E-ISSN: 2963-3699
P-ISSN: 2964-0121
https://return.publikasikupublisher.com/index.php/return/index

ANALYSIS OF BRAND EXPERIENCE, BRAND LOVE AND; BRAND LOYALTY TO WILLINGNESS TO PAY PREMIUM PRICE TO STARBUCKS INDONESIA CONSUMERS IN JAKARTA

Syifa Ni'matun Nida[1*], I Made Sukresna[2]
Faculty of Economic and Business, Diponegoro University, Indonesia[1,2]
syifanimatunn@gmail.com[1]

ABSTRACT

This study was conducted with the aim to analyze the factors that influence brand loyalty and willingness to pay premium price in Starbucks Indonesia consumers in Jakarta. The development of consumer relationships with brands has become a focus for every business. Through brand-related communication, the brand acts as a system that engages buyers and sellers. Not only limited to the relationship between consumers and brands, but also related to greater sales, price vulnerabilities, better loyalty, and higher margins. SEM (Structural Equation Modeling) analysis was used as a data analysis method in this study. The research model used in this study is second order. The use of SEM with PLS (Partial Least Square) approach was chosen because it can be used effectively with small sample sizes and complex models The sample of this study amounted to 114 Indonesian Starbuks consumers in Jakarta. The results showed that brand experience has a positive and significant effect on brand love, brand experience has a positive and significant effect on brand loyalty, brand love does not have a significant effect on willingness to pay premium price, love for brand has a positive and significant effect on brand loyalty, brand experience does not have a significant effect on brand loyalty.Willingness to pay premium price, as well as brand loyalty have a positive and significant effect on willingness to pay premium price.

Keywords: *Brand Experience, Brand Love, Brand Loyalty, Willingness To Pay Premium Price*

INTRODUCTION

The development of relationships between consumers and brands has become a focus for every business actor (Ford & Håkansson, 2013). Through brand-related communication, the brand acts as a mechanism that engages buyers and sellers. Not only limited to the relationship between consumers and brands, but also related to greater sales, price vulnerabilities, better loyalty, and higher margins.

Starbucks is becoming the most recognizable international coffee shop brand and has taken the coffee industry by storm and changed the dynamism of coffee shops. *Starbucks* claims to be a brand that sells lifestyle by prioritizing experience above all other aspects (Michelli, 2007). Starbucks is positioning itself as "the retail coffee experience" by making outlets the third place (after home and office) that everyone goes to (Nurcholis, 2023).

The experience involves aroma, tranquility, affordable luxury, a sense of sociality, and some of the self-expression benefits of the enjoyment of coffee. This is also evidenced by Starbucks Indonesia's victory of 2 (two) awards obtained from the Experiential Marketing category (experience-based marketing) and 3 (three) awards from other categories at the "Marketing Excellence Awards 2022" organized by *Marketing-Interactive* Asia (Haig-Ferguson et al., 2019).

Starbucks has also become a brand adept at setting value-based prices to maximize profits by formulating price increases using consumer research and analysis aimed at getting the largest amount consumers are willing to pay. Profit maximization is a process for a company to determine the price and amount of output with the aim of generating the most profit. Companies are interested in a very high market because in that market there are categories of interest and vitality (David, 2004). It can also create a more loyal consumer base, by directly targeting consumers who have a *willingness to pay premium prices*.

Companies are willing to invest in premium markets because too often their core business faces pressure on its prices and margins. At the same time, margins in premium sectors where there is real innovation, *differentiation* and energy can be astounding. Accessing these margin sources is often more than just interesting, it can be imperative. Brand experience (Brand

Experience) *and brand love (*Brand Love) are two factors that can play a role in premium brand consumption. After all, consumers tend to develop greater love in hedonic product categories than in *utilitarian product categories* (Carroll & Ahuvia, 2006). Consumers seek functional benefits but also focus on the brand's inherent experience (Singh et al., 2021).

Previous research has been conducted by (Santos & Schlesinger, 2021), testing four brand variables in the same model in the context of television streaming novels and with leading creator brands such as Netflix. The results showed that Brand Experience and Brand Love have a significant direct influence on Brand Loyalty and willingness to pay premium prices in streaming TV services. In addition, the influence of brand experience on brand loyalty and willingness to pay premium prices is partly mediated by a love of the brand.

Studies conducted (Dwivedi et al., 2018) develop and empirically validate conceptual models that investigate how brand experience can influence consumers' willingness to pay (WTP) at a premium, as mediated by brand credibility and perceived uniqueness. Based on data collected from 405 new car buyers, the analysis revealed that brand experience influences consumers' WTP at a premium price directly or indirectly through brand credibility and perceived uniqueness (Dwivedi et al., 2018).

To support the research problem, based on the results of pre-survey interviews conducted by researchers to 5 (five) Starbucks Indonesia consumers that have been conducted, it is known that the five Starbucks consumers have loyalty, emotional connection, and even commitment to the Starbucks brand. This is supported by the results of interviews that show that the five consumers stay with the brand in a matter of months and even years. Consumers also register themselves as Starbucks members to get rewards or levels. All five consumers also said they could visit or buy Starbucks products on a recurring basis even more than 10 times a year.

One interesting phenomenon, although the income of the five consumers varies from income below UMR to far above UMR stated that Starbucks prices are fairly expensive when compared to other coffee brands. However, most said they would stick to the Starbucks brand and a small percentage would look for other options but would buy Starbucks. Some consumers also complained about inconsistent concoctions of beverage products and the cleanliness of shop facilities such as toilets.

