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THE INFLUENCE OF SELF-CONGRUITY ON CUSTOMER LOYALTY OF COFFEE SHOPS: EVIDENCE FROM GLOBAL-CHAIN AND LOCAL-CHAIN COFFEE SHOPS IN INDONESIA

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ABSTRACT

Manuscript type: *Research Paper*

Research Aims: *This paper seeks to examine the concept of "self-congruity" and its direct and indirect impacts on consumer loyalty of global versus local coffee shops.*

Design/methodology/approach: *The study is a quantitative study using online survey on 400 respondents, which were distributed evenly to consumers of Starbucks (as a global coffee shop) and Anomali Coffee (as a local coffee shop in Jakarta, Indonesia). This paper employs Structural Equation Modelling (SEM) to study the relationships amongst variables.*

Research Findings: *Results of the research show that generally self-congruity has a positive direct and indirect effect on customer loyalty.*

Theoretical Contribution/Originality: *The research conveys that self-congruity consistently predicts consumer loyalty in various research settings, while environment perception, service perception, product perception, and price perception can influence consumer loyalty in different manners depending on the research context. The research contexts studied (global versus local coffee shops) also contributes to the discussion of globalization effects.*

Practitioner/Policy Implications: *Life style products should develop strategies to match the product's concepts with those of consumer values, particularly with regards to products with global versus local images. Furthermore, managers should pay attention to their pricing strategies where price perception can influence consumer loyalty.*

Research limitation/Implications: *This study overlooks stages in the consumer's purchase decision process where self-congruity can particularly affect a certain stage to finally result in consumer loyalty.*

Keywords: *customer loyalty, global versus local coffee shops, self-congruity*

INTRODUCTION

The development of the coffee shop business has become phenomenal in urban cities, including in emerging countries. A lot of coffee shops are flooding the market. In Jakarta, as Indonesia's capital city, there are as many as 1,083 brands of coffee shops (Wibisono, 2016). A recent Euromonitor report showed that in Indonesia, the growth of cafés with the coffee shop concept reached 16% every year since 2008 (Sudarsana, 2016). The Advisory Board of the Joint Indonesian Coffee Exporters (GAEKI) said that the growth of coffee consumption has always been more than 8% in Indonesia every year, which is above the growth of global coffee demand (2.5%) in 2016 (Idris, 2017). In 2020, the trade value of business in coffee shops in Indonesia is estimated to reach US$ 1 billion (Wibisono, 2016).

The high level of competition in the business has caused companies to find it difficult to increase the number of consumers in the existing market. Even though marketers already have a target market segment that is considered loyal, the competitive pressure is intense and deliberately directed at changing consumer loyalty and enabling the transfer of brands. Consumers will develop a positive attitude and loyalty towards these products after consumers receive and feel the benefits or value of a product (Mowen and Minor, 2002: 89). The success of a company is largely determined by customer loyalty.

Several studies conclude that conformity can be a very significant factor in customer loyalty (Jamal and Goode, 2001; Sirgy et al., 1991). Conformity is a suitable match between one's self-image and product image, or self-congruity. Following Shamah (2007), this research was conducted to analyze the direct and indirect impact of self-congruity on customer loyalty. Further, Shamah (2007) states that there are indirect and direct impacts of self-congruity on loyalty. The indirect impact of self-congruity is mediated by consumer perception. Consumer perceptions include perception of environment, services, product, and prices (Hyun, 2010 and Soriano, 2002).

The relationships among those variables can draw more interest when placed in the context of globalization and consumption in cosmopolitan cities, including Jakarta. The rise of globalization and development of transnational consumption practices have resulted in the growing number of global branded coffee shop chains. Grinshpun (2012) argues that the global chains are viewed as material flows of commodities, images, and cultural representations, which forge new connectivities between world locations. The global chains, such as and mainly Starbucks, offer their own consumption experience.

However, at the same time, there was also a rapid growth of local brands of coffee shops which attracts their own target market segments. In Jakarta, there were some famous local brands of coffee shops, with the most famous one called 'Anomali'. Anomali is a local brand with more than 20 branches. It has been a 'hot spot' for coffee shop fans in Jakarta. What is the difference in consumption experience created by these global versus local coffee shops? What kind of subjectivity is created? How do the consumers compare their self-image/self-concept with the product image (i.e., self congruity)? How does self congruity influence their perceptions and in turn their loyalty?

