Original Items)</b>
Taste of Coffee	TOC1, TOC2, TOC3, TOC4	0.799	4(4)
Service	SER1, SER2, SER3, <b>SER4</b> , SER5	0.8	4(5)
Environment	ENV1, ENV2, ENV3, ENV4	0.847	4(4)
Price	PRI1, PRI2, PRI3, PRI4	0.739	4(4)
Location	LOC1, LOC2, LOC3,	0.778	4(4)

	LOC4		
Advertisement	<b>AD1</b> , AD2, AD3, AD4	0.584	3(4)
Group Influence	GI1, GI2, GI3, <b>GI4</b>	0.754	3(4)
Brand Credibility	BC1, BC2, BC3, BC4	0.848	4(4)
Brand Choice	BRC1, BRC2, BRC3, BRC4	0.859	4(4)

This table shows Cronbach's alpha of 8 independent variables and 1 dependent variable. There are 3 items deleted. It includes SER4, AD1 and GI4.

In Service sector, Cronbach's alpha of 5 items is 0.778. With this number, Cronbach's alpha if item deleted of SER4 is 0.8. Hence, SER4 is deleted and this leads to the increase in Cronbach's alpha of 4 remain items.

Similarly, item GI4 in Group Influence is deleted because its Cronbach's alpha is higher than Cronbach's alpha of 4 items.

Seven variables in this table, include Taste of Coffee, Service, Environment, Price, Location, Group Influence, Brand Credibility and Brand Choice, have Cronbach's alpha higher than 0.7. Only alpha of Advertisement is below 0.6. According to Nunnally, the range of Cronbach's alpha value, which are greater than 0.6 is satisfied. However, Cronbach's alpha of Advertisement is only 0.586. In this case, this number may be acceptable. Because each items in this scale was build up based on the theories related to advertisement. So, the rank of consistency between them may be low.

#### **4.4 VALIDITY TEST: EXPLORATORY FACTOR ANALYSIS**

##### **4.4.1 Introduction**

After checking reliability of all items of dependent and independent variables, there will be conducted analysis data. Factor analysis makes us cover valid variables into relevant group and delete invalid variables.

Factor analysis is a data reduction technique used to reduce a large number of variables to a smaller set of underlying factors that summarize the essential information contained in the variables. More frequently, factor analysis is used as an exploratory technique when the researcher wishes to summarize the structure of a set of variables (Coakes et al., 2008). According to Hair et al. (2006), there are some conditions and standards of exploratory factor analysis a researcher needs to remember in order to get correct results:

- Kaiser-Myer-Olkin (KMO) value should be 0.5 or above, and Barlett's test of sphericity should have the significance less than 0.05.
- Factor loading should be equal or bigger than 0.5 (if an item has its factor loading less than 0.5, it should be deleted).
- Choose components which has Eigenvalues  $> 1$  and the cumulative extraction sums of squared loadings  $> 50\%$ .

#### 4.4.2 Factor analysis for Independent Variables

The first factor analysis was applied for the group of 8 independent variables including 4 items of Taste of Coffee, 4 items of Service, 4 items of Environment, 4 items of Price, 4 items of Location, 3 items of Advertisement, 3 items of Group Influence and 4 items of Brand Credibility.

**Table 7. Description for independent variables**

Factor	Code	Description
Taste of Coffee	TOC1	The taste of Coffee is unique
	TOC2	The coffee is well-made
	TOC3	Coffee reaches the standard of safety
	TOC4	Coffee has the stable quality
Service	SER1	Staffs are careful
	SER2	Staffs are professional

	SER3	The orders are accurate
	SER5	Payment is quick
Environment	ENV1	The space of store is polite
	ENV2	The atmosphere is fresh
	ENV3	The decoration is elegant and attractive
	ENV4	The space is quiet
Price	PRI1	Coffee has a reasonable price
	PRI2	The Coffee Bean offers a good product for the price
	PRI3	The price is economical
	PRI4	The price of coffee at Coffee Bean is lower than other brands
Location	LOC1	Easy to find because it's located in the center
	LOC2	Easy to go because it's located at big streets
	LOC3	Located in big buildings, shopping centers make a convenience for customers
	LOC4	Located in big residential areas
Advertisement	AD2	Advertisements and promotions of Coffee Bean make me want to go to the store
	AD3	Advertisements and promotions bring many benefits for me
	AD4	Advertisements and promotions make me feel excited when going to the store
Group Influence	GI1	I know about the Coffee Bean brand through my friends or relative
	GI2	I usually go to the Coffee Bean store with friends



	GI3	The choice of Coffee Bean to come is suggested by my friends
Brand Credibility	BC1	The Coffee Bean brand is trustworthy
	BC2	Because The Coffee Bean has the origin from US, I have confidence in their products
	BC3	Coffee Bean is very prestigious because it is appraised by experts of different countries
	BC4	I choose Coffee Bean because of its brand credibility

Method involves inspecting the correlation matrix for coefficients of 0.35 and above, and calculating the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Barlett's Test of Sphericity

**Table 8. KMO and Bartlett's Test for independent variables**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.807
Bartlett's Test of Sphericity	Approx. Chi-Square	2.791E3
	df	435
	Sig.	.000

As a mention above, condition for Factor analysis is significant, value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy has to be 0.6 and above (Pallant, 2005). Besides that, the significant of Barlett's Test of Sphericity must below 0.05. The value of KMO of 8 independent variables is 0.807 and Barlett's Test of

Sphericity value is significant at 0.000 level. Therefore, this factor analysis is considered appropriate.

**Table 9. Total Variance Explained of independent variables**

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	6.091	20.304	20.304
2	3.258	10.860	31.165
3	2.232	7.439	38.603
4	1.898	6.326	44.930
5	1.753	5.844	50.774
6	1.654	5.515	56.289
7	1.413	4.709	60.998
8	1.259	4.196	65.194

Extraction Method: Principal Component Analysis.

Another condition for factor analysis is Eigenvalues has to be higher than 1. This table shows that all 8 independent variables have Eigenvalues greater than 1.

To cover valid variables into a group, a rotated component matrix table will show the result of grouping variables.