The increase in coffee shop establishments makes this industry have to survive with very fierce competition, the ability of coffee shops to retain consumers by prioritizing consumer experience is important. A statement that requires further exploration. Focusing on dynamic coffee brands, researchers made Starbucks the locus of research because the brand is a well-known brand that serves as a role model for the coffee shop industry. This research study is a researcher's attempt to examine the influence of brand experience on brand love, brand loyalty, and *willingness to pay premium price* in the coffee shop industry.

RESEARCH METHOD

SEM (Structural Equation Modeling) analysis was used as a data analysis method in this study. The use of SEM with PLS approach was chosen because it can be used effectively with small sample sizes and complex models (Hair et al, 2017). The research model used in this study is second order. SEM analysis has two stages, namely measurement model analysis (outer model) and structural model analysis (inner model). Analysis of measurement models includes validity tests and reliability tests. While structural model analysis includes structural model tests related to relationships between variables (Hair et al, 2017). In this study, the selected population was Starbucks consumers with a total of 114 people. The sample that will be used as respondents is Starbucks consumers with criteria:

1. Make a purchase at least 2 times
2. Minimum age of 15 years (already working or having worked)
3. Have your own income.

RESULT AND DISCUSSION

Measurement Model Analysis (Outer Model)

Convergent Validity Test

To meet convergent validity, the *outer loading* value > 0.7 and the AVE (Average Variance Extracted) value > 0.5 (Hair *et al*, 2017). The outer *loading values* can be seen in Table 1 and Table 2 below.

Table 1 Outer Loading (First Order)

	Outer loadings	Information
AF1	0,829	Valid
AF2	0,829	Valid
AF3	0,831	Valid
AF4	0,858	Valid
AT1	0,837	Valid
AT2	0,871	Valid
AT3	0,886	Valid
B1	0,884	Valid
B2	0,805	Valid
B3	0,896	Valid
B4	0,921	Valid
PA1	0,832	Valid
PA2	0,867	Valid
PA3	0,843	Valid
PAS1	0,807	Valid
PAS2	0,862	Valid
PAS3	0,811	Valid
PAS4	0,794	Valid
PAS5	0,729	Valid
PAS6	0,846	Valid
PI1	0,864	Valid
PI2	0,802	Valid
PI3	0,899	Valid
PP1	0,805	Valid
PP2	0,772	Valid
PP3	0,860	Valid
PS1	0,767	Valid
PS2	0,820	Valid
PS3	0,841	Valid
WTPP1	0,893	Valid
WTPP2	0,845	Valid
WTPP3	0,938	Valid

Source: processed research data (2023)

Table 2 Outer Loading (Second Order)

	Brand Love	Brand Loyalty	Brand Experience	WTPP	Information
Afektif			0,894		Valid
Affection	0,944				Valid
Attitudinal		0,963			Valid
Behavioural		0,968			Valid
Intelektual			0,888		Valid
Passion	0,919				Valid
Behaviour			0,774		Valid
Sensors			0,828		Valid
WTPP1				0,893	Valid
WTPP2				0,845	Valid
WTPP3				0,938	Valid

Source: processed research data (2023)

Based on Table 1 and Table 2, the outer loading value of all indicators > 0.7, so the data is said to meet the first condition of convergent validity. While the AVE value can be seen in Table 3 and 4.

Table 3 Nilai Average Variance Extracted (First Order)

	Average variance extracted (AVE)
Afektif	0,718
Affection	0,700
Attitudinal	0,748
Behavioural	0,770
Intelektual	0,732
Passion	0,655
Behaviour	0,661
Sensors	0,656
WTPP	0,797

Source: processed research data (2023)

Table 4 Nilai Average Variance Extracted (Second Order)

	Average variance extracted (AVE)
Brand Love	0,867
Brand Loyalty	0,932
Brand Experience	0,718
WTPP	0,797

Source: processed research data (2023)

Based on Table 3 and Table 4 it is known that all AVE values > 0.5, so the data meet the second requirement of convergent validity. With the fulfillment of these two conditions, the data is declared to meet convergent validity.

Discriminant Validity Test

Hair et al (2017) Explains that a construct can be said to pass the discriminant validity test if it has greater loading values of the construct itself compared to other constructs. The validity of the discriminant will be seen when the AVE value can describe its own construct.

Table 5 Square Root Value Average Variance Extracted (First Order)

	Afektif	Affection	Attitudinal	Behavioural	Intelektual	Passion	Perilaku	Sensorik	WTPP
Afektif	0,847								
Affection	0,748	0,837							
Attitudinal	0,683	0,708	0,865						
Behavioural	0,699	0,753	0,864	0,877					
Intelektual	0,763	0,792	0,690	0,688	0,856				
Passion	0,613	0,736	0,602	0,669	0,589	0,809			
Perilaku	0,568	0,641	0,638	0,718	0,536	0,527	0,813		
Sensorik	0,673	0,563	0,599	0,591	0,692	0,368	0,501	0,810	
WTPP	0,586	0,611	0,694	0,755	0,552	0,554	0,610	0,461	0,893

Source: processed research data (2023)

Table 6 Square Root Value Average Variance Extracted (Second Order)

	Brand Love	Brand Loyalty	Brand Experience	WTPP
Brand Love	0,931			
Brand Loyalty	0,765	0,965		
Brand Experience	0,785	0,815	0,847	
WTPP	0,628	0,752	0,657	0,893

Source: processed research data (2023)

Table 5 and Table 6 show that the AVE square value for each variable is greater than the correlation value of other variables. This study also used cross loading values to see the validity of discrimination. The results of the cross loading calculation can be seen in Table 7.