While self-congruity has been previously researched, the present research seeks to provide comparison of self-congruity of emerging country consumers with images constructed by international chain coffee shops versus local chain coffee shops. Self-congruity is the comparison between self-image/self-concept and the product image which consumer has and formed from evaluation between product image and affective response (Sirgy et al., 1991 in Kang et al., 2012). Therefore, such a comparative analysis between international coffee shops versus local coffee shops would provide insights as to whether consumers in developing countries have constructed their self-image congruent with the global image constructed by international coffee chains. Comparing scores of consumers' self-congruity with international coffee chain's image with those with local coffee chain's would contribute to the globalization discourse in which globalization is perceived to generate homogenization of identity of consumers in different parts of the world. Results of this research would also provide insights whether local coffee shops which offer localized experiences would be deemed attractive by local consumers.

There are other factors influencing consumers' behavior, such as consumers' self-esteem and self-actualization (Maslow's hierarchy of

needs). However, whether the contestation between global versus local images constructed by global versus local coffee chains in shaping emerging countries' identity is congruent with those images is the main interest of this study.

The objectives of this study are two fold. First, we examine the influence of self-congruity on consumer perception and loyalty. Second, we test the relationships of this variable in the contexts of a global brand coffee shop chain (that is, Starbucks) and a local brand coffee shop chain (that is, Anomali). In doing so, we split the model into three parts, that is, the total data model, the Starbucks model, and the Anomali model. This would also serve as an initial attempt to explore whether the conceptual model holds in both contexts.

LITERATURE REVIEW

2.1. Self-congruity

Self-congruity is the comparison between the self-image/self-concept and the product image which consumer has and formed from evaluation between product image and affective response (Sirgy et al., 1991 in Kang et al., 2012). It means the consumer finds the suitable fit between product-user image and self-concept (Sirgy et al., 1985). Moreover, successful attributes/factors can seen in a brand that is strongly influenced by self-congruity (Aguirre-Rodriguez, et al., 2012 on Klipfel et al., 2014). Consumers buy products and brands that they trust to process symbolic images that resemble or complement consumers' self-image. This will later achieve conformity (Bierley et al. 1988, in Aghdaie in Khatami (2014).

Sirgy et al. (2006, in Koolivandi and Lotfizadeh, 2015) explains that self-congruity includes cognitive and affective assessments of brand names or services or products whose characteristics match consumers. According to Aaker (1999) consumers develop internal imagery with respect to products, brands, or services. This which is shown in many ways, including through direct contact or through word-of-mouth communication. Consumers find or accept a match between their image (self-image) and the acceptance of a product or brand image (Liu, Lin and Wang, 2012).

One of the categories which will result in cus-

tomer switching behavior is pricing (Keaveney, 1995). The price factors can include high prices, price increases, unfair pricing, and deceptive pricing. Therefore, perception of services provided by a coffee shop will be formed based on an evaluation of products (the coffee, drink, or food served), the environment of the coffee shop (including the design, ambience, and furniture), and price.

2.2. The Factors That Influence Consumer Perception in Service Industry

Services which are intangible will be evaluated based on their physical attributes. Therefore, service companies will try to communicate their service quality through physical evidence and presentation (Kotler and Keller, 2012). There a few marketing tools available to influence consumer's positive evaluation, i.e., place (the exterior and interior of the place), people (employee with good service attitude), equipment (the look of the equipment), communication materials which suggest efficiency and speed, symbols which suggest fast service, and price of the products and services.

Customer choices for service products also depend on intangible attributes, that is the service itself. Parasuraman, Zeithaml, and Berry (1985) state that service quality is evaluated by five dimensions, that is, reliability, assurance, tangibles, empathy, and responsiveness. Their model shows that tangibles relate with the physical evidence of the service, as mentioned earlier, while the other dimensions are concerned with how the service is delivered to customers.

Service outcome and customer loyalty is also influenced by various factors. One of the categories which will result in customer switching behavior is pricing (Keaveney, 1995). The price factors can include high prices, price increases, unfair pricing, and deceptive pricing. Therefore, perception on services provided by a coffee shop will be formed based on evaluation of products (the coffee, drink, or food served), the environment of the coffee shop (including the design, ambience, and furniture), and price.

