

The influence of co-branding, service quality, lifestyle, and brand image to customer's loyalty: A survey of global coffee brand in Indonesia



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Abstract The coffee shop industry in Indonesia is growing rapidly, characterized by more new entrants and increased competition. This study analyzes the effect of co-branding, service quality, lifestyle, and brand image on customer loyalty, with customer satisfaction as a mediating variable at Starbucks Coffee in Indonesia. A quantitative research approach was used using a survey method to collect data from 384 respondents who are Starbucks Coffee Reserve customers in Indonesia. The data is processed using SmartPLS 4 and SEM-PLS model to test the relationship between variables. The research findings indicate that co-branding and lifestyle has a significant positive effect on both customer satisfaction and customer loyalty. Service quality does not significantly influence customer satisfaction but has a significant negative impact on customer loyalty. Then, brand image has a significant positive influence on customer satisfaction, but its direct effect on customer loyalty is not significant. By knowing the significance of variables on customer satisfaction and customer loyalty, variables that have a large effect can be implemented as marketing improvement strategies for Starbucks Coffee in Indonesia.

Keywords: global coffee brand, co-branding, service quality, customer satisfaction, customer loyalty

1. Introduction

The opening of coffee outlets in Indonesia is currently overgrowing. Many new brands are emerging in the market. Momentum Works' report "Coffee in Southeast Asia, Modernizing Everyday Beverage Retailing" indicates that Indonesia will emerge as the leader of the modern coffee market in Southeast Asia by 2023 (Annur, 2023). The market is projected to reach US\$947 million by 2023, on the basis of the computation of the yearly turnover of the modern Indonesian coffee market.

Although many new brands have emerged in the Indonesian market, Starbucks coffee remains one of the most recognized global brands. Information from the official website of Starbucks underscores its preeminence in the food service sector, leading Fortune's 2023 ranking of the World's Most Admired Companies (One Starbucks, 2023). The company's success is driven mainly by its ability to adapt to market trends and efficiently manage its logistics and distribution network. Starbucks Coffee operates 591 stores in 59 cities in Indonesia (Statista Research Department, 2024). This extensive distribution network has played a significant role in expanding the brand's presence in Indonesia, especially compared with Starbucks Coffee's 523 stores in 2022 (Shafina, 2023).

Customer attitudes toward a brand play an important role in shaping customer satisfaction and loyalty. Attitude is an individual's reaction or response to an object, which ultimately affects individual behavior toward that object. On the basis of the attitude theory put forward by (Fishbein & Ajzen, 1975), attitudes consist of three main components, namely, cognitive, affective, and conative, which collectively influence customer behavior toward brands. A positive attitude toward an object, such as co-branding, service quality, lifestyle, and brand image, can encourage customer satisfaction, which ultimately leads to customer loyalty to Starbucks Coffee. The stimulus–organism–response theory of (Mehrabian & Russell, 1974) is also relevant for understanding how stimuli such as co-branding, service quality, and brand image, which consumers process and respond to with satisfaction, loyalty, or the opposite.

This research aims to increase customer satisfaction and loyalty toward Starbucks Coffee in Indonesia by examining the impacts of co-branding, service quality, lifestyle, and brand image on these variables.

2. Literature Review

2.1. State of the art



This research was inspired by previous research exploring the relationship between service quality and customer satisfaction. Samosir et al. (2024) discovered that exceptional customer service significantly affects positive client experiences after analyzing the elements that influence customer satisfaction. Alam & Noor (2020) demonstrated that a favorable corporate image can enhance the beneficial effect of service quality on customer loyalty by employing the S-O-R paradigm to investigate the interplay of service quality, corporate image, and customer loyalty. Istijanto et al. (2023) subsequently examined the impact of customer satisfaction on loyalty, emphasizing the importance of satisfaction as a determining factor in retaining customers.

Khan et al. (2022) additionally focus on how brand image affects customer satisfaction, demonstrating how a favorable brand image can increase customer satisfaction and loyalty levels. Research by Salmiah et al. (2024) has examined how crucial marketing tactics are to the coffee business, revealing that effective marketing approaches can increase brand appeal and influence customer satisfaction. This research approach is essential for comprehending the determinants of consumer pleasure and loyalty, which is the primary focus of this study.

2.2. Attitude Theory

Attitude is a person's response or response to an object that influences their behavior. According to Fishbein & Ajzen (1975), attitude consists of three components, cognitive (beliefs and knowledge), affective (feelings and emotions), and conation (intention to act). In the context of this study, factors such as brand collaboration, service quality, lifestyle, and brand image can shape customer attitudes towards global coffee brands. Positive attitudes towards these factors can increase customer satisfaction, which ultimately contributes to loyalty. However, this study found that service quality can have a negative impact on loyalty if expectations are not met, and brand image does not always have a direct impact on loyalty.

This attitude does not always directly lead to behavior, because the response given is influenced by positive or negative reinforcement (Doob, 1947). This means that two individuals with the same attitude can give different responses depending on the context and their experiences. Theoretical gaps arise because attitude theory assumes that positive attitudes will lead to positive behavior, but in the context of premium brands, this relationship can be more complex. Customers may have positive cognitive and affective attitudes toward a brand, but if the conative aspect is compromised due to experiences that do not meet expectations, loyalty may be weakened. Therefore, this study fills this gap by exploring how actual experiences can strengthen or weaken the relationship between satisfaction and loyalty in the premium coffee industry.

2.3. Stimulus-Organism-Response Theory

The S-O-R (Stimulus-Organism-Response) theory introduced by Mehrabian & Russell (1974) explains that the external environment (stimulus) can affect the psychological state of an individual (organism), which then produces a positive or negative behavioral response (response).

In the context of customer satisfaction and loyalty, this theory helps understand how external factors such as co-branding, service quality, lifestyle, and brand image affect customer perceptions and emotions, which ultimately shape their attitudes and loyalty (Zhu et al., 2020). In this study, the S-O-R theory is relevant to explain how customers of a global coffee brand respond to stimuli from brand elements. For example, service quality that does not meet expectations can be a negative stimulus that triggers a negative emotional response, reducing customer loyalty even though the brand image is strong. Conversely, positive stimuli such as relevant brand collaborations can strengthen satisfaction and loyalty if they are in line with the customer's lifestyle.

Theoretical gaps arise when customer responses do not always match the predictions of the linear S-O-R theory. This study found that although positive stimuli (example strong brand image) can increase satisfaction, loyalty does not always follow if other stimuli, such as service quality, are inconsistent. This suggests that the process in the organism stage is more complex, where customers' interpretation of stimuli can be influenced by very high expectations of premium brands. Therefore, this study fills the theoretical gap by revealing that customer loyalty depends not only on the presence of positive stimuli but also on the alignment and consistency of stimuli in shaping the customer experience holistically.

2.4. Co-branding

Co-branding is a marketing tactic in which two or more brands are marketed simultaneously to consumers as a single product to increase the total amount of brand assets compared to individual brand assets (Turan, 2021). Co-branding can also be referred to as two or more well-known brands combining offerings, each hoping to strengthen its brand and attract new customers. The co-branding strategy aims not only to gain positive evaluations of brand collaboration but also to create long-term effects for both parties. However, the success of co-branding depends heavily on the alignment of values and images of the brands involved. If there is a mismatch in brand positioning or product quality, the expected effect can be counterproductive, resulting in a decline in customer perceptions of both collaborating brands.