Table 7 Cross Loading (First Order)

	Afektif	**Affection**	**Attitudinal**	**Behavioural**	**Intelectual**	**Passion**	**Behaviour**	**Sensorik**	**WTPP**
AF1	0,687	0,829	0,707	0,683	0,746	0,565	0,446	0,536	0,507
AF1	0,687	0,829	0,707	0,683	0,746	0,565	0,446	0,536	0,507
AF2	0,658	0,829	0,568	0,608	0,655	0,612	0,563	0,446	0,454
AF2	0,658	0,829	0,568	0,608	0,655	0,612	0,563	0,446	0,454
AF3	0,583	0,831	0,495	0,577	0,641	0,574	0,539	0,406	0,547
AF3	0,583	0,831	0,495	0,577	0,641	0,574	0,539	0,406	0,547
AF4	0,579	0,858	0,602	0,653	0,616	0,704	0,589	0,496	0,537
AF4	0,579	0,858	0,602	0,653	0,616	0,704	0,589	0,496	0,537
AT1	0,624	0,596	0,837	0,770	0,570	0,621	0,555	0,453	0,598
AT1	0,624	0,596	0,837	0,770	0,570	0,621	0,555	0,453	0,598
AT2	0,572	0,610	0,871	0,694	0,615	0,463	0,514	0,547	0,603
AT2	0,572	0,610	0,871	0,694	0,615	0,463	0,514	0,547	0,603
AT3	0,575	0,632	0,886	0,775	0,606	0,477	0,585	0,555	0,599
AT3	0,575	0,632	0,886	0,775	0,606	0,477	0,585	0,555	0,599
B1	0,622	0,696	0,795	0,884	0,611	0,670	0,556	0,511	0,676

B1	0,622	0,696	0,795	0,884	0,611	0,670	0,556	0,511	0,676
B2	0,581	0,703	0,632	0,805	0,572	0,701	0,653	0,411	0,594
B2	0,581	0,703	0,632	0,805	0,572	0,701	0,653	0,411	0,594
B3	0,621	0,612	0,779	0,896	0,598	0,487	0,644	0,566	0,677
B3	0,621	0,612	0,779	0,896	0,598	0,487	0,644	0,566	0,677
B4	0,628	0,644	0,813	0,921	0,631	0,513	0,674	0,574	0,699
B4	0,628	0,644	0,813	0,921	0,631	0,513	0,674	0,574	0,699
PA1	0,832	0,719	0,582	0,652	0,627	0,537	0,585	0,602	0,507
PA1	0,832	0,719	0,582	0,652	0,627	0,537	0,585	0,602	0,507
PA2	0,867	0,604	0,567	0,573	0,614	0,506	0,481	0,532	0,494
PA2	0,867	0,604	0,567	0,573	0,614	0,506	0,481	0,532	0,494
PA3	0,843	0,572	0,585	0,547	0,698	0,514	0,373	0,574	0,488
PA3	0,843	0,572	0,585	0,547	0,698	0,514	0,373	0,574	0,488
PAS1	0,608	0,604	0,565	0,592	0,597	0,807	0,433	0,422	0,454
PAS1	0,608	0,604	0,565	0,592	0,597	0,807	0,433	0,422	0,454
PAS2	0,451	0,661	0,437	0,509	0,499	0,862	0,490	0,200	0,437
PAS2	0,451	0,661	0,437	0,509	0,499	0,862	0,490	0,200	0,437
PAS3	0,529	0,537	0,441	0,487	0,473	0,811	0,289	0,303	0,423
PAS3	0,529	0,537	0,441	0,487	0,473	0,811	0,289	0,303	0,423
PAS4	0,408	0,523	0,357	0,408	0,359	0,794	0,371	0,188	0,314
PAS4	0,408	0,523	0,357	0,408	0,359	0,794	0,371	0,188	0,314
PAS5	0,504	0,614	0,632	0,686	0,486	0,729	0,522	0,375	0,614
PAS5	0,504	0,614	0,632	0,686	0,486	0,729	0,522	0,375	0,614
PAS6	0,479	0,625	0,491	0,566	0,438	0,846	0,444	0,302	0,448
PAS6	0,479	0,625	0,491	0,566	0,438	0,846	0,444	0,302	0,448
PI1	0,638	0,613	0,644	0,618	0,864	0,406	0,455	0,654	0,533
PI1	0,638	0,613	0,644	0,618	0,864	0,406	0,455	0,654	0,533
PI2	0,673	0,749	0,502	0,552	0,802	0,642	0,479	0,494	0,412
PI2	0,673	0,749	0,502	0,552	0,802	0,642	0,479	0,494	0,412
PI3	0,649	0,677	0,620	0,594	0,899	0,472	0,446	0,623	0,469
PI3	0,649	0,677	0,620	0,594	0,899	0,472	0,446	0,623	0,469
PP1	0,425	0,463	0,560	0,564	0,407	0,331	0,805	0,401	0,449
PP1	0,425	0,463	0,560	0,564	0,407	0,331	0,805	0,401	0,449
PP2	0,479	0,520	0,489	0,588	0,453	0,427	0,772	0,449	0,450
PP2	0,479	0,520	0,489	0,588	0,453	0,427	0,772	0,449	0,450
PP3	0,479	0,575	0,508	0,598	0,447	0,521	0,860	0,373	0,585
PP3	0,479	0,575	0,508	0,598	0,447	0,521	0,860	0,373	0,585
PS1	0,450	0,417	0,487	0,462	0,523	0,210	0,302	0,767	0,395
PS1	0,450	0,417	0,487	0,462	0,523	0,210	0,302	0,767	0,395
PS2	0,574	0,575	0,426	0,473	0,580	0,404	0,469	0,820	0,306
PS2	0,574	0,575	0,426	0,473	0,580	0,404	0,469	0,820	0,306
PS3	0,598	0,373	0,546	0,501	0,575	0,267	0,433	0,841	0,426
PS3	0,598	0,373	0,546	0,501	0,575	0,267	0,433	0,841	0,426
WTPP1	0,516	0,546	0,612	0,658	0,508	0,493	0,519	0,418	0,893