2.3. Loyalty

Loyalty has received a significant amount of attention in consumer research. Oliver defines loyalty as "a deeply held commitment to rebuy or repatronize a preferred product/service" (1997, p. 392.). Meanwhile, Kotler and Keller (2016:27)

state that customer loyalty is a situation where the customer consistently purchases a product from the same seller. Prior research has often defined loyalty as both an attitudinal or behavioral commitment to a brand (Dick and Basu 1994; Oliver 1999). The attitudinal loyalty states that true loyalty exists when there exists favorable beliefs toward the brand. The behavioral approach views loyalty as an expressed behavior. It defines loyalty as a customer's propensity to buy a brand with reference to the pattern of past purchases (Russell and Kamakura 1994). In this research, referring to Chaudhuri (1999) we view loyalty as a combination of attitude and habit. Loyalty is the outcome of the experience of consumers after visiting a coffee shop. The experience can provide a certain satisfaction level and form an attitudinal loyalty towards the coffee shop. Visiting a coffee shop can also become a habit, in which a consumer has a tendency to visit the same coffee shop despite the low level of satisfaction, due to perhaps the strategic location of the coffee shop (i.e., near one's office or home). On the other hand, a selection of a coffee shop can be an attitudinal commitment. Drinking coffee can also be a statement of one's self-concept or lifestyle. The wide distribution of coffee shops in a metropolitan city can also offer a wide selection of coffee shops. Having observed the emergence of various coffee shop brands in Jakarta has led us to try to relate loyalty with self-congruity.

2.4. Globalization of Consumption

There are prior studies of the globalization of consumption, with the research targets of various global brands including Starbucks (Thompson and Arsel, 2004). Starbucks has indeed created the coffee culture around the world and has proven to be the 'standard' coffee shop experience at most cosmopolitan cities in the world, including Jakarta. Globalization of consumption has been studied as a homogenization where transnational corporations colonize local cultures (Falk 1999). However, anthropological research suggests that the seemingly standardized experience of global brand consumption has actually varied and is perceived differently by consumers.

Grinshpun (2012) studied the meanings created and attached to Starbucks by Japanese consumers. He argued that Starbucks offers a "cool and foreign" cultural context which are packaged and reconstructed with visual, spatial, audio, olfactory, and other environmental elements. However, Thompson and Arsel (2004) stated that there were no similar, let alone single, interpretation of Star-

bucks. The interjection of global brands into local cultures paradoxically produces heterogeneity as global brands take on a variety of localized meanings. It is not just localized meaning towards the global brand. We see the phenomenon that global brands have also created their own local product versions. Starbucks, which has created the coffee culture, has also created local enterpreneurs who open local coffee shops. For example, in Jakarta, the coffee lifestyle created by Starbucks has created a lot of local coffee chains which somehow position themselves as an antithesis to the globalized image offered by Starbucks. They have created a local and independent style image. One of the most successful local brands of coffee shop is called 'Anomali'.

We take the theses of Grinshpun (2012) and Thompson and Arsel (2004) as the basis for our present study that there are subjective interpretations by consumers towards the brand they consume. Even though the global brand carries and tries to impose standard global identity, local consumers will somehow interpret their consumption experience based on their personal subjective consideration. Therefore, in this study we use self-congruity as one of the factors forming consumers' perception and loyalty towards coffee shops.

As an earlier attempt, we merely compared consumer responses in terms of self-congruity, perception on environment, products, services, and price, and loyalty for Starbucks versus Anomali. We also compare the magnitude of influences of variables on the others as theoretically proposed and empirically tested by Shahmah et.al (2007). In these two contexts the model holds for service organization with different characteristics, that is, global chain coffee shops and local chain coffee shops.

RESEARCH METHOD

3.1 Hypotheses Development

3.1.1 Relationship between Self-Congruity and Loyalty

The direct relationship between self-congruity and customer loyalty has been confirmed in various studies (Sirgy, 1986; Back, 2005; Kressmann et al., 2006; Sirgy et al., 2008; Liu et al., 2012).Oliver (2010) and Kotler and Keller (2016:27). They said that a loyal customer is a customer who has a long time commitment to be a loyal customer (subscriber). They want to come back and purchase many times in the future. Even the other competitors are trying to steal other brand's customer loyalty.

Since self-congruity refers to the degree of compatibility or discrepancy between individual consumer perceptions of the product or brand and their perception of themselves (Sirgy, 1980). The more similar the two concepts are, the higher the preference for the brand. When self-congruity is perceived by consumers to be higher, the consumer tend to like the brand and will become a regular patron (Liu et al, 2012). Higher self-congruity means more positive attitudes (Graeff, 1997) which will result in higher loyalty (Sirgy et al., 1997; Back, 2005).Therefore, we formulate Hypothesis 1 as follows

H1. Self-congruity has a positive effect on customer loyalty.

3.1.2. Self-congruity and Consumer Perception

Belk (1988) argues that understanding consumer behavior requires understanding on how one constructs meanings to his/her possession or choice of consumption. The congruity between consumption and the sense of self will determine one's perception on the product/service consumed. Graeff (1996) also states that there is a positive relationship between consumer image congruity and perception on products, brands, or services. Self-congruity where the image of a product or service or brand is considered increasingly approaching the consumer's self-concept will determine the perceptions of various stimuli surrounding the coffee shops.