**Table 10. Rotated Component Matrix**

	Component							
	1	2	3	4	5	6	7	8
BC2- Because The Coffee Bean has the origin from US, I believe in their products	.818							
BC3- Coffee Bean is very prestigious because it is appraised by many countries	.787							
BC1- The Coffee Bean brand is trustworthy	.766							
BC4- I choose Coffee Bean because of its brand credibility	.686							
ENV2- The atmosphere is fresh		.832						
ENV4- The space is quiet		.789						
ENV1- The space of store is polite		.780						
ENV3- The decoration is elegant and attractive	<b>.373</b>	<b>.678</b>						
SER2- Staffs are professional			.828					
SER1- Staffs are careful			.818					
SER3- The orders are right			.739					
SER5- Payment is quick			.635					
TOC4- Coffee has the stable quality				.816				
TOC2- The coffee is well-made				.812				
TOC3- Coffee reaches the standard of safety				.753				
TOC1- The taste of Coffee is unique				.723				
LOC3- Located in big buildings, shopping centers make a convenience for customers					.799			
LOC1- Easy to find because it's located in the center					.751			
LOC4- Located in big residential areas					.729			
LOC2- Easy to go because it's located at big streets					.707			
PRI1- Coffee has a reasonable price						.779		
PRI3- The price is economical						.710		

PRI4- The price of coffee at Coffee Bean is lower than other brands	<b>.397</b>				<b>.599</b>		
PRI2- The Coffee Bean offers a good product for the price	<b>.468</b>				<b>.559</b>		
GI2- I usually go to the Coffee Bean store with friends						.886	
GI3- The choice of Coffee Bean to come is suggested by my friends						.841	
GI1- I know about the Coffee Bean brand through my friends or relative						.680	
AD3- Advertisements and promotions bring many benefits for me							.826
AD2- Advertisements and promotions of Coffee Bean make me want to go to the store							.816
AD4- Advertisements and promotions make me feel excited when going to the store							.525

Based on the value of factor loading in Rotated Component Matrix table, all items of Independent variables, excluding ENV3, PRI2 and PRI4, its factor loading is greater than 0.5. There are 8 components corresponding with 8 independent variables. However, ENV3, PRI2, PRI4 have more values in different components boxes, the one with the highest amount will be perceived as the counting value. When the values only have the slightest amount of difference, it needs to be checked in what component the value fits best.

Component 1 comprises the following statement:

- Because The Coffee Bean has the origin from US, I have confidence their products (0.818)

- Coffee Bean is very prestigious because it is appraised by many experts of different countries (0.787)
- The Coffee Bean brand is trustworthy (0.766)
- I choose Coffee Bean because of its brand credibility (0.686)

=> This component was named Brand Credibility

Component 2 includes 4 items, however, one of that is ENV3, has 2 values. When minus the greater value for smaller value, a new value is greater than 0.3. Hence, finally, component 2, named Environment, has 4 items:

- The atmosphere is fresh (0.832)
- The space is quiet (0.789)
- The space of store is polite (0.78)
- The decoration is elegant and attractive (0.678)

Component 3 includes 4 following items:

- Staffs are professional (0.828)
- Staffs are careful (0.818)
- The orders are accurate (0.739)
- Payment is quick (0.635)

=> This component was named Service

Component 4, named Taste of Coffee, including:

- Coffee has the stable quality (0.816)
- The coffee is well-made (0.812)
- Coffee reaches the standard of safety (0.753)
- The taste of Coffee is unique (0.723)

Component 5 is Location, comprises:

- Located in big buildings, shopping centers make a convenience for customers (0.799)
- Easy to find because it's located in the center (0.751)

- Located in big residential areas (0.729)
- Easy to go because it's located at big streets (0.707)

There are 2 items of Component 6 have 2 values. However, when minus a greater value for smaller values, there is one item, PRI2, is deleted. Component Price includes:

- Coffee has a reasonable price (0.779)
- The price is economical (0.71)
- The price of coffee at Coffee Bean is lower than other brands (0.599)

Component 7 is Group Influence. It includes 3 items:

- I usually go to the Coffee Bean store with friends (0.886)
- The choice of Coffee Bean to come is suggested by my friends (0.841)
- I know about the Coffee Bean brand through my friends or relative (0.68)

The last component is Advertisement,

- Advertisements and promotions bring many benefits for me (0.826)
- Advertisements and promotions of Coffee Bean make me want to go to the store (0.816)
- Advertisements and promotions make me feel excited when going to the store (0.525)

#### 4.4.3 Factor analysis for Dependent Variable

**Table 11. KMO and Bartlett's Test for dependent variable**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.796
Bartlett's Test of Sphericity	Approx. Chi-Square
	440.292
	df
	6
	Sig.
	.000

Value of KMO is 0.796 and Bartlett's Test has a significant level of 0.000 ( $<0.05$ ). 2 conditions meet the requirement of factor analysis and this factor analysis is considered appropriate.

Besides that, the Eigenvalue of Brand Choice variable is 2.819, greater than 1. So, Brand Choice can be used in Regression in next step.

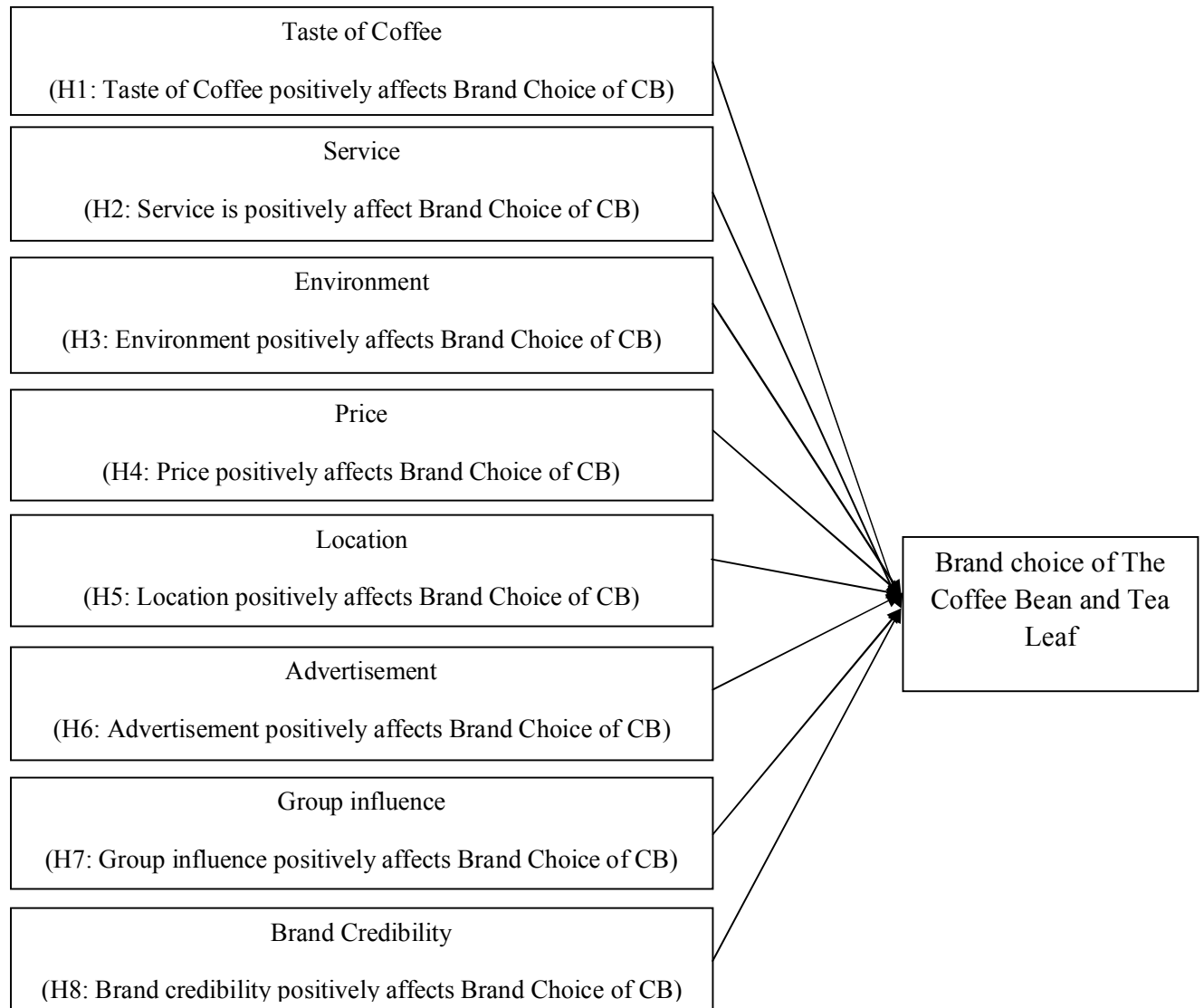
**Table 12. Total Variance Explained of dependent variable**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.819	70.471	70.471	2.819	70.471	70.471
2	.531	13.276	83.747			
3	.365	9.119	92.866			
4	.285	7.134	100.000			