WTPP2	0,479	0,476	0,514	0,603	0,455	0,498	0,540	0,400	0,845
WTPP3	0,569	0,605	0,714	0,751	0,513	0,497	0,575	0,419	0,938

Source: processed research data (2023)

Table 8 Cross Loading (Second Order)

	Brand Love	Brand Loyalty	Brand Experience	WTPP
Afektif	0,736	0,716	0,894	0,586
Affection	0,944	0,758	0,818	0,611
Attitudinal	0,708	0,963	0,773	0,694
Behavioural	0,767	0,968	0,800	0,756
Intellectual	0,750	0,714	0,888	0,552
Passion	0,919	0,660	0,629	0,554
Behaviour	0,631	0,704	0,774	0,610
Sensors	0,509	0,616	0,828	0,461
WTPP1	0,560	0,659	0,583	0,893
WTPP2	0,521	0,580	0,556	0,845
WTPP3	0,596	0,760	0,618	0,938

Source: processed research data (2023)

Based on Table 7 and Table 8 it can be seen that the resulting cross loading value consistently produces a higher value than the loading factor value produced by the same statement item on another variable, therefore it can be interpreted that the data meets the discriminatory validity.

Reliability Test

Reliability tests in this study used Cronbach's alpha and composite reliability. A good Cronbach's alpha value is recommended to reach 0.7 or more than 0.7. The closer the number 1 is, the better. Meanwhile, the required composite reliability value is at least 0.7. The results of reliability tests in this study are shown in Table 9 and Table 10.

Table 9 Reliability Test (First Order)

	Cronbach's alpha	Composite reliability	Information
Afektif	0,804	0,884	Reliable
Affection	0,857	0,903	Reliable
Attitudinal	0,832	0,899	Reliable
Behavioural	0,900	0,930	Reliable
Intellectual property	0,816	0,891	Reliable
Passion	0,894	0,919	Reliable
Behaviour	0,743	0,854	Reliable
Sensors	0,738	0,851	Reliable
WTPP	0,872	0,922	Reliable

Source: processed research data (2023)

Table 10 Reliability Test (Second Order)

	Cronbach's alpha	Composite reliability	Keterangan
Brand Love	0,848	0,929	Reliable
Brand Loyalty	0,927	0,965	Reliable
Brand Experience	0,868	0,910	Reliable
WTPP	0,872	0,922	Reliable

Source: processed research data (2023)

Tables 9 and 10 show variable gauges having *Cronbach's alpha* and *composite reliability values* > 0.7. So it is concluded that all measuring instruments of this research have good reliability.

Multicollinearity test

The multicollinearity test can be known by looking at the magnitude of the correlation coefficient between independent variables, namely based on the value of VIF (*Variance Inflation Factor*). Data is declared free of multicollinearity if the VIF value < 5 (Hair et al, 2017). The results of the multicollinearity test in this study are shown in the following Table 11.

Table 11 Multicollinearity Test

	Brand Experience	Brand Love	Brand Loyalty	WTPP
Brand Experience		1,000	2,604	3,665
Brand Love			2,604	2,964
Brand Loyalty				3,392
WTPP				

Source: processed research data (2023)

Based on Table 11, it can be seen that the VIF value between variables < 5 means that there is no multicollinearity in this study.

Structural Model Analysis (Inner Model)

Model Conformity Test

The model suitability test in this study shows how well the hypothesized model structure against empirical data. The model suitability test in this study used NFI (Normed Fit Index) values and SRMR (Standardized Root Mean Square Residual) values. The results of the model conformity test are shown in Table 12.

Table 12 Model Conformity Test

	Saturated model
SRMR	0,068
d_ULS	0,309
d_G	0,304
Chi-square	201,414
NFI	0,816

Source: processed research data (2023)

Table 12 shows that the NFI value is 0.816 which is close to number 1, meaning that the model fit value in this study is 86.1%. To make up for the lack of expected NFI value of > 0.9, an SRMR value of 0.068 is used which indicates that the SRMR value < 0.080, meaning that this model is considered acceptable (Kock, 2018).

Path Coefficient Test

Path coefficients (β) show the influence between construct variables through bootstrapping procedures. The path coefficient (β) is expected to be in the range of –1 to 1. A positive (+) or negative (-) sign describes the type of influence of one variable with another. The significance value is obtained from the t-statistical test value using a two-tailed test with a significance level of 5% or ≥1.96. The p-value was tested with a significance level of 5% or lower than 0.05. Here are the test results of the path coefficient test in Table 13.

Table 13 Path Coefficient Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
KTM → LM	0,326	0,332	0,099	3,298	0,001
KTM → WTPP	0,093	0,098	0,114	0,815	0,415
LM → WTPP	0,610	0,608	0,146	4,188	0,000
PM → KTM	0,785	0,788	0,044	17,671	0,000
PM → LM	0,559	0,553	0,086	6,485	0,000
PM → WTPP	0,087	0,083	0,126	0,688	0,491

KTM: Brand Love, LM: Brand Loyalty, PM: Brand Experience, WTPP: *Willingness to Pay Premium Price*

Source: processed research data (2023)

Based on Table 13 it can be found that:

1) Brand experience has a significant effect on brand love with a path coefficient (0.785) and t statistic (17.671 > 1.96) or p value (0.000 < 0.05).
2) Brand experience has a significant effect on brand loyalty with path coefficients (0.559) and t statistics (6.485 > 1.96) or p value (0.000 < 0.05).
3) Brand experience had no significant effect on WTPP with path coefficients (0.087) and t statisticians (0.688 < 1.96) or p values (0.491 > 0.05).
4) Brand love has a significant effect on brand loyalty with path coefficients (0.326) and t statistics (3.298 > 1.96) or p value (0.001 < 0.05).
5) Brand love has no significant effect on WTPP with path coefficient (0.093) and t statistic (0.815 < 1.96) or p value (0.415 > 0.05).
6) Brand loyalty has a significant effect on WTPP with path coefficient (0,610) dan t statistic (4,188 > 1,96) atau p value (0,000 < 0,05).

fFsquare Test

F quare (0.02 low), (0.15 moderate), (0.35 high) (Hair et al., 2017).