Based on this reasoning, we formulate Hypotheses 2a until 2d as follows

H2a. Self-congruity has a positive effect on the perception of the environment.

H2b. Self-congruity has a positive effect on the perception of services.

H2c. Self-congruity has a positive effect on product perception.

H2d. Self-congruity has a positive effect on price perception.

3.1.3 Consumer Perception and Customer Loyalty

The environmental perception has been proven to be the most relevant factor that most influences customer perception and behavior, especially related to the restaurant industry (Han and Ryu, 2009; Liu and Jang, 2009; Ryu et al., 2012). The

service perception is an employee. It is believed to be an important factor in customer loyalty to the restaurant industry (Reich et al., 2005). The product perception (product quality) represents most of the decision process/determinants related to loyal behavior in restaurant settings (Clark and Wood, 1999; Ha and Jang, 2010). Price perception is found as a significant influence on the increase in loyalty (Sirohi et al., 1998).

H3a. Environmental perception has a positive effect on customer loyalty.

H3b. Service perception has a positive effect on customer loyalty.

H3c. Product perception has a positive effect on customer loyalty.

H3d. Price perception has a positive effect on customer loyalty.
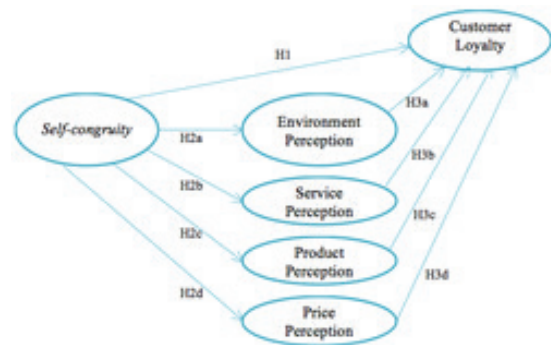
Figure 1. Conceptual Model
Source: Adapted from Shamah et al. (2017)

3.2 Method

3.2.1 Research Design and Data Analysis Technique

This research employs a quantitative approach which focus on hyphothesis testing. Data were collected by distributing questionnaires. The distribution of the questionnaire was conducted online using SurveyMonkey. To test the conceptual model, data were subjected to Structural Equation Modelling (SEM) analysis supported by AMOS 22nd version. The total sample consisted of 400 respondents. It was divided equally between Starbucks and Anomali. The sample members were consumers who were at least 18 years old and had visited Starbucks or Anomali Coffee at least three times. We tested the structural model three times, using the Starbucks sample, the Anomali sample, and whole sample. While the total data sample model was analyzed

to test the hypotheses, the separate analyses for Starbucks and Anomali served as an initial attempt to examine the comparative results from the Starbucks (global-chain coffee shop brand) sample vis-à-vis Anomali (local-chain coffee shop brand) sample.This would also serve as an attempt to explore whether the conceptual model holds in both contexts.

3.2.2 Measurement

The measurement for the variables was adapted from Shamah et al. (2017). A 7-point Likert scale was used to quantify the responses. Measurements include 12 statements for self-congruity, 15 statements for environmental perception, 11 statements for service perception, 13 statements for product perception, 5 statements for price perception, and 9 statements for customer loyalty. Items used to construct the questionnaire are presented in the APPENDIX.

RESULTS AND DISCUSSION

This research test the measurement model (see Figure 2) and the data to get good and accurate results. The data analyses involve several tests. First, normality test. This test was conducted employing Structural Equation Modeling (SEM) technique. In SEM which uses the Maximum Likelihood technique in estimation, normality assumption of the data was required. The value of the critical ratio (CR) can be determined based on the significance level of 1% which is equal to ± 2.58 (Hair et al, 2006). The result of the normality test (Table 1, Table 2, and Table 3 respectively) for the three models are 91.83% normally distributed for Starbucks respondents, 81.63% normally distributed for Anomali Coffee respondent, and 79.59% normally distributed for total data. This shows good results for the three models.
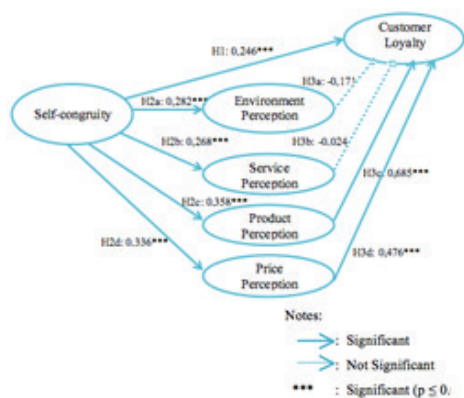