According to Rowley & Hanna (2019), co-branding can produce two main outcomes, namely the transfer effect, where favorable brand qualities enhance the other brand, and the spillover effect, where collaboration creates positive perceptions for both entities. However, these effects are not always positive. In the case of negative spillover effects, if one brand

experiences a decline in reputation or fails to meet customer expectations, the negative image can be transferred to the partner brand, damaging existing brand equity. Therefore, it is important for companies to not only consider the potential benefits of co-branding but also manage the reputational risks that may arise in collaboration.

In the distribution of Indonesian coffee trade, co-branding has great potential to increase competitiveness and expand market reach, but it also brings its own challenges. For example, if customers associate one brand with high quality but find that its co-branding partner does not live up to those standards, this can reduce overall customer satisfaction. Therefore, it is important for companies to evaluate the fit of brand values and carefully manage customer expectations so that potential negative impacts can be minimized (Garaus et al., 2022).

Hypothesis 1 (H1): Co-branding has a positive and significant influence on customer satisfaction.

Hypothesis 2 (H2): Co-branding has a positive and significant influence on customer loyalty.

2.5. Service quality

Service quality is a crucial concept in management and marketing because it has a direct effect on customer satisfaction and loyalty. Total customer satisfaction measures how much a customer believes a brand offers exceptional service. Service services have been defined since the 1980s by Churchill & Surprenant (1982) and Parasuraman et al. (1985). By comparing the company's actual service delivery with the customer's expectations, they popularized the idea of evaluating customer satisfaction. The SERVQUAL model was created by Parasuraman et al. (1988) in Zeithaml et al. (2017) and has since grown to be one of the most important frameworks for evaluating service quality. This model emphasizes five key dimensions, namely, tangibles, assurance, responsiveness, empathy, and consistency.

The quality of service is also affected by the interactions between service providers and customers. These interactions can influence customers' perceptions of the service quality they receive (Zeithaml et al., 2017). Customers evaluate service quality on the basis of their experience during the service process, starting from the first time they interact with the brand until the service is completed. Exceptional customer service positively influences customer loyalty and long-term financial profitability, enhancing customer satisfaction.

However, several studies have shown that service quality does not always have a positive impact on customer loyalty. Alam & Noor (2020) found that if service quality does not meet high expectations, customers tend to be disappointed and loyalty decreases, even though other aspects of the brand are still strong. In the context of a premium coffee brand, customers have high expectations of service standards. When the service reality does not match, customers feel that the brand promise is not fulfilled, triggering disappointment and decreasing loyalty. Even if service quality improves, but remains below expectations, customers tend to focus more on the discrepancy than on the improvement that has occurred. This suggests that customers' subjective perceptions play a greater role in shaping loyalty than service quality itself. Therefore, it is important for companies to not only improve service quality technically but also manage customer expectations and ensure a consistent experience to maintain loyalty, especially in the highly competitive premium coffee industry.

On the other hand, a study by Ge et al. (2021) found that consistently high service quality increases customer satisfaction, which then strengthens customer loyalty, especially at Starbucks Reserve stores in Shanghai. This study suggests that customers who perceive premium service quality are more likely to perceive value, thereby strengthening the emotional connection with the brand and increasing loyalty, even when there is a slight service mismatch. This suggests that in the context of a global brand that already has a strong image, perceived value can be an important mediator between service quality and customer loyalty.

Hypothesis 3 (H3): Service quality has a positive and significant influence on customer satisfaction.

Hypothesis 4 (H4): Service quality has a positive and significant influence on customer loyalty.

2.6. Lifestyle

Lifestyle is how a person spends their time through various activities, what they consider important in their environment, and how they view themselves and the world around them. Lifestyle is dynamic and can change over time, often influenced by social, economic, and cultural factors. According to Stuber et al. (2024), interventions that change the environmental context can encourage better lifestyle behaviors, suggesting that lifestyle choices are not only personal but also shaped by external factors that influence an individual's mindset and preferences.

Lifestyle can be linked to Abraham Maslow's theory of needs, which classifies human needs in a pyramid form ranging from physiological needs to self-actualization (Maslow, 1943). Global coffee brands not only meet basic needs through quality products but also meet customers' social and esteem needs through a comfortable atmosphere and strong brand image (Romero-Martínez & García-Muiña, 2021). However, this approach can be a double-edged sword. When brands fail to meet the expectations associated with a particular lifestyle, customers can feel that their identity and social status are compromised, which can negatively impact loyalty.

In Indonesia, the success of coffee brands in attracting customers is highly dependent on their ability to adapt to changing lifestyle preferences that are constantly evolving. For example, urban customers tend to seek convenience and

connectivity, while customers in other areas may prioritize product quality and value. If coffee companies focus too much on one aspect of lifestyle without considering the diversity of market preferences, they risk losing customer segments that want different values. Therefore, it is important for companies to adopt a flexible strategy, combining aspects of wide distribution, accessibility, and services that are relevant to customer needs, so that they can maintain brand relevance across changing market segments.

Hypothesis 5 (H5): Lifestyle has a positive and significant influence on customer satisfaction.

Hypothesis 6 (H6): Lifestyle has a positive and significant influence on customer loyalty.

2.7. Brand image

A customer's perception of a brand is shaped by their interactions, recollections, and relationships with that brand. In the context of Starbucks customer loyalty research, building and maintaining a positive brand image is essential for building and maintaining relationships with brands. According to Keller (2013), a brand image consists of various components, such as benefits, attitudes, and brand attributes, which shape consumer views. A strong brand image not only enhances customer satisfaction and trust but also strengthens loyalty. In the coffee industry, particularly for Starbucks, brand image is often linked to product quality, friendly service, a comfortable store atmosphere, and successful co-branding. In Indonesia's coffee trade distribution, a positive brand perception strongly correlates with customer satisfaction. Having a positive impression of a brand increases the likelihood that consumers will be satisfied with the product, especially when the brand aligns with their values in terms of product quality, personal identity, and lifestyle compatibility. Consistent brand image is vital in the competitive coffee sector, as it builds trust and fosters long-term customer loyalty.

However, the results of this study indicate that brand image only has a significant effect on customer satisfaction, but not directly on loyalty. This finding is in line with the research of Jasin et al. (2023) which states that brand image tends to strengthen satisfaction first, then loyalty indirectly through ongoing positive experiences. Brand image functions as a factor in forming initial expectations which, if supported by positive experiences, can lead to loyalty. However, brand image alone is not enough without consistency in customer experience. If the expectations built by brand image are high, but the reality is not in line, the positive impact on loyalty can be suppressed or even lost.

Meanwhile, research by Tahir et al. (2024) found that customer loyalty is more influenced by direct experience than just perceptions of brand image. Repeated and consistent experiences, such as pleasant interactions with staff or stable product quality, are key factors in forming ongoing loyalty. This strengthens the argument that real experience is a crucial element that turns satisfaction into loyalty. If the customer experience is inconsistent or disappointing, then a strong brand image is not enough to maintain customer loyalty in the long term. Therefore, companies need to ensure that every point of contact with customers truly supports the positive perception that has been built by the brand image so that loyalty can be maintained continuously. Hypothesis 8 (H8): Brand image has a positive and significant influence on customer loyalty.

Hypothesis 7 (H7): Brand image has a positive and significant influence on customer satisfaction.