Table 14 F Square Test

	Brand Love	Brand Loyalty	WTPP
Brand Experience	1,604	0,408	0,005
Brand Love		0,138	0,007
Brand Loyalty			0,257

Source: processed research data (2023)

Table 14 shows that:

1) Brand experience has a high influence on brand love with an f square of (1.604), has a high influence on brand loyalty with an f square of (0.408) and has a low influence on WTPP with an f square of (0,005).
2) Brand love has a moderate influence on f square brand loyalty of (0.138) and has a low influence on f square WTPP of (0,007).
3) Brand Loyalty has a high influence on WTPP f square (0,257).

Coefficient of Determination Test

The coefficient of determination test (R-Square) serves to determine the percentage of influence of other variables on the dependent variable. The coefficient of determination test in this study uses the R-square Adjusted value. A strong effect is shown when the value of the coefficient of determination is 0.75, moderate if the value of the coefficient of determination is 0.50 and weak if the value of the coefficient of determination is 0.25 (Hair et al., 2017). The results of the coefficient of determination test are shown in Table 15.

Table 15 Test coefficient of determination

	R-square	R-square adjusted
Brand Love	0,616	0,613
Brand Loyalty	0,705	0,700
WTPP	0,574	0,562

Source: processed research data (2023)

Table 15 shows that:

1) The magnitude of the influence of brand experience, brand loyalty and WTPP on brand love is 61.6%. In (Hair et al., 2017) including moderate influence.
2) The magnitude of the influence of brand experience, love for the brand and WTPP on brand loyalty is 70.5%. In (Hair et al., 2017) including moderate influence.
3) The magnitude of the influence of brand experience, love for the brand and brand loyalty to WTPP is 70.5%. In (Hair et al., 2017) including moderate influence.

Predictive Relevance Test (Q-square)

The predictive relevance test (Q-square) is a test conducted with a blindfolding procedure to show that certain variables used in the research model have predictive relationships with other variables in the research model. The predictive relevance test in this study uses a Q-square value with an expected value greater than zero. According to (Hair et al., 2017), Q-square > 0 (low) > 0.25 (low) > 0.50 (high). The results of predictive relevance can be seen in the following Table 16.

Table 16 Predictive Relevance Test (Q-square)

	Q^2predict
Brand Love	0,603
Brand Loyalty	0,659
WTPP	0,418

Source: processed research data (2023)

Table 16 shows that the Q-Square value of the brand love variable is 0.603 (high); the Q-Square value of the brand loyalty variable is 0.659 (high); and the Q-Square value of the WTPP

variable is 0.418 (low). So, it can be concluded that the Q-Square value is greater than expected, which is > 0. This shows the model has predictive relevance.

Hypothesis Testing

1. Test the Hypothesis

This study tested 6 hypotheses on the inner model. To find out whether a hypothesis is accepted or rejected can be done by paying attention to the significance value of t values, and p values. In the bootstrapping method in this study, the hypothesis is accepted if the significant value of t values > 1.96 and or p values < 0.05.

The following hypotheses are proposed in this study:

H_1: Brand experience positively influences brand love

H_2: Brand experience positively affects brand loyalty

H_3: Love for the brand has a positive effect on willingness to pay premium price

H_4: Brand love positively affects brand loyalty

H_5: Brand experience positively affects willingness to pay premium price

H_6: Brand loyalty has a positive effect on willingness to pay premium price

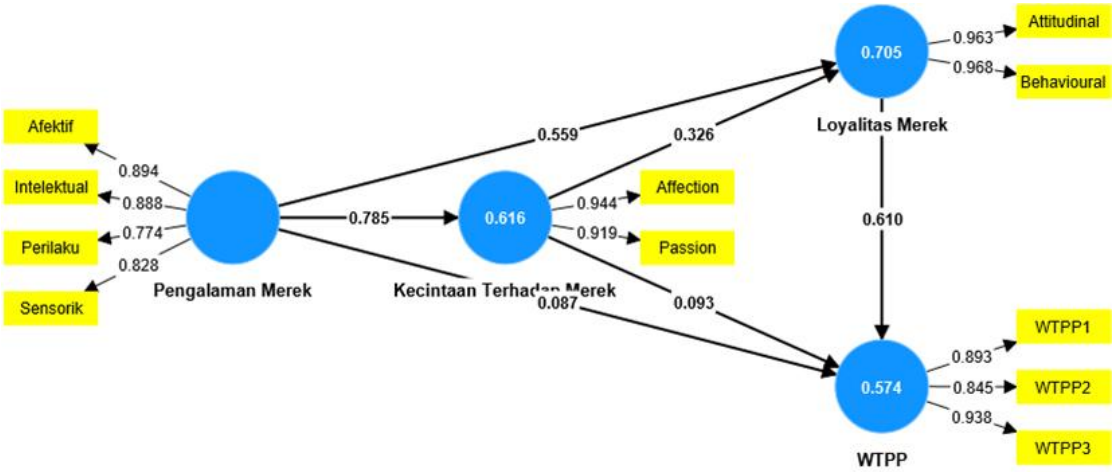

Figure 1 Research Model Testing

Source: processed research data (2023)

Based on the results of hypothesis testing, it can be concluded as follows.