Figure 2. The Structural Model of Total Data

Table 1. The Normality Test of Respondent Starbucks

Indicator	Ratio Skewness	Ratio Kurtosis	Conclusion
SC3	-0.52	-0.11	Normal
SC4	-0.39	0.00	Normal
SC5	-0.34	0.05	Normal
SC6	-0.78	0.69	Normal
SC7	-0.48	-0.29	Normal
SC8	-0.45	-0.36	Normal
SC9	-0.35	-0.32	Normal
SC10	-0.42	-0.39	Normal
SC11	-0.28	-0.32	Normal
SC12	-0.49	-0.06	Normal
PRICEP1	-1.27	0.79	Normal
PRICEP2	-1.05	0.13	Normal
PRICEP4	-1.36	1.91	Normal
PRICEP5	-1.11	1.48	Normal
SERVP4	-1.01	1.67	Normal
SERVP6	-1.26	2.15	Normal
SERVP7	-0.88	1.21	Normal
SERVP8	-1.08	1.11	Normal
SERVP9	-0.77	0.32	Normal
SERVP11	-0.87	1.81	Normal
PRODP1	-0.88	0.18	Normal
PRODP3	-1.39	2.56	Normal
PRODP4	-1.50	3.21	Not normal
PRODP6	-1.20	2.34	Normal
PRODP7	-1.11	1.46	Normal
PRODP8	-0.94	0.28	Normal
PRODP9	-1.11	1.35	Normal
PRODP12	-1.33	3.06	Not normal
PRODP13	-1.27	2.19	Normal
ENVP1	-0.83	0.66	Normal
ENVP2	-1.40	3.12	Not normal
ENVP3	-0.82	0.42	Normal
ENVP4	-1.11	1.23	Normal
ENVP5	-1.34	2.11	Normal
ENVP6	-0.89	0.18	Normal
ENVP7	-1.03	0.77	Normal
ENVP8	-1.35	2.88	Not normal
ENVP9	-1.06	1.69	Normal
ENVP11	-1.03	1.87	Normal
ENVP12	-1.08	1.94	Normal
ENVP13	-0.93	0.39	Normal
ENVP14	-1.18	1.71	Normal
CL1	-1.02	1.60	Normal
CL3	-1.27	1.53	Normal
CL5	-0.47	-0.24	Normal
CL6	-0.86	0.28	Normal
CL7	-0.63	-0.67	Normal
CL8	-0.80	-0.20	Normal
CL9	-0.10	0.25	Normal

Table 2. The Normality Test of Respondent Anomali Coffee

Indicator	Ratio Skewness	Ratio Kurtosis	Conclusion
SC1	-0.24	0.16	Normal
SC2	-0.46	-0.06	Normal
SC3	-0.37	0.02	Normal
SC4	-0.28	0.11	Normal
SC5	-0.28	0.03	Normal
SC7	-0.57	0.02	Normal
SC8	-0.43	-0.08	Normal
SC9	-0.35	-0.04	Normal
SC10	-0.37	-0.17	Normal
SC11	-0.35	-0.21	Normal
SC12	-0.43	0.10	Normal
PRICEP1	-1.55	2.16	Normal
PRICEP2	-1.38	1.22	Normal
PRICEP3	-1.31	0.86	Normal
PRICEP4	-1.43	2.07	Normal
PRICEP5	-1.26	1.64	Normal
SERVP2	-1.08	1.31	Normal
SERVP3	-1.11	2.18	Normal
SERVP4	-1.15	2.28	Normal
SERVP6	-1.41	2.58	Normal
SERVP8	-1.31	2.79	Not normal
SERVP10	-0.98	1.29	Normal
PRODP1	-1.13	1.15	Normal
PRODP2	-1.23	1.94	Normal
PRODP4	-1.56	3.33	Not normal
PRODP6	-1.04	2.07	Normal
PRODP7	-1.03	1.54	Normal
PRODP8	-1.12	0.86	Normal
PRODP10	-1.69	5.47	Not normal
PRODP11	-1.71	6.42	Not normal
ENVP1	-1.27	2.79	Not normal
ENVP2	-1.25	3.10	Not normal
ENVP3	-1.06	1.74	Normal
ENVP4	-1.16	1.99	Normal
ENVP6	-0.87	0.38	Normal
ENVP7	-1.04	0.96	Normal
ENVP8	-1.32	2.99	Not normal
ENVP9	-1.11	1.72	Normal
ENVP10	-1.36	3.51	Not normal
ENVP11	-1.42	3.66	Not normal
ENVP12	-0.99	1.66	Normal
ENVP13	-1.08	1.06	Normal
ENVP14	-1.39	2.37	Normal
CL3	-1.24	1.54	Normal
CL5	-0.56	-0.10	Normal
CL6	-1.05	0.96	Normal
CL7	-0.78	-0.27	Normal
CL8	-0.93	0.21	Normal
CL9	-1.04	0.55	Normal