Hypothesis 8 (H8): Brand image has a positive and significant influence on customer loyalty.

2.8. Customer satisfaction

Customer satisfaction is measured by the extent to which a product or service meets their expectations and needs, both in their past and current experiences. To improve satisfaction, brands must deeply understand the changing needs and preferences of customers (Fernandes et al., 2021). Customer satisfaction evaluations should be conducted periodically because strong loyalty often begins with high satisfaction. However, customer satisfaction is dynamic and can change over time, even if the product or service remains consistent in quality. This can happen when customers start comparing the product to other alternatives that offer more value or innovation. Therefore, satisfaction evaluations need to take into account changing preferences and broader market conditions, and incorporate a proactive approach that anticipates changes in customer expectations.

Customer satisfaction is essentially a reflection of how well a product or service meets customer expectations, but satisfaction evaluations are not sufficient at a single point in time. A more holistic evaluation process involves understanding whether the product or service meets, exceeds, or falls short of customer expectations. Tuncer et al. (2020) suggest that satisfaction can be defined as a positive or negative perception that arises from the interaction between customer expectations and perceived reality. Strong customer loyalty comes not only from high satisfaction, but also from the brand's understanding of these changing needs and the brand's ability to respond relevantly. Therefore, an effective marketing strategy must go beyond meeting customer expectations, but also focus on creating experiences that can surprise and satisfy customers on an ongoing basis.

Hypothesis 9 (H9): Customer satisfaction has a positive and significant influence on customer loyalty.

2.9. Customer loyalty

Customer loyalty refers to the tendency of consumers to continue to choose a particular brand for repeat purchases over time, providing long-term benefits to the brand (Aityassine, 2022). However, this loyalty is not only built through the quality of the product or service, but also through experiences driven by ease of access and convenience. In the context of distribution, brands that can provide products consistently through efficient distribution channels are more likely to retain customers. When products are easily accessible and available on time, consumers feel satisfied, which encourages them to continue making purchases from the brand. Therefore, effective distribution not only increases product availability but also strengthens the long-term relationship between the brand and customers.

In this case, a good distribution strategy directly contributes to customer loyalty. For example, for a global coffee brand, strategic placement of outlets in key locations and smooth product flow through the supply chain can strengthen customer convenience (Nguyen & Hoang, 2024). This suggests that an efficient distribution system can shape a more positive customer experience, which in turn encourages repeat purchases. In addition, good distribution also plays an important role in increasing the profitability and long-term success of a brand by retaining loyal customers (Shyu et al., 2023). By understanding the close relationship between distribution and loyalty, companies can design a more holistic strategy that focuses not only on the product, but also on how the product is reached and enjoyed by customers.

3. Materials and methods

3.1. Study model

According to the previously conducted literature review, the research framework model in this study is presented in Figure 1 as follows:

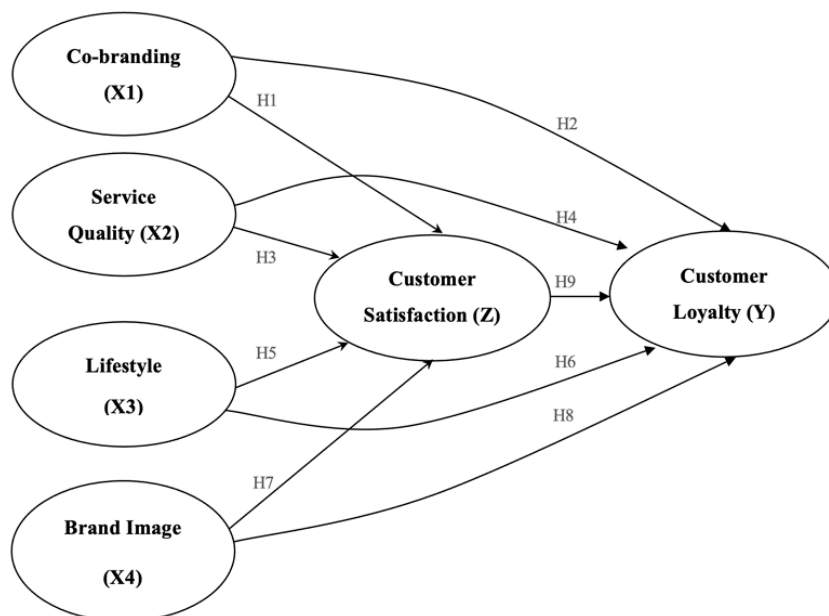


Figure 1 Research Framework.

An examination of the research mentioned in Figure 1 illustrates that this study has independent variables in the research framework: co-branding (X1), service quality (X2), lifestyle (X3), and brand image (X4). The mediating variable is customer satisfaction (Z), and the dependent variable is customer loyalty (Y). All arrows in the research framework represent the hypotheses to be tested in this study. This study has a significant contribution to the existing literature, because it fills the research gap by testing all four independent variables simultaneously. Unlike previous studies that only focus on a few independent variables in relation to customer loyalty, this study provides a more comprehensive approach by testing all variables at once and looking at the influence of customer satisfaction as a mediator. This opens up opportunities for a deeper understanding of the factors that influence customer loyalty in the context of global coffee brands.

3.2. Research populations

The research subjects or population chosen in this study were Starbucks Coffee Reserve visitors in Indonesia. Visitors to the Starbucks Coffee Reserve in Indonesia were chosen because they are office-dense areas, which have a variety of consumer segments that frequently premium coffee shops. There are 10 Starbucks Coffee Reserve outlets in Indonesia. With the Lemeshow formula and a 5% margin of error, the sample of this study included 384 respondents.



3.3. Research approach

This research uses a quantitative approach, characterized as a positivist methodology (Neuman, 2007). The quantitative approach involves collecting data that can be measured numerically and using statistical analysis to identify patterns and relationships between variables to generalize the study's results to a broader population.

3.4. Survey method

Surveys are employed to gather data from a substantial number of respondents to achieve a representative depiction of the variables being examined. Questionnaires are especially suitable for respondents who can assess public attitudes and opinions and collect responses from a large number of respondents who are difficult and time-consuming to observe (Nardi, 2014). According to Fowler (2014), surveys are effective tools for obtaining data from respondents who are scattered across various locations, which means that there are 10 Starbucks Coffee Reserve outlets in Indonesia.

The survey questionnaire consists of three sections. The initial section inquires about name, age, gender, occupation, and preferences regarding the consumption of Starbucks coffee. The second section contains questions about Starbucks Coffee Reserve outlets in Indonesia that have been visited. The third section consists of statements about the impressions and experiences that consumers have had at Starbucks Coffee Reserve in Indonesia. Co-branding, lifestyle, service quality, brand image, customer satisfaction, and customer loyalty are some of the most crucial topics to discuss. People are asked to rate how much they agree or disagree with the statements on a 5-point Likert scale. A score of 1 on the employed Likert scale denotes strong disagreement, and a score of 5 denotes strong agreement.

Table 1 shows six main variables in the study, namely co-branding, service quality, lifestyle, brand image, customer satisfaction, and customer loyalty. Each variable consists of several dimensions described by a certain number of measurement items. For example, co-branding has three dimensions: brand awareness, profitable, and unique, each with two items.

Table 1 Variables and Dimensions.

