ACKNOWLEDGEMENT

Praise and gratitude are given to Almighty God for all the blessings and guidance that have been given in guiding each process of making this thesis takes place for the difficult to finish it well, of course accompanied by a guide who continues to help guide it well.

The final paper entitled "LOCAL BRAND (MAXXCOFFEE) OR GLOBAL BRAND (STARBUCKS): EVIDENCE FROM THE INDONESIAN COFFEE DRINK MARKET" is aimed to fulfill the final requirement to attend the Bachelor Degree of Economics in Management. Besides, this final paper facilitates the process of learning and expanding the knowledge horizon.

The author would like to thank you for the dearest supervisor, Dr. Sidik Budiono, S.E., M.E who has been generously and patiently shared his knowledge and guided throughout the making of this paper. Without his kindness and support, the author would not be able to finish this paper in time.

The author realizes without any guidance, support, encouragement and prayer from various people, this final paper cannot be completed. Therefore, the author would like to thank profusely all those who have assisted in the process of completing this final paper, namely to:

- 1. Gracia Shinta S. Ugut, MBA., Ph.D as the Dean of Faculty of Economics.
- 2. Isana S.C. Merangga S.P., M.M as the Head of Management Departement.

- 3. Sandra Sembel S.E., S.Pd, M.M as the Head of International Business Concentration.
- 4. Dr. Pauline H. Pattyranie Tan, M.Si as the Academic Advisor.
- All lecturers who have educated and shared their knowledge during the study period in Universitas Pelita Harapan.
- 6. All staff and employees of Business School who have helped the author in administrative activities.
- 7. My beloved father and mother who have always been there for me, giving me never ending prayers, supports, and motivation, which makes this research paper is possible to be done.
- 8. My beloved brother who has always helped, supports, entertains and gives encouragement to remain persistent in completing this research paper.
- 9. Gilda Anindita who has always been a helper, mentor and advisor in all matters of my university world. She was faithful in helping and lifting me out of sadness, so many times lent me her laptop for me to take home so I could do my assignments.
- 10. Farah Sabrina, who is always available if I want to ask questions and has been instrumental in motivating me to stay strong and help correct my wrong research paper.
- 11. Michael Yuan, who has been my mentor in doing this research, always patient and willing to answer all my questions.

- 12. Erlis, Fertile, Giovani, Juliany, Metta, Michelle who have encouraged me to stay strong doing this research paper by buying two bottles of Starbucks.
- 13. To my college friends Hendry, Devin, Dedy, Putera, Albert, Bryan, Lisa, Ovel, Jessica Laura, Jessica Suryadijaya, Vania, Cindy, Owen, Yosua, Jacob, Yizzi, Natasha, Viyola, Ivana, Stefi, Daniel who have provided many exciting experiences that are very valuable during my college life
- 14. Countless parties who have helped me enormously in completing this paper, who could not possibly be mentioned one by one.

As final notes, the author realizes that without the help and support of the colleagues above, this research will not run smoothly and the researcher realizes that there are still many things that can be developed from this research and the researcher are also open to suggestions and criticisms were given for the future. The researcher hopes that this research can be continued and further developed to provide additional knowledge for readers.

TABLE OF CONTENTS

COVER		
FINAL AS	SIGNMENT STATEMENTAND UPLOAD AGREEMENT	
THESIS AI	PPROVAL	
THESIS DI	EFENSE COMMITE	
ABSTRAC	Т	v
ACKNOW	LEDGEMENT	vi
TABLE OF	F CONTENTS	ix
LIST OF F	'IGURES	xii
LIST OF T	ABLES	xiii
LIST OF A	APPENDICES	xiv
CHAPTER	RI	1
	esearch Background	
	esearch Problem	
1.3 Re	esearch Question	9
	esearch Objective	
	esearch Benefit	
1.6 Re	esearch Outline	11
CHAPTER	R II	12
2.1 Re	esearch Variables Used	12
2.1.1	Brand Awareness	12
2.1.2	Perceived Quality	13
2.1.3	Brand Associations	14
2.1.4	Brand Loyalty	14
2.1.5	Brand Equity	15
2.1.6	Purchase Intention	16
2.1.7	Willingness Pay Premium Price	17
2.2 R	elationships between Variables	17
2.2.1	Effect of Brand Awareness on Brand Equity	17
2.2.2	Effect of Perceived Quality on Brand Equity	19
2.2.3	Effect of Brand Associations on Brand Equity	20
2.2.4	Effect of Brand Loyalty on Brand Equity	21