Table 3. The Normality Test of Combination Respondent (Total Data)

Indicator	Ratio Skewness	Ratio Kurtosis	Conclusion
SC1	-0.24	0.16	Normal
SC2	-0.46	-0.06	Normal
SC3	-0.37	0.02	Normal
SC4	-0.28	0.11	Normal
SC5	-0.28	0.03	Normal
SC7	-0.57	0.02	Normal
SC8	-0.43	-0.08	Normal
SC9	-0.35	-0.04	Normal
SC10	-0.37	-0.17	Normal
SC11	-0.35	-0.21	Normal
SC12	-0.43	0.10	Normal
PRICEP1	-1.55	2.16	Normal
PRICEP2	-1.38	1.22	Normal
PRICEP3	-1.31	0.86	Normal
PRICEP4	-1.43	2.07	Normal
PRICEP5	-1.26	1.64	Normal
SERVP2	-1.08	1.31	Normal
SERVP3	-1.11	2.18	Normal
SERVP4	-1.15	2.28	Normal
SERVP6	-1.41	2.58	Normal
SERVP8	-1.31	2.79	Not normal
SERVP10	-0.98	1.29	Normal
PRODP1	-1.13	1.15	Normal
PRODP2	-1.23	1.94	Normal
PRODP4	-1.56	3.33	Not normal
PRODP6	-1.04	2.07	Normal
PRODP7	-1.03	1.54	Normal
PRODP8	-1.12	0.86	Normal
PRODP10	-1.69	5.47	Not normal
PRODP11	-1.71	6.42	Not normal
ENVP1	-1.27	2.79	Not normal
ENVP2	-1.25	3.10	Not normal
ENVP3	-1.06	1.74	Normal
ENVP4	-1.16	1.99	Normal
ENVP6	-0.87	0.38	Normal
ENVP7	-1.04	0.96	Normal
ENVP8	-1.32	2.99	Not normal
ENVP9	-1.11	1.72	Normal
ENVP10	-1.36	3.51	Not normal
ENVP11	-1.42	3.66	Not normal
ENVP12	-0.99	1.66	Normal
ENVP13	-1.08	1.06	Normal
ENVP14	-1.39	2.37	Normal
CL3	-1.24	1.54	Normal
CL5	-0.56	-0.10	Normal
CL6	-1.05	0.96	Normal
CL7	-0.78	-0.27	Normal
CL8	-0.93	0.21	Normal
CL9	-1.04	0.55	Normal

The reliability of measurement for each of the variables is assessed by examining the consistency of the respondent's answers to each of the questions that measure the variable. The reliability of a variable can be assessed by the value of the Cronbach Alpha Coefficient. The higher the coefficient, the higher the reliability is (Hilton and Brownlow, 2004). The results of reliability tests (see Table 4) showed good results, in which the coefficients were above 0.9.

The validity tests are used to measure the validity of the measurement for each of the variables. Tests of convergent and discriminant validity were then conducted. The convergent validity test employed AVE calculations and the discriminant validity test used MSV calculations (Hair et al, 2006). The convergence validity (see Table 5) test was examined based on the value of the loading factor of each indicator. The test results in good values, because all values were above 0.5.

Table 4. The Reliability Test of Total Data

Variable	Value	Criteria
Self-congruity	0.937	According to Hilton and Brownlow (2004), data is reliable if the value of Cronbach Alpha: If alpha>0.90 then reliability is perfect. If alpha is between 0.70 - 0.90 then reliability is high.
Price Perception	0.919	
Service Perception	0.940	
Product Perception	0.939	
Environment Perception	0.973	
Customer Loyalty	0.905	

Table 5. The Convergent Validity Test of Total Data

Indicator	Value of AVE	Criteria
Self-congruity	0.681	According to Churchill (1979) and Holmes-Smith (2002), data are convergent if the value of AVE more than 0.5
Price Perception	0.697	
Service Perception	0.690	
Product Perception	0.625	
Environment Perception	0.680	
Customer Loyalty	0.676	

The last test was the Goodness of Fit Index, which were based on seven criteria of the model. These criteria were chi-square, chi-square/df, probability, GFI, AGFI, CFI, and RMSEA. The results on Starbucks, Anomali, and the combined model (see Table 6 to Table 8) showed that not all criteria were met. However, the values were still acceptable because the average value of each criteria for each model fall in the range of zero to one (Santoso, 2012). Although it did not fulfill the criteria but overall the value of each measurement was still acceptable of a fit level of 70% and with the value of RMSEA < 0,08. These results were still considered acceptable. Therefore, the structural model was supported by the results of this research.