Variables	Dimensions
Co-branding	1.Brand Awareness (2 Items) 2.Profitable (2 Items) 3.Unique (2 Items)
Service Quality	1.Tangible (8 Items) 2.Reliability (2 Items) 3.Responsiveness (4 Items) 4.Assurance (4 Items) 5.Emphaty (2 Items)
Lifestyle	1.Activity (2 items) 2.Interest (2 Items) 3.Opinion (2 Items)
Brand Image	1. Types of Brand Association (6 Items) 2. Favorability of Brand Association (6 Items) 3. Strength of Brand Association (4 Items) 4. Uniqueness of Brand Association (4 Items)
Customer Satisfaction	1.Satisfaction with Loyalty (2 Items) 2.Satisfaction with Value (2 Items) 3.Considered the Best (2 Items)
Customer Loyalty	1.Repeat Purchase (2 Items) 2.Purchase in all Product Categories (2 Items) 3.Recommend to others (2 Items)

Meanwhile, Table 1 also shows that service quality includes five dimensions with a total of 20 items, and lifestyle consists of three dimensions with two items on each. Brand image is measured through four dimensions of brand association with a varying number of items. Then, customer satisfaction and customer loyalty each have three dimensions, with two items per dimension, indicating a consistent and systematic measurement structure.

3.5. Research type

This research utilized an explanatory quantitative methodology. The goal of explanatory research is to assess the relationships proposed in the hypothesis, and this study aims to determine the causal relationships among the variables under investigation (Nardi, 2014). In addition, explanatory research aims to describe the relationships, differences, and impacts between variables. This type of research contributes to the development and refinement of theories while also potentially challenging or disproving existing theories.



Surveys are crucial in explanatory research, as they facilitate the gathering of data from a substantial number of respondents, thereby offering an extensive overview of the relationships among variables (Creswell, 2009). Surveys are specifically designed to test hypotheses by collecting information about factors that may influence the variables under study. In surveys, respondents are asked to answer questions posed by the researcher without manipulating conditions or responses. The collected data are subsequently summarized via tables, graphs, or percentages. Researchers can determine if a significant causal relationship exists between the variables by analyzing these data.

3.6. Data collection techniques

The researcher intends to gather both primary and secondary data for this investigation. A structured questionnaire will be utilized to gather the primary data and distributed to respondents through Google Forms, emphasizing relevant demographics. Moreover, secondary data serve as additional information to complement primary data. These secondary data will be sourced from references such as books, scientific publications, government reports, previously conducted surveys, or organizational documents.

3.7. Data analysis techniques

This study employs nonprobability sampling, a technique in which not all population members have an equal likelihood of selection (Keyton, 2011). This study employed nonprobability sampling to enable researchers to select participants who possess specific and pertinent experiences. Purposive sampling, a nonprobability sampling technique reliant on the researcher's judgment for sample selection, was utilized. The researcher can specify and use particular criteria to include participants in the sample via purposeful sampling.

3.8. Data validation

To guarantee the accuracy and dependability of the measuring tools used in the survey, data validation was performed. The assessment's primary objectives were to determine construct validity and reliability, cross loadings, average variance extracted (AVE), and composite reliability (CR) are used to validate the data and ensure that all values meet acceptable thresholds. By using these data validation techniques, the measurement model is made sure to be statistically sound and suitable for testing the relationships that the study's hypothesis suggests.

4. Results and Discussion

Partial least squares structural equation modeling (PLS-SEM) is a statistical analysis method used in this study to investigate and model the relationships between variables. This technique is included in the SmartPLS software version 4.1.0.3, which was chosen because of its ability to handle complex models with a large number of indicators and non-normal data distribution. In this assessment, various tests were carried out to ensure the reliability and validity of the model, including construct reliability and validity to test internal reliability and convergent validity, and path coefficient to evaluate the strength and direction of the relationship between latent variables in the structural model.

In addition, specific indirect effects were used to test the mediating effect of customer satisfaction in linking independent variables to customer loyalty, providing deeper insight into how mediating variables affect the relationship path. Hypothesis testing was carried out through bootstrapping analysis to test the statistical significance of each relationship path, considering the T-statistic and P-value values to confirm whether the hypothesis was accepted or rejected. According to Creswell (2009), research must present information about the steps taken in data analysis, which in this context include collecting questionnaires, processing raw data, and structural testing through the PLS algorithm.

PLS-SEM, which integrates regression and factor analysis, allows researchers to test models involving direct, indirect, and mediation relationships simultaneously. This approach is very suitable for exploratory research or when the theoretical model is still developing, such as in this study which examines the effects of co-branding, service quality, lifestyle, and brand image on customer loyalty, with customer satisfaction as a mediating variable. One of the main advantages of PLS-SEM is its ability to estimate complex relationships without requiring strict data distribution assumptions, making it suitable for social and business research involving many latent variables. Its main function is to verify the suitability of the theoretical model, identify the strength of the relationship between variables, and explore relationship paths that may not be detected by traditional statistical techniques.

Based on the results of the reliability and construct validity analysis in Table 2, the Cronbach's alpha value for all variables is above 0.7, indicating strong internal reliability (Hair et al., 2021). In addition, the Composite Reliability (CR) value, both rho_a and rho_c, also exceeds the threshold of 0.7, indicating that the indicators in each construct consistently measure the same concept. For convergent validity, the Average Variance Extracted (AVE) value for all variables is greater than 0.5, indicating that more than 50% of the indicator variance is explained by the construct in question (Garson, 2016). For example, the Customer Loyalty (CL) construct has an AVE of 0.676, indicating that its indicators are quite capable of representing the customer loyalty

variable. Thus, these results confirm that each construct in this study is valid and reliable for use in further structural model testing.

Outer loadings indicate the extent to which indicators reflect the latent constructs being measured. In the measurement model using Partial Least Squares Structural Equation Modeling (PLS-SEM), outer loadings are used to evaluate convergent validity, namely how strongly the indicators relate to the latent variables being measured. According to Garson (2016), the ideal loading factor value is > 0.7, which indicates that the indicator has a substantial contribution in explaining the latent variables. However, a value between 0.5–0.6 is still acceptable if the Average Variance Extracted (AVE) of the construct remains above 0.5 and the indicator remains theoretically relevant.

Table 2 Construct reliability and validity.

	Cronbach alpha's	Composite reliability (rho_a)	Composite reliability (rho_c)	AVE
CB	0.890	0.891	0.917	0.647
SQ	0.951	0.953	0.956	0.520
LS	0.883	0.885	0.912	0.632
BI	0.947	0.950	0.953	0.503
CS	0.886	0.887	0.913	0.637
CL	0.904	0.906	0.926	0.676

Source: Data processing results from SmartPLS, 2024. *Note:* CB: Co-branding, SQ: Service quality, LS: Lifestyle, BI: Brand image, CS: Customer satisfaction, CL: Customer loyalty.

Based on Table 3, the indicators for the Co-branding (CB), Lifestyle (LS), Customer Satisfaction (CS), and Customer Loyalty (CL) constructs mostly have factor loadings above 0.7, indicating strong validity. This means that these indicators have a high correlation with their original constructs and make a significant contribution in measuring the variables.

Table 3 Outer loadings.