Table 17 Hypothesis Conclusion

	Hypothesis	Path Coefficient	T statistic (|O/STDEV|)	P value	Test Results
H1	Brand Experience positively influences Brand Love	0,785	17,671	0,000	Accepted
H2	Brand Experience positively affects Brand Loyalty	0,559	6,485	0,000	Accepted
H3	Love for Brand has a positive effect on Willingness to pay premium price	0,093	0,815	0,415	Rejected
H4	Brand Love positively affects Brand Loyalty	0,326	3,298	0,001	Accepted

H5	Brand Experience positively affects Willingness to pay premium price	0,087	0,688	0,491	Rejected
H6	Brand Loyalty has a positive effect on Willingness to pay premium price	0,610	4,188	0,000	Accepted

Source: processed research data (2023)

2. Test Mediation

The effect of intervening on the model can be done by testing the effect of mediation on relationships between constructs through intervening. In the bootstrapping method in this study, the mediation relationship is considered significant if the t-value > 1.96 and or the p-value < 0.05.

Table 18 Test mediation

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
PM → KTM → WTPP	0,073	0,079	0,092	0,793	0,428
PM → KTM → LM	0,256	0,263	0,084	3,062	0,002
KTM → LM → WTPP	0,199	0,199	0,070	2,819	0,005
PM → KTM → LM → WTPP	0,156	0,157	0,058	2,685	0,007
PM → LM → WTPP	0,341	0,340	0,108	3,165	0,002

KTM: Brand Love, LM: Brand Loyalty, PM: Brand Experience, WTPP: *Willingness to Pay Premium Price*

Source: processed research data (2023)

Based on Table 4.23 it can be seen that:

1) Brand love did not significantly mediate the influence of brand experience on WTPP by (0.073) with t statistic (0.793 < 1.96) or p value (0.428 > 0.05).
2) Brand love significantly mediates the influence of brand experience on brand loyalty by (0.256) with a t statistic (3.062 > 1.96) or p value (0.002 < 0.05).
3) Significant brand loyalty mediated the influence of brand love on WTPP by (0.199) with t statistic (2.819 > 1.96) or p value (0.005 < 0.05).
4) Brand love and brand loyalty significantly mediated the influence of brand experience on WTPP by (0.156) with t statistic (2.685 > 1.96).
5) Significant brand loyalty mediated the effect of brand experience on WTPP (0.341) with a t statistic (3.165 > 1.96) or p value (0.002 < 0.05).

3. Influence Analysis

Influence analysis aims to identify the strength of influence between constructs both direct, indirect and total influence. The analysis produces total effects values that can show direct, indirect, and total effects in the following table 19:

Table 19 Total Effects Value

	Total effects
Brand Love -> Brand Loyalty	0,326
Brand Love -> WTPP	0,292
Brand Loyalty -> WTPP	0,610
Brand Experience -> Brand Love	0,785
Brand Experience -> Brand Loyalty	0,815

Brand Experience -> WTPP	0,657

Source: Processed research data (2023)

Table 19 shows that there is a total effect of brand love on brand loyalty of 0.326; brand love for WTPP of 0.292; brand loyalty to WTPP of 0.610; brand experience of brand love of 0.785; brand experience to brand loyalty of 0.815; and brand experience of WTPP of 0.657.

Discussion

The Effect of Brand Experience on Brand Love

The value of the variable path coefficient of brand experience towards brand love is 0.785 which means that the value of the path coefficient has a positive value. A positive sign illustrates that brand experience variables have a positive influence on brand love. That is, as the brand experience increases, the love for the brand will also increase. Furthermore, the t-statistic value of the brand experience variable towards the brand love variable is 17.671 which means the t value > 1.96, while the resulting p value is 0.0000 which means the p value is smaller than α = 0.05. This shows that the influence of brand experience on brand love is proving significant. With the fulfillment of all requirements in hypothesis testing, it can be concluded that H1 is accepted.

The results of this study are in line with research conducted by (Junaid et al., 2019; Singh et al., 2021). Brand Experience influences Brand Love because there is an emotional side to the Brand Experience construct. Because Love for Brand is the level of emotional attachment of consumers and hedonic emotions trigger Love for Brand (Ferreira et al., 2019).

The Effect of Brand Experience on Brand Loyalty

The value of the variable path coefficient of brand experience to brand loyalty is 0.559 which means that the value of the path coefficient has a positive value. A positive sign illustrates that brand experience variables have a positive influence on brand loyalty. That is, as the brand experience improves, brand loyalty will also increase. Furthermore, the t-statistic value of the brand experience variable to the brand loyalty variable is 6.485 which means the t value > 1.96, while the resulting p value is 0.0000 which means the p value is smaller than α = 0.05. This suggests that the influence of brand experience on brand loyalty is proving significant. With the fulfillment of all requirements in hypothesis testing, it can be concluded that H2 is accepted.

The results of this study are in line with research conducted by (Brakus et al., 2009) which shows that brand experience has a direct and indirect effect on brand loyalty. The study of Mathew & Thomas, (2018) shows the direct influence of brand experience on brand loyalty was found to be greater than its indirect effects, the contribution of brand experience is more than brand credibility and affective commitment. Similar findings also reported by Brakus et al. (2009), brand experience is a stronger predictor of brand loyalty than brand personality and satisfaction.

The Effect of Brand Love on Willingness to pay premium price

The value of the variable path coefficient of brand love for WTPP is 0.093, which means that the value of the path coefficient has a positive value. A positive sign illustrates that the variable of love for the brand has a positive influence on WTPP. That is, when the love for the brand increases, WTPP will also increase. Furthermore, the t-statistic value of the brand love variable for the WTPP variable is 0.815 which means the t value < 1.96, while the resulting p value is 0.415 which means the p value is greater than α = 0.05. This shows that the influence of brand love on WTPP proved insignificant. By not meeting all the requirements in hypothesis testing, it can be concluded that H3 is rejected.