2.2.	.5	Effect of Brand Equity on Purchase Intention	22
2.2.	.6	Effect of Brand Equity on Willingness to Pay Premium Price	23
2.3	Res	earch Model	24
2.3.	.1	Hypothesis	25
СНАРТ	ER I	II	26
3.1	Res	earch Paradigm	26
3.2	Res	earch Method	27
3.3	Typ	be of Research	28
3.4	Stu	dy Setting	29
3.5	Me	asurement	30
3.5.	.1	Variable	30
3.5.	.2	Conceptual Definition	32
3.5.	.3	Operational Definition	32
3.5.	.4	Scale	32
3.6	Uni	t of Analysis	39
3.7	San	nple Design and Number of Samples	
3.7.	.1	Sample Design	
3.7.		Number of Samples	
3.8	Tin	ne Horizon	43
3.9	Dat	a Collection Methods	43
3.10	Que	estionnaire Development	
3.10	0.1	Principles of Wording	46
3.10	0.2	Principles of Measurement	
3.10	0.3	General "Getup"	48
3.11	Dat	a Analysis	48
3.1	1.1	Feel for Data	48
3.1	1.2	Goodness of Data	50
3.1	1.3	Hypothesis Testing	53
3.12	Stru	nctural Equation Modeling - Partial Least Square	54
3.13	Pre	liminary Study	59
CHAPT	ER I	V	62
4.1	Pro	file of the Respondents	62
4.1.	.1	Age	62
4.1.	.2	Latest Education	63

4.1.	3 Profession	63
4.1.	4 Domicile	64
4.2	Actual Study	64
4.2.	1 Collinearity (VIF)	70
4.2.	2 Discriminant Validity	71
4.2.	3 Structural Model SmartPLS	73
4.2.	4 Adj R ²	80
4.2.	5 Q ²	81
4.2.	6 F ²	81
4.2.	7 Descriptive Statistic	82
4.3	Analysis	87
4.3.	1 Brand Awareness has a positive effect on Brand Equity	87
4.3.	2 Perceived Quality has a negative effect on Brand Equity	88
4.3.	3 Brand Associations has a negative effect on Brand Equity	89
4.3.	4 Brand Loyalty has a positive effect on Brand Equity	90
4.3.	5 Brand Equity has a positive effect on Purchase Intention	92
4.3.		
4.4	Discussion	
	ER V	
5.1	Conclusion	
5.2	Theoretical Implications	
5.3	Managerial Implications	99
5.4	Limitations and Recommendations for Further Research	103
BIBLIO	GRAPHY	106
APPENI	DIX A	115
APPENI	DIX B	119
APPENI	DIX C	122

LIST OF FIGURES

Figure 1.1	Produksi Kopi Indonesia (2012-2017)	
Figure 1.2	Konsumsi Kopi Nasional (2016-2021)	8
Figure 2.1	Research Model	24
Figure 3.1	Result Preliminary Model (Local)	61
Figure 3.2	Result Preliminary Model (Global)	6
Figure 4.1	Result Actual Model After Bootstrapping (Local)	74
Figure 4.2	Result Actual Model After Bootstrapping (Global)	75

LIST OF TABLES

Table 3.1	Quantitative vs Qualitative Research	28
Table 3.2	Conceptual Definition & Operational Definition	35
Table 3.3	Construct Reliability and Validity Preliminary (Local vs Global)	59
Table 4.1	Age of the Respondents	62
Table 4.2	Latest Education of the Respondents	63
Table 4.3	Profession of the Respondents	63
Table 4.4	Domicile of the Respondents	64
Table 4.5	Construct Reliability and Validity Actual (Local vs Global)	64
Table 4.6	Outer Loading (Local vs Global)	65
Table 4.7	Collinearity (Inner VIF-Local)	70
Table 4.8	Collinearity (Inner VIF-Global)	70
Table 4.9	Discriminant Validity (Fornell-Larcker Criterion-Local)	71
Table 4.10	Discriminant Validity (Fornell-Larcker Criterion-Global)	71
Table 4.11	Discriminant Validity (Heterotrait-Monotrait Ratio of Correlat	ions
	Local)	72
Table 4.12	Discriminant Validity (Heterotrait-Monotrait Ratio of Correlat	ions
	Local)	72
Table 4.13	Path Coefficient	76
Table 4.14	Adj R ²	
Table 4.15	Q^2	
Table 4.16	F ² (Local)	81
Table 4.17	F ² (Global)	82
Table 4.18	Standard Deviation & Mean Variable Brand Awareness	82
Table 4.19	Standard Deviation & Mean Variable Perceived Quality	83
Table 4.20	Standard Deviation & Mean Variable Brand Associations	84
Table 4.21	Standard Deviation & Mean Variable Brand Loyalty	84
Table 4.22	Standard Deviation & Mean Variable Brand Equity	85
Table 4.23	Standard Deviation & Mean Variable Purchase Intention	86
Table 4.24	Standard Deviation & Mean Variable Willingness to Pay Premium P.	rice
		86
Table 4.25	Comparative Mean Value of Local and Global Brands	94

LIST OF APPENDICES

APPENDIX A QUESTIONNAIRE	. A-1
APPENDIX B PRELIMINARY TEST & MODEL	A-2
APPENDIX C ACTUAL TEST & MODEL	A-3