Item	CB	SQ	LS	BI	CS	CL
CB01	0.715					
CB02	0.851					
CB03	0.820					
CB04	0.810					
CB05	0.814					
CB06	0.810					
SQ01		0.686				
SQ02		0.676				
SQ03		0.674				
SQ04		0.651				
SQ05		0.698				
SQ06		0.727				
SQ07		0.721				
SQ08		0.731				
SQ09		0.695				
SQ10		0.733				
SQ11		0.720				
SQ12		0.756				
SQ13		0.755				
SQ14		0.759				
SQ15		0.718				
SQ16		0.708				
SQ17		0.737				
SQ18		0.729				
SQ19		0.745				
SQ20		0.794				
LS01			0.774			
LS02			0.794			
LS03			0.835			
LS04			0.788			
LS05			0.825			
LS06			0.753			
BI01				0.730		
BI02				0.703		
BI03				0.682		
BI04				0.714		



BI05	0.676	
BI06	0.601	
BI07	0.718	
BI08	0.744	
BI09	0.697	
BI10	0.723	
BI11	0.762	
BI12	0.767	
BI13	0.733	
BI14	0.765	
BI15	0.774	
BI16	0.733	
BI17	0.737	
BI18	0.697	
BI19	0.627	
BI20	0.551	
CS01		0.816
CS02		0.799
CS03		0.771
CS04		0.801
CS05		0.790
CS06		0.810
CL01		0.850
CL02		0.828
CL03		0.843
CL04		0.807
CL05		0.789
CL06		0.815

Source: Data processing results from SmartPLS, 2024.

Meanwhile, for the Brand Image (BI) and Service Quality (SQ) constructs, there are several indicators with loading factors between 0.5–0.6. Although lower, these indicators can still be maintained if their AVE still meets the validity threshold (AVE > 0.5). This shows that these indicators are still able to represent the latent construct quite well, although their contribution is lower than other indicators.

Overall, the outer loadings results in Table 3 support the convergent validity of the model, because most indicators show strong loadings, while lower indicators remain relevant and acceptable based on theoretical considerations and further statistical analysis.

The path coefficient test results demonstrate the direction and degree of relationship between the variables in the research model presented in Table 4. Increases in the independent variable usually result in increases in the dependent variable; conversely, if the coefficient is negative, the relationship is inverse. $T > 1.96$ and $P < 0.05$ denote a substantial relationship, which suggests that the effect of the independent variable on the dependent variable is real and not coincidental (Garson, 2016). Thus, these results in Table 4 help us understand the direct influence of each variable in influencing customer satisfaction and loyalty.

Table 4 Path Coefficients.

	Original sample (O)	Original mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
CB -> CS	0.193	0.194	0.075	2.576	0.010
CB -> CL	0.139	0.138	0.065	2.133	0.033
SQ -> CS	0.155	0.158	0.084	1.845	0.065
SQ -> CL	-0.155	-0.146	0.077	2.012	0.044
LS -> CS	0.375	0.371	0.081	4.648	0.000
LS -> CL	0.373	0.374	0.077	4.855	0.000
BI -> CS	0.201	0.203	0.084	2.406	0.016
BI -> CL	0.121	0.119	0.083	1.463	0.144
CS -> CL	0.483	0.478	0.090	5.379	0.000

Source: Data processing results from SmartPLS, 2024.

The results of the path coefficient test based on Table 4 show that customer satisfaction (CS) has the greatest influence on customer loyalty (CL) with a coefficient of 0.483, which means that the higher the customer satisfaction, the more likely they are to remain loyal. In addition, lifestyle (LS) also has a significant influence on customer satisfaction (0.375) and loyalty (0.373). This shows that a customer's lifestyle that is in accordance with the products or services offered contributes to improving their experience, which ultimately increases satisfaction and loyalty. Co-branding (CB) has a positive effect on



satisfaction (0.193) and loyalty (0.139), while brand image (BI) has a positive effect on customer satisfaction (0.201), although its effect on customer loyalty is not significant (0.121, $P = 0.144$).

On the other hand, service quality (SQ) does not have a significant effect on customer satisfaction (0.155, $P = 0.065$), indicating that improving service does not necessarily increase satisfaction directly. Interestingly, service quality actually has a negative relationship with customer loyalty (-0.155, $P = 0.044$), indicating that improving service quality can increase customer expectations, making them more critical or more likely to switch to competitors. Overall, these results indicate that customer satisfaction is a major factor in building loyalty, while customer lifestyle also plays an important role in increasing their satisfaction and loyalty to a brand or service.

The path coefficient model in Figure 2 illustrates the relationship between the independent and dependent variables in this study. The arrows indicate the direction of the relationship between variables, while the numbers listed on each path represent the path coefficient, which indicates how much influence one variable has on another. The greater the coefficient value, the stronger the influence of the independent variable on the dependent variable.

In this model, Customer Loyalty (Y) is the main dependent variable, while Co-Branding (X1), Service Quality (X2), Lifestyle (X3), and Brand Image (X4) act as independent variables. From the figure, it can be seen that Customer Satisfaction (Z) has an important role as a mediating variable that connects the independent variables with Customer Loyalty. The largest path coefficient appears between Customer Satisfaction and Customer Loyalty, indicating that customer satisfaction is the main factor contributing to their loyalty.

Meanwhile, the variables Co-Branding (X1), Service Quality (X2), Lifestyle (X3), and Brand Image (X4) have different influences on customer satisfaction, with some paths showing smaller coefficient values, indicating a weaker relationship. However, the indirect influence of these variables on customer loyalty through satisfaction still plays an important role. Thus, this model emphasizes that to increase customer loyalty, increasing customer satisfaction should be the main focus, which can be influenced by product or service quality, co-branding strategy, and suitability to customer lifestyle.