Table 6. Goodness of Fit Index Respondents of Starbucks

Goodness of Fit Index	Criteria	Result	Conclusion
Chi-square	As low as possible	2228.407	Acceptable
Chi-square/df	≤ 2.00 or 3.00	2.065	Acceptable
Probabilitas	≥ 0.05	0.000	Acceptable
GFI	≥ 0.90	0.721	Acceptable
AGFI	≥ 0.90	0.670	Acceptable
CFI	≥ 0.90	0.901	Acceptable
RMSEA	≤ 0.08	0.073	Acceptable

Table 7. Goodness of Fit Index Respondents of Anomali Coffee

Goodness of Fit Index	Criteria	Result	Conclusion
Chi-square	As low as possible	2611.866	Acceptable
Chi-square/df	≤ 2.00 or 3.00	2.370	Acceptable
Probabilitas	≥ 0.05	0.000	Acceptable
GFI	≥ 0.90	0.795	Acceptable
AGFI	≥ 0.90	0.763	Acceptable
CFI	≥ 0.95	0.928	Acceptable
RMSEA	≤ 0.08	0.059	Acceptable

Table 8. Goodness of Fit Index (Total Data)

Goodness of Fit Index	Criteria	Result	Conclusion
Chi-square	As low as possible	2424.827	Acceptable
Chi-square/df	≤ 2.00 or 3.00	2.401	Acceptable
Probabilitas	≥ 0.05	0.000	Acceptable
GFI	≥ 0.90	0.800	Acceptable
AGFI	≥ 0.90	0.767	Acceptable
CFI	≥ 0.95	0.929	Acceptable
RMSEA	≤ 0.08	0.059	Acceptable

In terms of respondents' profile (see Table 9), the respondents of Starbucks showed similar characteristics with those of Anomali. The majority of respondents were between 26-35 years old, had an undergraduate educational background, an average monthly expense that was more than Rp 5,000,000.- and most of them was coffee enthusiasts. Respondents of both groups were reguler customers who have subscribed for more than three years and visited the café at least once a month. These characteristics of the respondents can serve as an overview of consumer profile of coffee shops in Jakarta.

In the hypotheses testing, results on Starbucks sample group (see Table 10) showed that only 2 out of the 9 hypotheses were not supported (p value greater than 0.05). The hypotheses were the positive influence of environment perception on customer loyalty (H3a) and the positive influence of product perception on customer loyalty (H3c). Therefore, only environment perception and product perception failed to mediate the influence of self-congruity on customer loyalty.

The results on the Anomali sample group (see Table 10) showed that only 2 out of the 9 hypotheses were not supported. The unsupported hypotheses were the positive influence of environment perceptions on customer loyalty (H3a) and the positive influence of service perception on customer loyalty (H3b). Therefore, environment perception and service perception failed to mediate the effect of self-congruity on customer loyalty.

Table 10. The Coefficient and Significance of Influence (in three models tested, i.e, for Starbucks, Anomali, and Total Data)
Note:
*** : significant at p values ≤ 0.001

Relationship between Variables	Coefficient and Significance of Influence		
	Starbucks	Anomali	All Data
Self-congruity → Customer Loyalty	0.334***	0.257***	0.246***
Self-congruity → Environment Perception	0.300***	0.276***	0.282***
Self-congruity → Service Perception	0.350***	0.262***	0.268***
Self-congruity → Product Perception	0.408***	0.337***	0.358***
Self-congruity → Price Perception	0.404***	0.312***	0.336***
Environment Perception → Customer Loyalty	-0.051	-0.158	-0.171
Service Perception → Customer Loyalty	0.227***	0.047	-0.024
Product Perception → Customer Loyalty	0.303	0.550***	0.685***
Price Perception → Customer Loyalty	0.653***	0.536***	0.476***