Extraction Method: Principal Component Analysis.

Finally, after using Factor analysis, the proposed model in chapter 2 still keep the same.

There are 8 independent variables affect 1 dependent variable, as below framework



**Figure 7. Final conceptual framework**



#### 4.5 TESTING THE CORRELATION BETWEEN INDEPENDENT VARIABLES AND DEPENDENT VARIABLES

To investigate whether all independent and dependent variables were independent or inter correlated, we use the Pearson Correlation.

The Pearson correlation will be used to measure the significance of Linear Bivariate between the independent variables and dependent variables to achieve the objective of the study (Sakaran, 2006).. Correlation is a bivariate measure of association of the relationship between two variables

**Table 13. Correlations between dependent variable and independent variables**

		BC	ENV	SER	TOC	LOC	PRI	GI	AD	BRC
BC	Pearson Correlation	1								
	Sig. (2-tailed)									
	N	240								
ENV	Pearson Correlation	.000	1							
	Sig. (2-tailed)	1.000								
	N	240	240							
SER	Pearson Correlation	.000	.000	1						
	Sig. (2-tailed)	1.000	1.000							
	N	240	240	240						
TOC	Pearson Correlation	.000	.000	.000	1					
	Sig. (2-tailed)	1.000	1.000	1.000						
	N	240	240	240	240					
LOC	Pearson Correlation	.000	.000	.000	.000	1				
	Sig. (2-tailed)	1.000	1.000	1.000	1.000					
	N	240	240	240	240	240				

PRI	Pearson Correlation	.000	.000	.000	.000	.000	1			
	Sig. (2-tailed)	1.000	1.000	1.000	1.000	1.000				
	N	240	240	240	240	240	240			
GI	Pearson Correlation	.000	.000	.000	.000	.000	.000	1		
	Sig. (2-tailed)	1.000	1.000	1.000	1.000	1.000	1.000			
	N	240	240	240	240	240	240	240		
AD	Pearson Correlation	.000	.000	.000	.000	.000	.000	.000	1	
	Sig. (2-tailed)	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
	N	240	240	240	240	240	240	240	240	
BRC	Pearson Correlation	.422**	.278**	.202**	.030	-.048	.135*	.006	-.009	1
	Sig. (2-tailed)	.000	.000	.002	.648	.463	.037	.921	.886	
	N	240	240	240	240	240	240	240	240	240

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

The result shows that Brand Credibility, Service and Environment have the correlation with Brand Choice at the 0.01 level, while Price has the correlation with Brand Choice at the level of 0.05.

#### **4.6 IDENTIFYING FACTORS INFLUENCING THE CHOICE OF BRAND AT THE COFFEE BEAN**

Regression analysis will be used to test the hypotheses formulated for a research. It helps us determine the degree to which the Taste of Coffee, Service, Environment, Price, Location, Advertisement, Group Influence and Brand Credibility influence the dependent variable

**Table 14. Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	2.113E-17		.000	1.000
	BC	.422	<b>.422</b>	7.773	<b>.000</b>
	ENV	.278	<b>.278</b>	5.110	<b>.000</b>
	SER	.202	<b>.202</b>	3.722	<b>.000</b>
	TOC	.030	.030	.545	.586
	LOC	-.048	-.048	-.876	.382
	PRI	.135	<b>.135</b>	2.481	<b>.014</b>
	GI	.006	.006	.119	.906
	AD	-.009	-.009	-.172	.864

a. Dependent Variable: BRC

We have 8 independent variables corresponding with 8 hypotheses:

- H<sub>01</sub>: There is no significant relationship between Brand Credibility and Brand Choice
- H<sub>11</sub>: There is a significant relationship between Brand Credibility and Brand choice

**Result:** As a number in this table, we see that the significant level of Brand Credibility (BC) is 0.000. Therefore, we accept H<sub>11</sub> ( $p < 0.05$ ) and reject H<sub>0</sub>. It indicates that Brand credibility positively affect choice of brand at the Coffee Bean and Tea Leaf. Besides that, the value of coefficient of brand credibility is highest (0.422) proved that Brand Credibility affects strongly brand choice at The Coffee Bean and Tea leaf.

- $H_{02}$ : There is no significant relationship between Environment and Brand Choice
- $H_{12}$ : There is a significant relationship between Environment and Brand choice

**Result:** Similarly, the significant level of Environment is 0.000 ( $p < 0.05$ ). That leads to accept  $H_{12}$  and reject  $H_0$ .