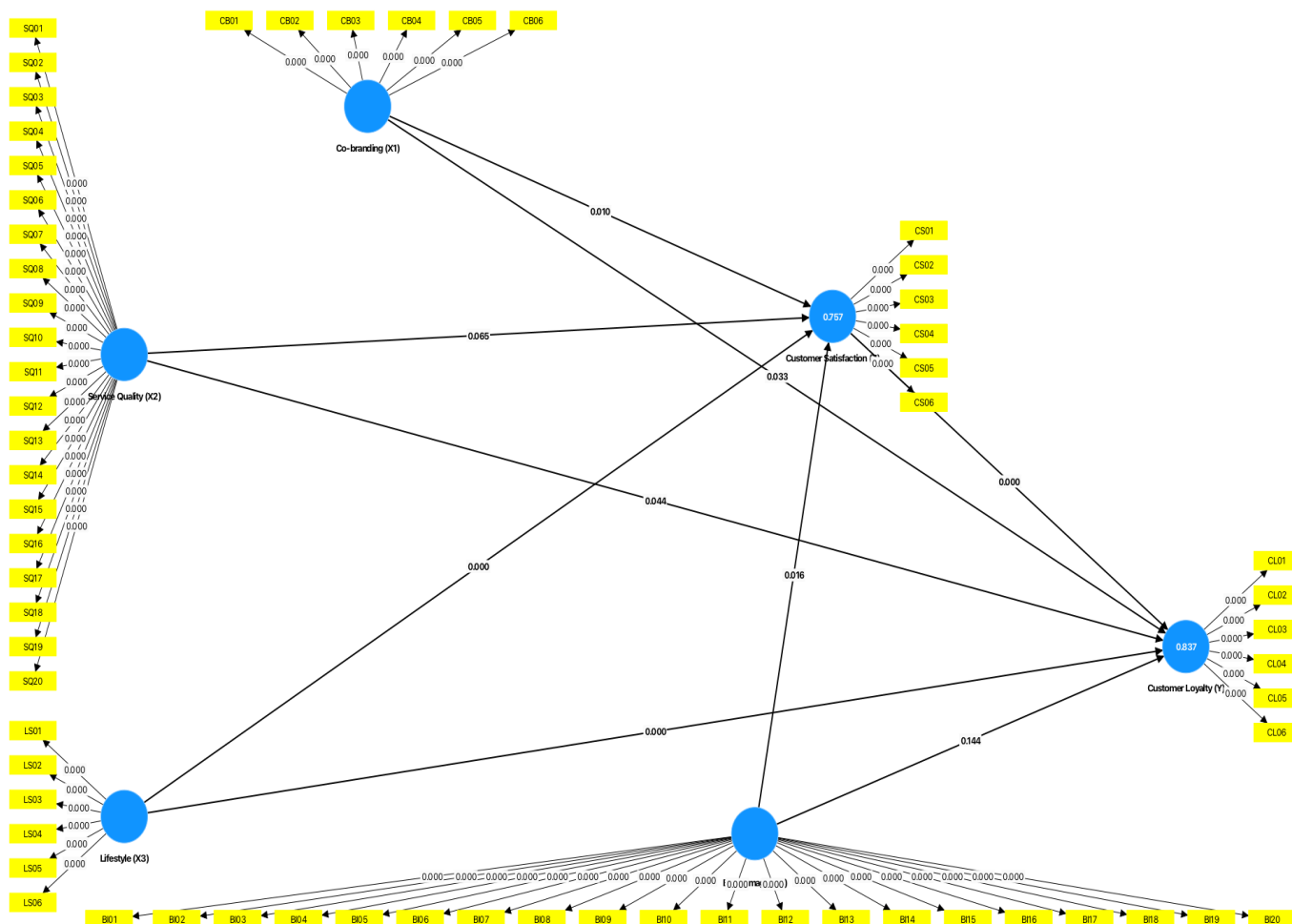


Figure 2 Path coefficients.

Table 5 shows specific indirect effects that illustrate how the independent variable affects the dependent variable through the mediating variable, in this case Customer Satisfaction (CS) as a mediator towards Customer Loyalty (CL). This indirect effect is important to understand how the variables in the model interact with each other in a more complex way than



just a direct relationship. According to (Garson, 2016), an indirect effect is considered significant if the $T > 1.96$ and $P < 0.05$, indicating that the relationship is not just a coincidence.

Table 5 Specific Indirect Effects.

	Original sample (O)	Original mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
CB -> CS -> CL	0.093	0.095	0.046	2.028	0.043
SQ -> CS -> CL	0.075	0.072	0.038	1.963	0.050
LS -> CS -> CL	0.181	0.178	0.052	3.479	0.001
BI -> CS -> CL	0.097	0.097	0.045	2.158	0.031

Source: Data processing results from SmartPLS, 2024.

The results based on Table 5 show that Co-branding (CB) affects Customer Loyalty (CL) through Customer Satisfaction (CS) with a coefficient of 0.093, a T of 2.028, and a P of 0.043, indicating a significant indirect relationship. This means that the co-branding strategy does not immediately increase customer loyalty directly, but first increases customer satisfaction, which then has an impact on their loyalty. In addition, Service Quality (SQ) has an indirect effect on Customer Loyalty (CL) through Customer Satisfaction (CS) with a coefficient of 0.075 and a T of 1.963, which is close to the significance limit ($P = 0.050$). This shows that service quality has an influence on customer loyalty, but the effect is weak and depends on customer satisfaction.

Meanwhile, Lifestyle (LS) shows a strong indirect effect on Customer Loyalty (CL) through Customer Satisfaction (CS) with a coefficient of 0.181, a T of 3.479, and a P of 0.001, which means this relationship is very significant. This confirms that customer lifestyle plays an important role in increasing their satisfaction, which ultimately drives loyalty to a brand or service. Then, Brand Image (BI) also has a significant indirect effect on Customer Loyalty (CL) through Customer Satisfaction (CS) with a coefficient of 0.097, a T of 2.158, and a P of 0.031. This suggests that a positive brand image can enhance customer satisfaction, which then contributes to their loyalty.

Table 6 presents the results of hypothesis testing that show which hypotheses are accepted and rejected based on the data analysis that has been done. This table is the basis for seeing the extent to which each independent variable has a significant influence on the dependent variable in this study.

Table 6 Hypothesis test results.

Hypothesis	Analysis
H1: Co-branding has a positive and significant influence on customer satisfaction.	Accepted
H2: Co-branding has a positive and significant influence on customer loyalty.	Accepted
H3: Service quality has a positive and significant influence on customer satisfaction.	Rejected
H4: Service quality has a positive and significant influence on customer loyalty.	Accepted
H5: Lifestyle has a positive and significant influence on customer satisfaction.	Accepted
H6: Lifestyle has a positive and significant influence on customer loyalty.	Accepted
H7: Brand image has a positive and significant influence on customer satisfaction.	Accepted
H8: Brand image has a positive and significant influence on customer loyalty.	Rejected
H9: Customer satisfaction has a positive and significant influence on customer loyalty.	Accepted

Source: Data processing results from SmartPLS, 2024.

This study sought to ascertain how customer satisfaction acts as a mediating factor between co-branding, service quality, lifestyle, and brand image in relation to customer loyalty that the results are presented in Table 6.

H1: Co-branding has a substantial and favorable effect on customer satisfaction, as evidenced by $T=2.576$ and $P=0.010$. This suggests that co-branding strategies can increase customer satisfaction, especially when the collaborating brands have complementary values or images. This collaboration creates added value that enhances customer experiences and positive perceptions of the service. Research by Gligor & Maloni (2021) underscores that co-branding and co-creation of value significantly influence customer satisfaction, whereas the alignment between collaborating brands is crucial to the results. When co-branding partners are better in terms of brand value and customer expectations, they result in higher levels of satisfaction, as customers perceive greater value from the collaboration. The research reinforces this idea, showing that a well-matched co-branding partnership positively affects customer satisfaction.

In this study, the path coefficient value of 0.193 indicates that the effect of co-branding on customer satisfaction is quite significant, although it is not included in the category of a very large effect. Based on Cohen (1988) standards, the effect size of this relationship can be categorized as small to medium, depending on the overall R^2 value of the model. Nevertheless, the contribution of co-branding to customer satisfaction remains significant and cannot be ignored, especially in an industry where customer trust and experience play a major role in building brand loyalty. Therefore, implementing the right co-branding strategy and selecting partners that align with customer values are key factors in maximizing its benefits.

H2: co-branding significantly influences customer loyalty, with $T=2.133$ and $P=0.033$. This finding shows that co-branding strategies can increase customer loyalty by creating unique and memorable experiences. Robust collaboration between brands can enhance brand associations in consumers' minds and foster loyalty. These results are supported by previous research from Turan (2021), which emphasized that successful co-branding initiatives significantly increase customer loyalty. This research



highlights that when brands collaborate effectively, they create unique value propositions that strengthen customer loyalty by enhancing brand perceptions and providing complementary benefits to consumers.

In addition, Khajeheian & Ebrahimi (2021) reported that effective collaboration can create a more engaging experience for customers, which in turn strengthens their loyalty to the brand. The research confirms that active and collaborative interactions between brands can encourage customers to feel more connected and engaged, which increases their loyalty.