The Effect of Brand Love on Brand Loyalty

The value of the variable path coefficient of brand love for brand loyalty is 0.326, which means that the value of the path coefficient has a positive value. A positive sign illustrates that

the variable of love for the brand has a positive influence on brand loyalty. That is, when love for the brand increases, brand loyalty will also increase. Furthermore, the t-statistic value of the brand love variable for the brand loyalty variable is 3.298 which means the t value > 1.96, while the resulting p value is 0.0001 which means the p value is smaller than α = 0.05. This shows that the influence of brand love on brand loyalty is proving significant. With all the requirements in hypothesis testing met, it can be concluded that H4 is accepted.

The results of this study are in line with the research conducted by (Fortes et al., 2019) which showing love for the brand positively affects brand loyalty. This positive and significant relationship between brand love and loyalty has been empirically proven in research (Bairrada et al., 2019); According to (Bairrada et al., 2019) A passionate love for a brand is a strong indicator of brand loyalty, translated into behavioral intent, such as continuing to buy the same brand to the detriment of competing brands.

In addition to these findings, research (Bairrada et al., 2019) discover the important connection between consumers' love of clothing brands and positive word-of-mouth. These results drive the huge potential of brand love, leading consumers to recommend their beloved brands to friends and others, as well as accentuating positive aspects. So, it seems reasonable that if consumers cultivate strong feelings such as love for a particular brand, it is expected that they will say positive things about that brand.

The effect of brand experience on Willingness to pay premium price

The value of the brand experience variable path coefficient against WTPP is 0.087 which means that the path coefficient value has a positive value. A positive sign illustrates that brand experience variables have a positive influence on WTPP. That is, as the brand experience improves, so will WTPP. Furthermore, the t-statistic value of the brand experience variable against the WTPP variable is 0.688 which means the t-value < 1.96, while the resulting p value is 0.491 which means the p value is greater than α = 0.05. This suggests that the influence of brand experience on WTPP proved insignificant. By not meeting all the requirements in hypothesis testing, it can be concluded that H5 is rejected.

The Effect of Brand Loyalty on Willingness to pay premium price

The value of the variable path coefficient of brand loyalty to WTPP is 0.610, which means that the value of the path coefficient has a positive value. A positive sign illustrates that the brand loyalty variable has a positive influence on WTPP. That is, when brand loyalty increases, WTPP will also increase. Furthermore, the t-statistic value of the brand loyalty variable to the WTPP variable is 4.188 which means the t value > 1.96, while the resulting p value is 0.0000 which means the p value is smaller than α = 0.05. This shows that the influence of brand loyalty on WTPP proved significant. With the fulfillment of all requirements in hypothesis testing, it can be concluded that H6 is accepted.

The results of this study are in line with research conducted by (Soedarto et al., 2019) Finding that loyalty affects willingness to pay a consistently premium price predicted that when consumers feel loyalty for a particular brand, they will not switch to another competing brand even if marketers set a premium price. According to (Narteh, 2018), Brand loyalty affects the willingness to pay a premium price because brand loyalty is strongly linked to purchase intent. In this notion, consumers who are deeply emotionally attached to a brand feel that the brand is irreplaceable, thus displaying certain behaviors such as a willingness to make financial sacrifices, including paying a higher price to acquire a particular brand.

Brand love mediates the influence of brand experience on willingness *to pay premium price*

The results of the mediation test stated that brand love mediated the influence of brand experience on willingness to pay premium price of (0.073) which means that this influence is positive. However, the role of brand love did not significantly mediate the effect of brand experience on brand loyalty with a statistical t value (0.793 < 1.96) or p value (0.428 > 0.05).

Love of the brand mediates the influence of brand experience on brand loyalty

The results of the mediation test stated that brand love mediated the influence of brand experience on brand loyalty by (0.256). Brand love plays a significant role in mediating the influence of brand experience on brand loyalty with t statistics (3.062 > 1.96) or p value (0.002 < 0.05). Based on the mediation analysis procedure using the method (Hair et al., 2017) this study shows that love for brands mediates partially (partial mediation).

Brand loyalty mediates the influence of brand love on willingness *to pay premium price*

The results of the mediation test stated that significant brand loyalty mediated the influence of brand love on the willingness to pay premium price of (0.199). Brand loyalty has a significant role in mediating the influence of brand love on the Willingness to Pay Premium Price with t statistic (2.819 > 1.96) or p value (0.005 < 0.05). Based on the mediation analysis procedure using the method (Hair et al., 2017) this study shows that brand loyalty mediates full mediation.

Brand love and brand loyalty mediate the influence of brand experience on willingness to pay premium price

The results of the mediation test stated that brand love and brand loyalty mediated the influence of brand experience on the willingness to pay premium price of (0.156). Brand love and brand loyalty significantly mediated the influence of brand experience on willingness to pay premium price by (0.156) with t statistic (2.685 > 1.96).

Brand loyalty mediates the influence of brand experience on willingness to pay premium price

The results of the mediation test stated that significant brand loyalty mediated the effect of brand experience on willingness to pay premium price of (0.341). Brand loyalty has a significant role to mediate the influence of brand experience on willingness to pay premium price with t statistic (3.165 > 1.96) or p value (0.002 < 0.05). Based on the mediation analysis procedure using the method (Hair et al., 2017) this study shows that brand loyalty mediates full mediation.