- $H_{03}$ : There is no significant relationship between Service and Brand Choice
- $H_{13}$ : There is a significant relationship between Service and Brand choice

**Result:** P-value of Service is 0.000, smaller than 0.05. So, we accept the hypothesis 3, it is there is a significant relationship between service and brand choice of customer. However, the effect of service is weaker than Brand credibility and Environment because the coefficient of Service is smaller (0.202)

- $H_{04}$ : There is no significant relationship between Taste of Coffee and Brand Choice
- $H_{14}$ : There is a significant relationship between Taste of Coffee and Brand choice

**Result:** Difference with 3 previous factors, the significant level of Taste of Coffee is greater than 0.05. So, we accept  $H_0$ . It means that at the significant level of 95% confidence, Taste of coffee does not influence the choice of brand at the Coffee Bean and Tea Leaf. However, we can't conclude that Taste of coffee does not influence the choice of brand in overall

- $H_{05}$ : There is no significant relationship between Location and Brand Choice
- $H_{15}$ : There is a significant relationship between Location and Brand choice

**Result:** Like the result of Taste of Coffee,  $H_{15}$  also is rejected because the significant level of Location is higher than 0.05 (0.382). There is no relationship between Location and Brand choice

- $H_{06}$ : There is no significant relationship between Price and Brand Choice
- $H_{16}$ : There is a significant relationship between Price and Brand choice

**Result:**  $H_{16}$  is accepted because the significant level of its smaller than 0.05 (0.014). Beta of Price is lowest when comparing to Brand Credibility, Environment and Service. So, the effect of Price on Brand choice is weakest.

- $H_{07}$ : There is no significant relationship between Group influence and Brand Choice
- $H_{17}$ : There is a significant relationship between Group influence and Brand choice

**Result:** The significant level at 95% confidence of Group influence is 0.906, greater than 0.05. Therefore, we accept the null hypothesis. We can not conclude that the Group Influence does not affect choice of brand at the Coffee Bean and Tea Leaf.

- $H_{08}$ : There is no significant relationship between Advertisement and Brand Choice
- $H_{18}$ : There is a significant relationship between Advertisement and Brand choice

**Result:** Similarly with a result of Group Influence, Advertisement does not affect the choice of brand at The Coffee Bean and Tea Leaf. This means that the null hypothesis is accepted.

In summary, 4 factors that proved having a relationship with choice of brand at The Coffee Bean and Tea Leaf are Brand Credibility, Environment, Service and Price.

We have a regression model:

$$\text{BRC} = 0.422\text{BC} + 0.278\text{ENV} + 0.202\text{SER} + 0.135\text{PRI}$$

**Table 15. Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.564 <sup>a</sup>	.318	.294	.84009249	1.932

a. Predictors: (Constant), AD, GI, PRI, LOC, TOC, SER, ENV, BC

b. Dependent Variable: BRC

**Table 16. ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	75.971	8	9.496	13.456	.000 <sup>a</sup>
	Residual	163.029	231	.706		
	Total	239.000	239			

a. Predictors: (Constant), AD, GI, PRI, LOC, TOC, SER, ENV, BC

b. Dependent Variable: BRC

The Model Summary Table shows that the value of R square is 0.318. It means that 4 factors including Brand Credibility, Environment, Service and Price take an account of 31.8% in all factors that affect Brand choice at The Coffee Bean and Tea Leaf. 68.2% of another factor was not found out in this research. The value of R square is moderate. The significant level of F in ANOVA is 0.000 ( $p < 0.05$ ) reached the significant level of 95%. Hence, these factors are considered appropriate.

## 4.7 FURTHER FINDINGS

### 4.7.1 Difference in Brand choice between male and female

T-test is used when we want to compare the mean score, on some continuous variable, for 2 different groups of subject.

In this research, T-test is used to test the effect of Gender on Brand Choice. The two variables used are Gender (with male coded as 1 and female coded as 2).

The Hypotheses for this test are:

- $H_0$ : There is no significant difference in Brand Choice between male and female
- $H_1$ : There is significant difference in Brand Choice between male and female

**Table 17. Group Statistics**

Gender		N	Mean	Std. Deviation	Std. Error Mean
BRC	Male	110	-3.643	.921	.087
	Female	130	.0308	1.064	.093

**Table 18. Independent sample test**

		Levene's test for Equality of Variances		T-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
BRC	Equal variances assumed	2.113	.147	-.518	238	<b>.605</b>	-6.726	1.297
	Equal variances not assumed			-.525	2.379	<b>.600</b>	-6.726	1.281

**Result:** The significant level of T-test is 0.605 (greater than 0.05). So,  $H_0$  is accepted. It means that the overall brand choice of male is not significantly different from that of female.

#### **4.7.2 Difference in brand choice between Age groups**

In previous step, we used t-test to compare the scores of two different groups or conditions. However, I am interested in comparing the mean scores of more than two groups. One-way ANOVA can be used to test the mean score of 3 or more groups.

To test the different in brand choice between age groups, we have a hypothesis:

- $H_0$ : There is no significant difference in Brand Choice between age groups
- $H_1$ : There is significant difference in Brand Choice between age groups



**Table 19. ANOVA of Age Groups**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.125	2	.562	.560	.572
Within Groups	237.875	237	1.004		
Total	239.000	239			

**Table 20. Multiple Comparisons between Brand choice and Age Groups**

(I) Ages	(J) Ages	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Under 25	From 25 to 35	.1246	.1471	<b>.674</b>	-.222	.471
	Above 35	.1893	.1970	<b>.602</b>	-.2755	.6541
From 25 to 35	Under 25	-.1246	.1471	<b>.674</b>	-.471	.2224
	Above 35	.0647	.1816	<b>.932</b>	-.3637	.4931
Above 35	Under 25	-.1893	.1970	<b>.602</b>	-.6541	.275
	From 25 to 35	-.0647	.1816	<b>.932</b>	-.4931	.3637

The result shows that the significant level of each of age group is greater than 0.05. Hence, the null hypothesis is accepted.

It indicates that the choice of brand at The Coffee Bean and Tea Leaf is the same in each of age group.

#### **4.7.3 Difference in Brand choice between Occupation groups**

To test the difference between occupation groups, we have:

- $H_0$ : There is no significant difference in Brand Choice between occupation groups
- $H_1$ : There is significant difference in Brand Choice between occupation groups.

**Table 21. ANOVA of Occupation Groups**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.684	3	.228	.226	.878
Within Groups	238.316	236	1.010		
Total	239.000	239			

**Table 22. Multiple Comparisons between Brand choice and Occupation Groups**

BRC

Tukey HSD

(I) Occupation	(J) Occupation	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Staff	Manager	.0498	.1866	<b>.993</b>	-.432	.5327
	Freelancer	-.0529	.1903	<b>.992</b>	-.545	.439
	student	-.1097	.1695	<b>.916</b>	-.5483	.3288
Manager	Staff	-.0498	.1866	<b>.993</b>	-.5327	.4329
	Freelancer	-.1028	.2306	<b>.970</b>	-.699	.493
	student	-.1596	.2137	<b>.878</b>	-.7127	.3934
Freelancer	Staff	.0529	.190	<b>.992</b>	-.4395	.5458
	Manager	.1028	.2306	<b>.970</b>	-.4939	.699
	student	-.056	.2170	<b>.994</b>	-.618	.5046
student	Staff	.109	.169	<b>.916</b>	-.328	.548
	Manager	.1596	.2137	<b>.878</b>	-.3934	.712
	Freelancer	.056	.217	<b>.994</b>	-.5046	.6183

The significant level of all groups of occupation are greater than 0.05. So, we reject H<sub>12</sub>: There is significant difference in Brand Choice between occupation

groups. It means that whatever their occupation is, the level of preferable Coffee Bean brand is the same.