The path coefficient value of 0.139 indicates that the effect of co-branding on customer loyalty is small to moderate. The contribution of co-branding to customer loyalty has a real impact, although it is not dominant compared to other factors that may be more influential. This value indicates that although co-branding can increase customer loyalty, its impact will be more optimal if combined with other factors such as customer satisfaction, service quality, or the emotional value of the collaborating brands. Thus, an effective co-branding strategy must be designed not only to increase brand awareness but also to create an immersive customer experience so that its impact on loyalty is more significant.

H3: There is a nearly significant correlation between customer satisfaction and service quality, with $T=1.843$ and $P=0.065$. This finding suggests that although a positive correlation between customer satisfaction and service quality may exist, it does not have statistical significance at the conventional threshold value ($T > 1.96$ and $P < 0.05$). This finding is contrary to previous studies showing that service quality substantially increases customer satisfaction (Ginting et al., 2023; Fida et al., 2020; Samosir et al., 2024; Supriyanto et al., 2021). However, this result can be explained by the research of Lee & Kim (2021), which found that in the coffee industry, the relationship between service quality and customer satisfaction is highly dependent on pre-formed expectations. Customers of premium coffee brands tend to have high standards, so if the service does not exceed expectations, satisfaction can decrease even if the quality is good. Therefore, in addition to service quality, other factors such as cafe atmosphere and emotional value also play an important role in shaping overall customer satisfaction.

This finding can be explained theoretically through Attitude Theory (Fishbein & Ajzen, 1975), which states that customer attitudes are formed through cognitive, affective, and conative processes. For the Global coffee brand in Indonesia, customers may have very high cognitive expectations of service quality as part of a premium brand. However, if the reality of the service does not fully meet these expectations, the customer's affective aspect may be disrupted, so that the satisfaction felt becomes weaker or statistically insignificant.

In addition, other factors such as premium prices, hangout experiences, and emotional connections with the brand may be more dominant in influencing customer satisfaction than service quality alone. This is relevant in the context of coffee culture in Indonesia, where Starbucks Coffee is often seen as a symbol of lifestyle, not just a provider of quality coffee. Thus, service quality that slightly deviates from expectations can be covered by stronger emotional and social aspects in shaping overall customer satisfaction.

H4: $T=2.012$ and $P=0.044$ indicate that the relationship between customer loyalty and service quality is negative but significant. This finding suggests that improving service quality may not always result in increased customer loyalty and may even have the opposite effect if expectations are not met.

This result is consistent with research by Alam & Noor (2020), which found that service quality that does not meet customer expectations can damage loyalty, especially for premium brands associated with high standards. In this context, service quality acts as a cognitive trigger that influences customer attitudes. When customer expectations are high, for example, due to a premium brand image, service quality that falls slightly short of expectations can result in strong emotional dissatisfaction, even if the service is objectively good. This is relevant to the findings of H4 which showed a negative but significant relationship.

Research by Ge et al. (2021) also supports this finding by revealing that perceived service quality is directly related to customer satisfaction which affects loyalty, especially at Starbucks Reserve in Shanghai. When customers feel that service quality does not meet their expectations, the perceived service value decreases, leading to dissatisfaction and reducing long-term loyalty. This is further strengthened by research by Dewi et al. (2021) which emphasizes that service quality and customer happiness have a significant impact on loyalty. Budi et al. (2021) also found that loyalty in product distribution is influenced by how well the service meets customer expectations. Improving service quality, if it does not meet expectations, can actually reduce loyalty.

This finding can be explained through Attitude Theory (Fishbein & Ajzen, 1975), which explains that when service quality does not match expectations, customers experience disappointment that reduces their intention to remain loyal. In the competitive Indonesian coffee market, holistic experiences, including lifestyle and social values, are much more important than just the technical aspects of the service. Starbucks, for example, serves as a place to socialize and a status symbol, if service quality does not match these expectations, customers may switch to other brands that offer more emotionally and socially satisfying experiences. Thus, although the effect of service quality on customer loyalty is significant, the path coefficient value of -0.155 indicates that the effect is small to moderate (Cohen, 1988). This confirms that customer loyalty is more influenced by holistic experiences than just technical service quality.

H5: $T=4.648$ and $P=0.000$ show that lifestyle significantly positively affects customer satisfaction. This shows how brand values and customer lifestyles can converge to increase customer satisfaction. Customer satisfaction with a product or service increases when it corresponds with their lifestyle. This result corresponds with the conclusions of Soliha et al. (2021), who

highlighted how lifestyle has a significant influence on determining consumer satisfaction and perception. As their personal values and brand offerings align, customers who share a similar lifestyle with a brand are more likely to feel satisfied, which enhances the overall customer experience. A deeper emotional connection is established, and customer satisfaction increases when brands successfully appeal to consumers' lifestyle aspirations. This finding supports the conclusions of the study, as brands that align with consumers' lifestyle preferences can significantly increase customer satisfaction and underscore the significance of lifestyle as a strategic element in marketing.

The path coefficient value of 0.375 indicates that the magnitude of the influence of lifestyle on customer satisfaction is moderate to large. This value indicates that lifestyle has a strong contribution in explaining the variability of customer satisfaction compared to other factors in the model. This means that a marketing strategy that emphasizes the alignment between the product and the target audience's lifestyle can have a substantial impact on customer satisfaction. Therefore, companies need to understand and integrate customer lifestyle values and preferences in brand communications and product development to ensure greater relevance and appeal.

H6: Lifestyle has a positive and significant effect on customer loyalty, with $T=4.855$ and $P=0.000$. These findings suggest that consumers are more inclined to maintain loyalty to brands or services that align with their lifestyles. Organizations that adapt to the requirements and tastes of their clientele are more likely to secure recurring patronage. This aligns with other studies emphasizing the impact of lifestyle congruence on consumer loyalty, especially in industries where values and personal identity are intricately connected to the brand (Eskiler & Safak, 2022).

In terms of effect size, the path coefficient value of 0.373 indicates that lifestyle has a significant influence on customer loyalty. This value indicates that when a brand can reflect or complement the lifestyle of its consumers, the likelihood of customers remaining loyal will increase significantly. This effect is quite strong, indicating that customer loyalty is not only influenced by functional factors such as price or service quality, but also by how well a brand aligns with the customer's personal identity and preferences. Therefore, a marketing strategy that emphasizes the creation of lifestyle-based communities and experiences can be a powerful tool for strengthening customer loyalty in the long term.

H7: Brand image and customer satisfaction are positive and significant, with $T = 2.406$ and $P = 0.016$, which indicates that $T > 1,96$ and $P < 0.05$, which supports the hypothesis. This discovery aligns with prior studies conducted by Rahi et al. (2020), as it highlights that a strong brand image significantly increases customer satisfaction. According to the research, customer satisfaction is strongly affected by how well a brand is perceived and meets customer expectations. This finding supports the idea that a well-managed brand image directly contributes to customer satisfaction, further reinforcing the strategic importance of brand positioning in a competitive market landscape.

The path coefficient value of 0.201 indicates that the effect size of the influence of brand image on customer satisfaction is in the small to medium category. Although not as large as other factors in the model, this figure still shows that brand image has a significant role in shaping customer satisfaction. This confirms that building a positive brand image is not only about differentiation in the market, but also about meeting customers' emotional and rational expectations. In other words, although other factors such as price and service quality may be more dominant, a strong brand image remains an important element in ensuring that customers are satisfied and have a positive relationship with a brand. Therefore, companies need to consistently strengthen their image through effective communication, consistent brand experiences, and relevant innovations in order to maintain high levels of customer satisfaction.