CONCLUSION

The results of the findings of this study prove and provide conclusions to answer these problems. This provides answers and an overview of a constructive mechanism and process on how to increase purchase volume by achieving the *willingness to pay premium price* as expected in this study:

First, based on the results of data analysis depicted on the analysis graph, the research model shows that brand loyalty is the dominant variable that influences the realization of willingness *to pay premium price*. Brand loyalty is an important construct for Starbucks because of its ability to retain and increase consumers or customers with *a willingness to pay premium price*.

Second, based on the *total effects* value, the path of brand experience to brand loyalty is the path with the highest value. Supported by the results of data analysis depicted on the model analysis graph, it can be shown that brand experience is the second variable that influences the realization of *willingness to pay premium price* through the role of brand loyalty. So it is very suitable to be used as a tool for Starbucks Indonesia to increase purchase volume. Because experiences result from stimuli and lead to pleasurable outcomes, it is expected that consumers will want to repeat those experiences.

Third, the results of data analysis depicted on the model analysis graph can be shown that brand love is the third variable that influences the realization of willingness *to pay premium price* through the role of brand loyalty. It can be interpreted that, love for the brand can be used to achieve a *willingness to pay premium price.* The greater the love for the brand, the greater the brand loyalty, the right direction to achieve the *willingness to pay premium price* for consumers.

REFERENCES

Bairrada, C. M., Coelho, A., & Lizanets, V. (2019). The Impact of Brand Personality on Consumer Behavior: The Role of Brand Love. *Journal of Fashion Marketing and Management*, *23*(1), 30–47. Google Scholar

Brakus, J. J., Schmitt, B. H., & Zarantonello, L. (2009). Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty? *Journal of Marketing*, *73*(3), 52–68. https://doi.org/10.1509/jmkg.73.3.52 Google Scholar

Carroll, B. A., & Ahuvia, A. C. (2006). Some Antecedents and Outcomes of Brand L ove. *Marketing Letters*, *17*(2), 79–89. Google Scholar

David, A. A. (2004). *Brand portfolio strategy : Creating Relevance, Differentiation, Energy, Leverage, and Clarity*. Google Scholar

Dwivedi, A., Nayeem, T., & Murshed, F. (2018). Brand experience and consumers' willingness-to-pay (WTP) a price premium: Mediating role of brand credibility and perceived uniqueness. *Journal of Retailing and Consumer Services*, *44*, 100–107. https://doi.org/10.1016/j.jretconser.2018.06.009 Google Scholar

Ferreira, P., Rodrigues, P., & Rodrigues, P. (2019). Brand Love as Mediator of the Brand Experience-Satisfaction- Loyalty Relationship in a Retail Fashion Brand. *Management & Marketing. Challenges for the Knowledge Society*, *14*(3). Google Scholar

Ford, D., & Håkansson, H. (2013). Competition in business networks. *Industrial Marketing Management*, *42*(7), 1017–1024. https://doi.org/10.1016/j.indmarman.2013.07.015 Google Scholar

Fortes, V. M. M., mILAN, G. S., Eberle, L., & Toni, D. De. (2019). Brand Loyalty Determinants In The Context Of A Soft Drink Brand. *RAM (Revista de Administração Mackenzie)*, *20*(5). https://doi.org/10.1590/1678-6971/eramr190015 Google Scholar

Haig-Ferguson, A., Loades, M., Whittle, C., Read, R., Higson-Sweeney, N., Beasant, L., Starbuck, J., & Crawley, E. (2019). "It's not one size fits all"; the use of videoconferencing for delivering therapy in a Specialist Paediatric Chronic Fatigue Service. *Internet Interventions*, *15*, 43–51. https://doi.org/10.1016/j.invent.2018.12.003 Google Scholar

Hair, J. F., Hult G. Tomas M., Ringle Christian M., & Sarstedt Marko. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)* (Second edition). Google Scholar

Junaid, M., Hou, F., Hussain, K., & Kirmani, A. A. (2019). Brand Love: The Emotional Bridge between Experience and Engagement, Generation-M Perspective. *Journal of Product and Brand Management*, *28*(2), 200–215. Google Scholar

Michelli, J. A. (2007). The Starbucks Experience: 5 Principles for Turning Ordinary into Extraordinary. *McGraw Hill, New York, NY*. Google Scholar

Narteh, B. (2018). Brand equity and financial performance The moderating role of brand likeability. *Marketing Intelligence & Planning*, *36*(3), 381–395. https://doi.org/10.1108/MIP-05-2017-0098 Google Scholar

Nurcholis, N. (2023). Analysis of the Influence of Destination Image, Tourist Attractiveness and Experience of Climbers on Interest in Repeat Visits with Satisfaction as an Intervening

Variable. *Return: Study of Management, Economic and Bussines*, *2*(2), 151–161. https://doi.org/https://doi.org/10.57096/return.v2i2.71 Google Scholar

Santos, M., & Schlesinger, W. (2021). When love matters. Experience and brand love as antecedents of loyalty and willingness to pay a premium price in streaming services. *Spanish Journal of Marketing - ESIC*, *25*(3), 374–391. https://doi.org/10.1108/SJME-11-2020-0201 Google Scholar

Singh, D., Bajpai, N., & Kulshreshtha, K. (2021). Brand Experience-Brand Love Relationship for Indian Hypermarket Brands: The Moderating Role of Customer Personality Traits. *Journal of Relationship Marketing*, *20*(1), 20–41. https://doi.org/10.1080/15332667.2020.1715179 Google Scholar

Soedarto, T., Kurniawan, G. S. A., & Sunarsono, R. J. (2019). The Parceling of Loyalty: Brand Quality, Brand Affect, and Brand Trust Effect on Attitudinal Loyalty and Behavioral Loyalty. *Academy of Strategic Management Journal*, *18*(1). Google Scholar