#### 4.7.4 Difference in Brand choice between Income groups

**Table 23. ANOVA of Income groups**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.013	2	.006	.006	.994
Within Groups	238.987	237	1.008		
Total	239.000	239			

**Table 24. Multiple Comparisons between Brand choice and Income groups**

BRC

Tukey HSD

		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
(I) Income	(J) Income				Lower Bound	Upper Bound
Under VND 5 million	From VND 5 million to VND 15 million	.0188	.171	<b>.993</b>	-.385	.422
	Above VND 15 million	.0162	.183	<b>.996</b>	-.417	.450
From VND 5 million to VND 15 million	Under VND 5 million	-.0188	.171	<b>.993</b>	-.422	.3852
	Above VND 15 million	-.0025	.148	<b>1.00</b>	-.352	.347
Above VND 15 million	Under VND 5 million	-.0162	.1839	<b>.996</b>	-.450	.417
	From VND 5 million to VND 15 million	.0025	.148	<b>1.000</b>	-.347	.352

The table 23 gave the result of testing the difference in brand choice between consumer who have income under VND 5 million, from VND 5 million to VND

15 million and Over VND 15 million. It indicated that there is no difference between income group in choice of brand at the Coffee Bean and Tea Leaf. The significant of 3 groups is greater than 0.05, hence, we accept the null hypothesis.

#### **4.8 SUMMARY**

This chapter shows the result of all tests for measurement scale, identify factors influencing the choice of brand at The Coffee Bean and Tea Leaf Ho Chi Minh City. The result of EFA indicated that the measurement scale of Brand Choice includes 8 independent variables: Brand Credibility, Environment, Service, Taste of Coffee, Location, Price, Group influence and Advertisement. Each measurement scale is reliability through Cronbach's Alpha test.

The equation of regression gives that there are only 4 independent variables from EFA, including brand credibility, service, environment and price, have the influencing the choice of brand at The Coffee Bean and Tea Leaf. The Brand Credibility has a strongest effect on Brand choice, while price is weakest. Hence, this is a factor that other brand need to concentrate more in the marketing strategies.

Chapter 4 also shows the result of T-test and ANOVA to test the difference between demographic variables (such as age, gender, income or occupation) and the choice of brand.

T-test was applied to test the difference between two groups of gender in brand choice. The result showed that there is no difference between male and female in the choice of brand at the Coffee Bean and Tea Leaf Ho Chi Minh at the significant level of 95%.

One-way ANOVA test was used to test the difference between groups of income, occupation and age in brand choice. Similarly to the result of T-test, there is no difference in brand choice between groups of age, income and occupation.

## CHAPTER 5

### CONCLUSION AND RECOMMENDATIONS

*In chapter 4, we discussed in detail about the result and some suggestions for enterprise. This chapter will express the main conclusion and point out some recommendations based on the findings in previous chapter, especially in chapter 4*

#### 5.1 CONCLUSION

The study aims to find out factors influencing the choice of brand at the Coffee Bean and Tea Leaf. From 8 initial independent variables, including Taste of Coffee, Service, Environment, Price, Location, Advertisement, Group Influence and Brand credibility, the result of regression analysis pointed out 4 factors affecting the choice of brand as below equation:

$$\text{BRC} = 0.422\text{BC} + 0.278\text{ENV} + 0.202\text{SER} + 0.135\text{PRI}$$

Based on this result, the Brand Credibility has the strongest impact on consumer brand choice, with the standard coefficient equal 0.422. It means that when deciding a place to drink coffee, meet friends, the consumer will care about the credibility of brand most. If a brand has a high credibility, a good reputation, they will take many advantages. Because the living standard of citizens is higher, they want to have experiences with brands making them feel satisfy and safe. Brand credibility not only has big impacts on brand choice but also customer satisfaction

and loyalty commitment and in result continuing choosing and using these brand more.

The second factor that impact on brand choice of Coffee Bean's consumers in Ho Chi Minh City is Environment of the store. In fact, a store has good space, an elegant decoration will make the customer feel excited. This is a reason why the coffee shop owners always spend much money do decorate their store. An impressive decoration will attract more customers. There is no one want to spend their money to drink coffee in a polluted, noisy and uncomfortable place. Understanding these things, the Coffee Bean makes their environment in flexible ways to meet the customer needs. For example, with young people, who love an opened-place, sometimes noisy, they can choose some stores located at the big buildings, shopping center such as store at Kumho Asiana Building, store at Metropolitan building or at Nowzone shopping center. In these place, the store is set nearly street, has the out-door space. Hence, young customers will feel comfortable when romping with their friend without caring to disturb others. For businessman, who wants to find a place to work with their partner, the Coffee Bean brings some store have a quiet space such as store at Pasteur Street or store at Vo Van Tan Street. These store are in-door store, it will reduce the noise from vehicles. This is a reason that makes the Coffee Bean brand become special in consumers' mind.

Service is the third factor which has the effect on consumer brand choice, with  $\beta=0.202$ . Initially, there are five items of service, however, the reliability test deleted one item about the uniform of staffs. The remaining items are related to the way the staffs of Coffee Bean serve the customers. Going to coffee shop is to relax after hard working, having fun, hence, a good service in the store is very

necessary. If the service is good, it will increase the customer satisfaction and their brand loyalty also.

The last factor influencing the choice of brand at The Coffee Bean and Tea Leaf is price. With the standard coefficient is 0.135, price has the weakest impact on brand choice. The Coffee Bean brand is a foreign brand. Hence, the price of coffee may be higher than some domestic brands. However, comparing to other foreign coffee brands in Ho Chi Minh City market such as NYDC, Starbucks or Gloria's Jean, the price of coffee is lower. The lower price doesn't mean that the quality of coffee is lower. The Coffee Bean brings to the best product for the price with the diversified menu. Because of these reasons, the price is a thing that consumers care when choosing Coffee Bean.

In summary, all the consumers of The Coffee Bean brand need when choosing a brand is a good place with good service, a reasonable price and can believe in their product (Brand trustworthy)

## **5.2 RECOMMENDATIONS**

The regression model told that the choice of brand at The Coffee Bean and Tea Leaf is strongly affected by brand credibility (BC) (Beta is 0.422). Besides that, 3 remaining factors also affect the choice of brand but weaker than BC. In details, Beta of ENV is 0.278, Beta of SER is 0.202 and Beta of PRI is 0.135.