H8: Brand image and customer loyalty have positive but statistically insignificant results, with $T=1.463$ and $P=0.144$. These results indicate that although there is a positive trend, the trend does not meet the statistical significance threshold ($T > 1,96$ and $P < 0.05$). This finding supports previous research by Jasin et al. (2023). Research indicates that brand image does not instantaneously bolster consumer loyalty, highlighting the need to focus on other more significant factors.

In contrast, research by Li & Lee (2024) showed that a strong and good brand image significantly increases customer loyalty, while conceptually remaining consistent with research highlighting the indirect benefits of a strong brand image on loyalty. A previous study revealed that brand image affects loyalty not only directly but also through other mediating factors, such as consumer engagement and satisfaction. In addition, Tahir et al. (2024) asserted that direct customer experience plays a greater role in building loyalty than just brand image perception. This finding is relevant in the context of this study, because although the brand image of a global coffee brand is strong, customer loyalty may depend more on the quality of interactions and the consistency of service perceived repeatedly. This implies that there may be a complex and situational relationship between brand image and loyalty, where brand image is the initial trigger, but ongoing service experience is the main determinant for maintaining customer loyalty.

This finding can be explained through the Stimulus-Organism-Response (S-O-R) Theory (Mehrabian & Russell, 1974). In this context, brand image acts as a stimulus that triggers emotional and cognitive reactions (organisms) in customers, which then influence loyalty responses. If a strong brand image stimulus is not followed by a corresponding service experience, customers may feel satisfied perceptually, but loyalty does not develop significantly.

In a competitive premium coffee market like Indonesia, customers are not only looking for a good brand image but also a real experience that matches their expectations. Starbucks as a global brand has a strong image, but if other aspects such as service quality, outlet atmosphere, or distribution speed do not meet expectations, customers may be satisfied cognitively but

not motivated enough to become loyal. Therefore, this result makes sense contextually, indicating that in the premium coffee industry, loyalty is more the result of a continuous process between brand image stimuli and responses to actual experiences.

H9: The relationship between customer satisfaction and loyalty is statistically significant ($T = 5.379$, $P = 0.000$). As a result, happy customers are loyal customers. Customer satisfaction is the primary factor that determines loyalty. Content clients are more inclined to repurchase the brand and endorse it to others. This aligns with the research of Dam & Dam (2021) and Islam et al. (2021), which demonstrated that customer satisfaction is a crucial determinant of loyalty, indicating that satisfied customers are more inclined to exhibit brand loyalty. According to the study, positive behavioral intentions, such as making repeat purchases, are crucial elements of customer loyalty and correlate with high satisfaction levels. Therefore, strategies to increase customer satisfaction can significantly strengthen customer loyalty in today's competitive context.

The path coefficient value of 0.483 for the effect size indicates that the influence of customer satisfaction on loyalty is in the large category. This confirms that satisfaction is not just an additional factor in building loyalty, but is a core element that greatly determines whether customers will remain loyal to a brand or not. This figure also reflects that the higher the level of customer satisfaction, the stronger their tendency to continue using the product, recommend it to others, and even ignore offers from competitors. In other words, customer loyalty is not only about rational preferences, but also about emotional attachments formed from consistent positive experiences. Therefore, companies must ensure that every aspect of their services and products can provide an experience that meets or even exceeds customer expectations, because its impact on loyalty is very significant.

5. Conclusions

5.1. Research conclusions

The results demonstrate that co-branding and lifestyle significantly enhance customer satisfaction and loyalty. This suggests that effective collaborations can deliver compelling customer experiences, ultimately fostering loyalty. Additionally, brands that align their products and services with their customers' lifestyle preferences can cultivate deeper emotional connections, driving satisfaction and loyalty. For brands such as Starbucks Coffee, strengthening their brand image and leveraging co-branding partnerships while ensuring that their services resonate with customer lifestyles are crucial.

While service quality has a positive correlation with customer satisfaction, its impact is not statistically significant. Notably, service quality has a considerable negative effect on customer loyalty, indicating that unfulfilled customer expectations may surpass the advantages of superior service. Ensuring consistent product and service availability across different regions and channels is essential. When customers have reliable access to a brand's products, this can help manage their expectations and contribute to a more positive, lasting relationship.

Research has indicated that brand image substantially improves customer satisfaction, emphasizing the importance of a robust brand identity. However, brand image did not significantly impact customer loyalty. This confirms that while the perception of a brand can drive satisfaction, long-term loyalty depends on consistent brand performance and availability. In this context, the role of an efficient distribution strategy becomes vital to ensure that products are consistently available, thereby fostering both satisfaction and loyalty over time.

Various elements, including co-branding, service quality, lifestyle, and brand image, significantly contribute to the establishment of customer loyalty. Consumers tend to remain loyal to brands that not only offer quality products but also create experiences that fit their lifestyle. A co-branding strategy strengthens trust, whereas a strong brand image enhances emotional attachment. Efficient distribution, bolstered by exemplary service, is crucial for sustaining a competitive edge in the Indonesian market.

It can be assumed that some factors affect only customer loyalty or satisfaction, whereas other factors affect both of these factors concerning Starbucks coffee in Indonesia.

5.2. Research implications and suggestions

The findings of this study suggest that brands, particularly those in the competitive coffee industry, should prioritize their co-branding initiatives to increase customer satisfaction and build loyalty. Brands should carefully select co-branding partners that are aligned in terms of brand values and customer expectations, as these synergies can significantly increase satisfaction and loyalty. Enhancing lifestyle alignment through personalized offers and experiences can be a powerful strategy to foster deeper emotional connections with customers. Strengthening brand image is also necessary to increase satisfaction, build customer loyalty, and differentiate the brand from competitors in a competitive market.

Strengthening brand image is crucial for increasing satisfaction and customer loyalty, as it helps differentiate brands in a crowded marketplace. Given the intricate relationship between service quality and customer loyalty identified in this study, brands must meticulously manage service expectations. Focusing on consistency and quality in service delivery is essential to avoid any potential negative impacts on loyalty.

Owing to the lack of studies that combine multiple similar variables to analyze customer loyalty in Indonesia's coffee industry, this study has several limitations. Future studies could examine other moderating variables, such as customer

demographics or degree of digital engagement, that could affect these dynamics. Expanding the scope of the research to include different market segments and cultural contexts may also provide deeper insights into how these variables interact across different consumer groups. Overall, brands looking to increase customer loyalty should adopt an approach that blends brand image, strategic collaboration and lifestyle alignment while consistently meeting or exceeding service expectations. Global coffee brands can customize trade distributions with lifestyle and loyalty factors in mind, creating a more personalized customer experience.

The research implication is that companies should utilize co-branding to strengthen their brand image and attract a more comprehensive market segment to increase the global coffee trade distribution in Indonesia. In addition, improving service quality can increase the quality of service satisfaction, which affects the coffee trade distribution. The existence of a positive brand image can improve customer perceptions, thereby affecting their trade distribution.

Ethical considerations

All participants were fully informed about the study's objectives and procedure, and informed consent was secured before their involvement in the questionnaire. Their responses were kept confidential and anonymous, and they were assured of their right to withdraw from the study at any point.

Conflict of interest

All the authors declare that they have no conflicts of interest.

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