## BINUS UNIVERSITY INTERNATIONAL BINUS UNIVERSITY

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Examining the Customer Equity Framework from a Consumer Perspective: a Study of Non-Alcoholic Beverage Consumers in Jakarta and its Surroundings

Darius Widjaja (1301028274) Class/ Group: 08THE

## Abstract

**Objectives** - The aim of this research was to investigate and explore which of the drivers of value equity (quality, price, convenience) and brand equity (brand attitude, company attitude, awareness) impact the purchase intention in coffee and tea products, specifically Kapal Api and Teh Botol Sosro as the units of analysis, for respondents in Jakarta and its surroundings.

**Method** – The model of this research was proposed by Rust, Zeithaml and Lemon. Offline and online distribution of questionnaires were done, and response was analyzed using Cross tabulation analysis, Validity & Reliability testing, Independent sample t-test, and Multiple linear regressions to test the hypotheses of the study.

**Results** – Findings from 161 valid data revealed that for Coffee products, higher quality of coffee result in higher value equity, and higher awareness brings higher brand equity. For Tea products, quality and convenience of purchasing tea result in higher value equity, while brand attitude and awareness both have positive impact on brand equity. In both cases, better value and brand equity result in higher intention to purchase.

Conclusion – The research shows different results for tea and coffee products. This study showed that the framework employed by Rust, Zeithaml and Lemon in the original research paper was applicable in Jakarta and its surroundings, especially in the non-alcoholic beverage sector. Drivers of value and brand equity of tea and coffee products were discovered and new insights were found, such as, those who have positive brand attitude towards Kapal Api does not necessarily like to consume it, and Teh Botol Sosro has higher brand equity and awareness compared to the unit of analysis for Coffee, which is Kapal Api. The hypotheses supported in this research may be valuable in the development of marketing strategies or programs.

**Keywords** – Purchasing behavior, tea, coffee, value, brand, purchase intention.