### **5.2.1. Brand Credibility**

If the enterprise wants their customer think about their brand at first when they have an intention to go to coffee shop, The Coffee Bean must concentrate to develop their brand credibility. In Vietnam, brand credibility is very important. To build a strong brand name, each enterprise must build brand credibility at first. It



shows that the firm can do what they promised. Brand credibility affects strongly the purchase intention.

There are many ways to build brand credibility. In case of The Coffee Bean and Tea Leaf Ho Chi Minh city, their brand name had a long history from US and was appraised by many countries, however, whether 100% customer of Coffee Bean knows that it has the origin from US or not. Therefore, Coffee Bean needs to make the customer that their brand credibility is very strong. They need to have a ability to deliver what they promised in advertisement, in service so that when a customer think about Coffee Bean brand, they will see it as a trustworthy brand, always keep its promises, no more and no less.

They also should use items to present the brand to public, and to tell everybody the latest news about your business. Always make brand noticeable in advertising items. The name of the product may appear and obvious in giveaways to increase brand recall. Moreover, The Coffee Bean should give out free gifts that people can frequently use such as a pencil with logo of Coffee Bean, it allows you to build a positive relationship with them. Developing some products that suit with the market target, in detail, for young people, is very necessary. The advertising items ought to have the ability to signify the brand successfully so that the consumer can choose Coffee Bean brand.

### **5.2.2. Environment**

In environment sector, the Coffee Bean should add some extra European style furniture in the store, both small and big decorative, to attract and enhance customer interest, pay more attention to the maintenance and repair of their furniture to keep all store in the good condition. Another ways, they should separate the store into a space such as a space for smoker, for group or a space to work. This makes the customer who needs a quiet place to work feel excited and

create a concept of best place to work for all employee and employer after working time hours at office. From that, it can help increasing the brand loyalty.

#### **5.2.3. Service**

In service manner, The Coffee Bean should provide short training courses for all new employees (even part-time employees) so that they can have time to get used to the equipment and basic serving manner, and reduce the risk of making customer feel unsatisfied. Moreover, periodic courses should also be used for current employees so that they can update their knowledge and skills to satisfy with the ever-changing demand from customers. Encourage them think about customer care first. The care concept includes such simple steps as looking customers in the eye, smiling at them and greeting them promptly, refilling water glasses before they're empty. Serve drinks and appetizers promptly, and don't clear away dishes before the customer has had time to finish their meal, solve complains of consumers quickly.

#### **5.2.4. Price**

With price, The Coffee Bean should set a reasonable price for their product. In Ho Chi Minh coffee shop market, there are some big brands such as Gloria Jean's, NYDC, Starbucks, Angle in us, Highland Coffee, the price of Coffee Bean may be considered having a good price, not too high when compared with Starbucks or NYDC. The Coffee Bean should keep this advantage to attract more customers. Besides that, when The Coffee Bean have an intension to change price, they should concern more about their consumer needs, consumer's ability and willing to keep using their products, consumer lifestyle, characteristics of product. On the other hand, The Coffee Bean needs to know about their competitors such as how the competitors would react to your price change.

### **5.3 LIMITATION OF THE STUDY**

The first limitation of this research is the scope of the study. Due to the limit of time, this research is used to investigate factors affect brand choice of consumers in Ho Chi Minh City only. The sample size is 240, and the result of this research may be not right for all customers of Coffee Bean in Ho Chi Minh City.

The second limitation is some difficulties in collecting data. Some respondents were not willing to do a survey, some just finished a survey by choosing the answer randomly, not corresponding with their thought. That leads to some mistake during the data analysis steps. Furthermore, some shift leaders of the stores sometimes do not permit to collect data and this lead to the fact that, the time to collect data is very long.

Besides that, because of the lack of time, some concepts and research papers related to topic about brand choice cannot be reviewed clearly in chapter 2.

### **5.4 SUGGESTION FOR FURTHER RESEARCH**

The further research for this topic may be considered for more factors that influencing the choice of brand. This study conducted factors affect brand choice for 8 factors only, and the findings gave the result of 4 factors affect brand choice. Only 31.8% of the brand choice's variability was explained by the variability of dependent variable in the research model. Therefore, to be more specific and interesting, the later researches should add more factors such as consumer personality, trends, ect. Besides that, the questionnaire should have more items to increase Conbach's alpha, the measurement scale should be more flexible.

Moreover, the further research can test the relationship between independent variables such as the relationship between advertisement and brand credibility, price and tastes of coffee.

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## APPENDIX A

# FACTORS INFLUENCING THE CHOICE OF BRAND AT THE COFFEE BEAN AND TEA LEAF HO CHI MINH CITY

Dear Sir/Madam,

My name is Hoang Kim Ngan, I am student from International University – National University, Ho Chi Minh City. I am conducting a survey about the choice of brand of The Coffee Bean's customers in Ho Chi Minh City, which aims to serve my thesis requirement. Hope you spend time on filling the questionnaire below. The information is used for research purposes and any attached information will be kept confidential

Thank you for your supporting!

**SCREENING QUESTION:** Have you ever come to The Coffee Bean and Tea Leaf store?

**A.** No

**B.** Yes

Please CONTINUE if your answer is **B** or STOP here if your answer is **A**. Thanks for your help!

**PART A: Please circle one number as your answer,**

1= Strongly disagree

2=Disagree

3=Neither disagree nor agree

4= Agree

5= Strongly agree

<b>Factor</b>	<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Taste of Coffee</b>	The taste of coffee is unique	1	2	3	4	5
	Coffee is well-made	1	2	3	4	5
	Coffee reaches the standard of food safety	1	2	3	4	5
	Coffee has the stable quality	1	2	3	4	5
<b>Service</b>	Staffs are careful	1	2	3	4	5
	Staffs are professional	1	2	3	4	5
	The orders are accurate	1	2	3	4	5
	Uniform of staff is courteous	1	2	3	4	5
	Payment is quick	1	2	3	4	5
<b>Environment</b>	The space of store is polite	1	2	3	4	5
	The atmosphere is fresh	1	2	3	4	5
	Decoration of store is elegant and attractive	1	2	3	4	5
	The space is quiet	1	2	3	4	5
<b>Price</b>	Coffee has a reasonable price	1	2	3	4	5
	The CB offers a good product for the price	1	2	3	4	5
	The price is economical	1	2	3	4	5
	The price is lower than other brands	1	2	3	4	5
<b>Location</b>	Easy to find because it is located in	1	2	3	4	5

	center					
	Easy to go because it is located in big street	1	2	3	4	5
	Located in big buildings, shopping center makes a convenience for customers	1	2	3	4	5
	Located in big residential areas	1	2	3	4	5
<b>Advertisement</b>	The advertisements and promotion of CB is very interesting	1	2	3	4	5
	The advertisements make me want to come to the store	1	2	3	4	5
	The advertisements & promotions bring many benefit for me	1	2	3	4	5
	The advertisement & promotion make me feel excited when going to the store	1	2	3	4	5
<b>Group influence</b>	I know about the CB through friends, family	1	2	3	4	5
	I usually come to the CB store with friends.	1	2	3	4	5
	The choice of CB to come is suggested by my friends	1	2	3	4	5
	I usually decide to go to the CB without any suggestions from others	1	2	3	4	5
<b>Brand Credibility</b>	The CB brand is trustworthy	1	2	3	4	5
	Because the CB has the origin from	1	2	3	4	5

	US, I have confidence in their products					
	CB is prestigious because it is appraised by many experts of different countries	1	2	3	4	5
	I choose Coffee Bean because of its brand credibility	1	2	3	4	5
<b>Brand choice</b>	Coffee Bean is always my favorite brand name	1	2	3	4	5
	I will continue encouraging and choosing CB to come	1	2	3	4	5
	I will introduce CB for my friends	1	2	3	4	5
	I will come back this store many times	1	2	3	4	5

## PART B: PERSONAL INFORMATION

**Age:** ☐ Between 18 and 25    ☐ Between 25 and 35    ☐ Above 35

**Gender:** ☐ Male    ☐ Female

**Occupation:**

☐ Office staff    ☐ Manager    ☐ Freelancer    ☐ Student

**Monthly income:**

☐ <10 million VND    ☐ 10-20 million VND    ☐ >20 million VND

**THANK YOU FOR YOUR PARTICIPATION!**

## **APPENDIX B**

### **BẢNG KHẢO SÁT KHÁCH HÀNG VỀ THƯƠNG HIỆU THE COFFEE BEAN AND TEA LEAF TP. HỒ CHÍ MINH**

Thưa Anh/Chị,

Tôi là Hoàng Kim Ngân, hiện là sinh viên năm 4 ngành Kinh doanh Quốc tế trường Đại Học Quốc tế- Đại học Quốc gia Tp. Hồ Chí Minh. Tôi đang tiến hành một nghiên cứu về thương hiệu The Coffee Bean and Tea Leaf. Để hoàn thành bản nghiên cứu một cách tốt nhất, tôi rất mong nhận được sự giúp đỡ của Anh/Chị. Tôi cam kết chỉ sử dụng những thông tin dưới đây cho mục đích nghiên cứu và nó sẽ được bảo mật. Xin cảm ơn Anh/Chị!

#### **CÂU HỎI SÀNG LỌC: ANH/CHỊ ĐÃ TỪNG ĐẾN CỬA HÀNG THE COFFEE BEAN AND TEA LEAF**

A. CHƯA

B. RỒI

Anh/Chị vui lòng tiếp tục nếu câu trả lời là B.

Anh/Chị có thể dừng tại đây nếu câu trả lời là A. Chân thành cảm ơn sự giúp đỡ của Anh/Chị

#### **PHẦN A: ĐÁNH DẤU VÀO SỐ TƯƠNG ỨNG VỚI SỰ LỰA CHỌN CỦA BẠN THEO THANG ĐO SAU ĐÂY**

1= Hoàn toàn không đồng ý

2= Không đồng ý

3= Trung lập

4= Đồng ý

5= Hoàn toàn đồng ý

<b>Yếu tố</b>	<b>Câu hỏi</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Hương vị cà phê</b>	Hương vị cà phê rất đặc trưng	1	2	3	4	5
	Cà phê được pha chế cẩn thận	1	2	3	4	5
	Cà phê được chế biến hợp vệ sinh	1	2	3	4	5
	Cà phê được pha chế đều tay	1	2	3	4	5
<b>Phục vụ</b>	Nhân viên phục vụ chu đáo và nhiệt tình	1	2	3	4	5
	Tác phong của nhân viên rất chuyên nghiệp	1	2	3	4	5
	Thao tác order chính xác	1	2	3	4	5
	Trang phục lịch sự	1	2	3	4	5
	Thanh toán nhanh chóng	1	2	3	4	5
<b>Không gian</b>	Không gian quán lịch sự	1	2	3	4	5
	Không khí trong lành	1	2	3	4	5
	Cách bài trí trang nhã và bắt mắt	1	2	3	4	5
	Không gian yên tĩnh, không ồn ào	1	2	3	4	5
<b>Giá cả</b>	Giá cả phải chăng	1	2	3	4	5
	Giá cả phù hợp với chất lượng của sản phẩm	1	2	3	4	5
	Giá cả phù hợp với tình hình kinh tế hiện tại	1	2	3	4	5
	Giá thấp hơn với một số chuỗi cà phê nước ngoài khác.	1	2	3	4	5



<b>Vị trí cửa hàng</b>	Nằm ở trung tâm nên rất dễ tìm	1	2	3	4	5
	Nằm ở những con đường lớn dễ di chuyển	1	2	3	4	5
	Nằm ở những trung tâm thương mại, cao ốc rất thuận tiện	1	2	3	4	5
	Nằm ở khu dân cư đông đúc	1	2	3	4	5
<b>Quảng cáo</b>	Rất thú vị và đa dạng	1	2	3	4	5
	Những quảng cáo đó khiến tôi muốn đến Coffee Bean	1	2	3	4	5
	Chương trình quảng cáo khuyến mãi mang đến nhiều lợi ích cho tôi	1	2	3	4	5
	Chương trình quảng cáo khuyến mãi làm tôi rất hứng thú khi đến cửa hàng Coffee Bean	1	2	3	4	5
<b>Ảnh hưởng từ người xung quanh</b>	Tôi biết đến Coffee Bean qua bạn bè và người thân	1	2	3	4	5
	Tôi thường đến đây với bạn bè	1	2	3	4	5
	Sự lựa chọn Coffee Bean là nơi để đến của tôi thường do bạn bè, người quen đề nghị.	1	2	3	4	5
	Tôi thường chủ động đến đây mà không cần ai gợi ý	1	2	3	4	5
<b>Uy tín thương hiệu</b>	Coffee Bean là một thương hiệu rất đáng tin cậy	1	2	3	4	5
	Tôi tin tưởng vào những sản phẩm của	1	2	3	4	5

	Coffee Bean vì nó có xuất xứ từ Mỹ.					
	Thương hiệu Coffee Bean rất uy tín vì đã được thẩm định bởi nhiều quốc gia.	1	2	3	4	5
	Tôi đến Coffee Bean vì uy tín của thương hiệu này.	1	2	3	4	5
<b>Sự lựa chọn thương hiệu</b>	Coffee Bean luôn là thương hiệu yêu thích của tôi	1	2	3	4	5
	Tôi sẽ luôn ủng hộ và tiếp tục thưởng thức những sản phẩm ở đây	1	2	3	4	5
	Tôi sẽ rủ bạn bè, người thân cùng thưởng thức	1	2	3	4	5
	Tôi sẽ quay lại đây nhiều lần nữa	1	2	3	4	5

## PHẦN B: THÔNG TIN CÁ NHÂN

**Tuổi** ☐ Dưới 25 tuổi ☐ Từ 25 đến 35 tuổi ☐ Trên 35 tuổi

**Giới tính:** ☐ Nam ☐ Nữ

### Nghề Nghiệp

☐ Nhân viên văn phòng

☐ Quản lí

☐ Buôn bán tự do

☐ Học sinh-sinh viên

**Thu nhập hàng tháng**(nếu bạn là học sinh/sinh viên, thì bạn được cha mẹ chu cấp khoảng bao nhiêu một tháng?)

☐ Dưới 5 triệu

☐ Từ 5 đến 15 triệu

☐ Trên 15 triệu

**CHÂN THÀNH CẢM ƠN SỰ GIÚP ĐỖ CỦA BẠN!**

## APPENDIX C

### 1. Frequency Table of Demographic Variables

**Ages**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 25	73	30.4	30.4	30.4
	From 25 to 35	127	52.9	52.9	83.3
	Above 35	40	16.7	16.7	100.0
	Total	240	100.0	100.0	

**Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	110	45.8	45.8	45.8
	Female	130	54.2	54.2	100.0
	Total	240	100.0	100.0	

**Occupation**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Staff	113	47.1	47.1	47.1
	Manager	39	16.2	16.2	63.3
	Freelancer	37	15.4	15.4	78.8
	student	51	21.2	21.2	100.0
	Total	240	100.0	100.0	

**Income**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under VND 5 million	49	20.4	20.4	20.4
	From VND 5 million to VND 15 million	115	47.9	47.9	68.3
	Above VND 15 million	76	31.7	31.7	100.0
	Total	240	100.0	100.0	

## 2. Reliability test for Taste of Coffee (TOC)

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.799	.800	4

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
TOC1- The taste of Coffee is unique	10.95	4.001	.551	.367	.778
TOC2- The coffee is well- made	10.89	3.687	.691	.500	.709
TOC3- Coffee reaches the standard of safety	11.40	3.966	.542	.340	.783
TOC4- Coffee has the same quality	11.18	3.707	.668	.467	.720

### 3. Reliability test for Service (SER)

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.778	.780	5

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
SER1- Staffs are careful	16.00	5.728	.666	.531	.695
SER2- Staffs are professional	16.00	5.874	.685	.542	.692
SER3- The orders are right	15.88	6.664	.519	.290	.748

SER4- The uniform of staff is courteous	16.43	6.798	.362	.135	.800
SER5- Payment is quick	16.03	5.978	.554	.317	.736

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.800	.801	4

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
SER1- Staffs are careful	12.34	3.756	.696	.530	.706
SER2- Staffs are professional	12.34	3.900	.710	.539	.702
SER3- The orders are right	12.23	4.594	.524	.285	.790
SER5- Payment is quick	12.37	4.067	.538	.297	.790

#### 4. Reliability test for Environment (ENV)

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.847	.847	4

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
ENV1- The space of store is polite	9.79	6.411	.703	.498	.799
ENV2- The atmosphere is fresh	9.81	6.633	.737	.543	.783
ENV3- The decoration is elegant and attractive	9.47	7.095	.663	.449	.815
ENV4- The space is quiet	9.88	7.049	.640	.419	.825

## 5. Reliability test for Price (PRI)

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.739	.741	4

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
PRI1- Coffee has a reasonable price	10.77	5.073	.489	.251	.704
PRI2- The Coffee Bean offers a good product for the price	10.56	4.364	.571	.341	.656

PRI3- The price is economical	10.65	4.990	.516	.275	.690
PRI4- The price of coffee at Coffee Bean is higher than other brands	11.09	4.167	.562	.335	.665

## 6. Reliability test for Location (LOC)

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.778	.780	4

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
LOC1- Easy to find because it's located in the center	11.06	2.549	.517	.285	.757
LOC2- Easy to go because it's located at big streets	11.51	2.268	.578	.348	.728
LOC3- Located in big buildings, shopping centers make a convience for customers	11.15	2.418	.622	.392	.708
LOC4- Located in big residential areas	11.42	2.112	.626	.403	.703



## 7. Reliability test for Advertising (AD)

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.483	.487	4

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
AD1- The advertisements and promotions of Coffee Bean are very interesting	9.39	3.294	.090	.030	.584
AD2- Advertisements and promotions of Coffee Bean make me want to go to the store	9.08	2.530	.385	.251	.304
AD3- Advertisements and promotions bring many benefits for me	8.65	2.647	.374	.270	.321
AD4- Advertisements and promotions make me feel excited when going to the store	9.37	2.904	.301	.094	.394

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.584	.581	3

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
AD2- Advertisements and promotions of Coffee Bean make me want to go to the store	6.30	1.602	.443	.248	.404
AD3- Advertisements and promotions bring many benefits for me	5.88	1.613	.487	.266	.336
AD4- Advertisements and promotions make me feel excited when going to the store	6.60	2.090	.263	.072	.658

## 8. Reliability test for Group Influence (GI)

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.483	.544	4

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
GI1- I know about the Coffee Bean brand through my friends or relative	9.85	3.539	.328	.214	.376
GI2- I usually go to the Coffee Bean store with friends	9.81	2.867	.535	.518	.167
GI3- The choice of Coffee Bean to come is suggested by my friends	10.02	2.958	.489	.475	.213
GI4- I usually decide to go to Coffee Bean store without any suggestions from others	10.98	4.138	-.051	.005	.754

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.754	.751	3

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
GI1- I know about the Coffee Bean brand through my friends or relative	7.28	2.436	.446	.211	.814
GI2- I usually go to the Coffee Bean store with friends	7.23	1.828	.695	.518	.535
GI3- The choice of Coffee Bean to come is suggested by my friends	7.45	1.930	.625	.475	.622

## 9. Reliability test for Brand Credibility (BC)

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.848	.848	4

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
BC1- The Coffee Bean brand is trustworthy	11.40	5.654	.635	.414	.828
BC2- Because The Coffee Bean has the origin from US, I believe in their products	11.53	4.869	.704	.556	.801
BC3- Coffee Bean is very prestigious because it is appraised by many countries	11.55	4.726	.775	.635	.767
BC4- I choose Coffee Bean because of its brand credibility	11.48	5.640	.642	.473	.826

**10. Reliability test for Brand Choice (BRC)**

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.859	.860	4

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
BRC1- Coffee Bean is my favorite brand name	10.19	7.601	.714	.550	.818
BRC2- I will continue encouraging and choosing Coffee Bean to come	10.40	7.070	.734	.578	.808
BRC3- I will suggest Coffee Bean brand for friends	10.46	7.379	.659	.451	.840
BRC4- I will come back this store many times	10.68	7.155	.714	.517	.816