Analyses were also conducted on the total data model (see Table 10 and Figure 2). Results showed that only 2 out of 9 hypotheses were not supported (p>0.05). The unsupported hypotheses were the positive influence of environment perception on customer loyalty (H3a) and the positive influence of service perception on customer loyalty (H3b). It therefore implied that environment perception and service perception did not mediate the influence of self-congruity on customer loyalty.
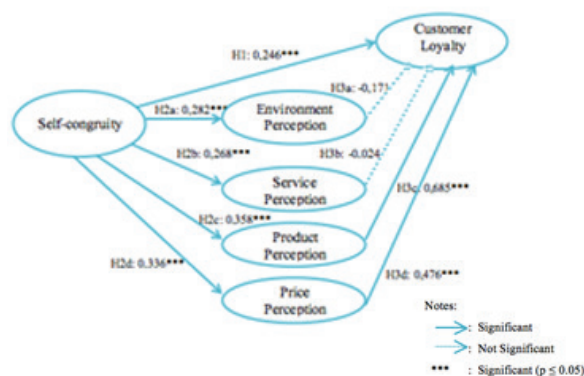

Figure 2. The Structural Model of Total Data

The value of R-square showed the ability of independent variables (X) to explain the dependent variable (Y). According to the Guilford Theory (1956), the results showed that self-congruity, perceptions of the environment, product, service, and price can explain customer loyalty for 75.2% of the Starbucks sample. Meanwhile, the Anomali sample showed the R-square value of 59% in which self-congruity, perceptions of the environment, product, services, and price can explain customer loyalty by 59%.

If we compare results between Starbucks and Anomali, main argumentations about the importance of self-congruity in shaping consumers' perception in the service industry is clear. Self-congruity is also an antecedent of loyalty.

Results in both contexts also show that environment perception does not influence loyalty. This might indicate that consumers' perception in terms of environment of both coffee shops are already formed and therefore do not influence customer loyalty. There are also conflicting evidence. In the context of Starbucks, service perception positively influences customer loyalty, while product perception does not influence customer loyalty. In the context of Anomali, product perception influences customer loyalty positively while service perception does not. This findings might indicate that service matters in the context of Starbucks. For Anomali, consumers are concerned about its products.

Besides hypotheses testing, we compare the average scores of each of the variables for Starbucks and Anomali (see Table 11). Interestingly, average scores for Anomali were all higher than those of Starbucks. Statistically, however, only the mean difference in terms of self-congruity and price perception were significant. Respondents of the Anomali experience were more self-congruite compared to those of Starbucks respondents. The difference of price perception was confirmed by the more expensive prices of Starbucks products compared to Anomali.

Table 11. The Result of Independent t-test (Starbucks versus Anomali)
Note: ***: Significant at p ≤0.05

Variables	Average Scores for Starbucks	Average Scores for Anomali	Mean Difference
Self-congruity	4.0544	4.2661	-0.22167***)
Environment Perception	6.0207	6.0839	-0.06321
Service Perception	5.9558	5.9725	-0.01667
Product Perception	5.9150	6.0043	-0.08929
Price Perception	5.2988	5.5525	-0.25375***)
Customer Loyalty	5.1521	5.3336	-0.18143

CONCLUSION

The present research shows the importance of self-congruity in forming consumers' perception on environment, service, product, and price. As Belk (1988) pointed out our possessions (and consumption) are reflection of our identity. One's belonging and choice of consumption are the extension of the self. The way one perceives a product/service is indeed a result on the way one perceives compatability (or congruity) between him/herself with the product/service. The importance of self-congruity in influencing customer loyalty is perhaps underlined by the findings that perception on environment, product, and service did not mediate the affect of self-congruity on customer loyalty.

The present research contributes to the understanding of phenomena of symbolic consumption of the society residing in metropolitans. Contextually, this research provides data from Jakarta, the capital city of Indonesia. Indonesia is a fast growing emerging country and is in the Big 20 countries in term of GDP. With the penetration of global brands such as Starbucks, this research provides insights on the development of local brands. While research on the globalization of Starbucks (Grinshpun, 2012; Thompson and Arsel, 2004) has offered useful insights on the adoption of global brands, this present research intentionally compared the perception on global chain versus local chain. The results are intriguing for self-congruity scores for local chain was in fact higher compared to that of global chain. This implies that the society has somehow been more interested in local brands rather that consuming brand with global identity. Also, this may lead to further investigation on the role of global brand in stimulating the growth of local brands or the interrelationships between the global and local brands. In this case, Starbucks has perhaps stimulated the local demand for coffee shops and thus induced the emergence of local brands. Both Starbucks and Anomali have contributed to the market size and growth of coffee shops in Indonesia.

This research offers several managerial implications in developing customer loyalty in the service industry, especially coffee shops in Jakarta. Due to the importance of self-congruity in forming customer loyalty, companies have to attempt to build congruity between consumers' self image (or how consumers perceive themselves) and the image of the company. In doing so, companies have to target specific market segment(s) whose images are congruent with company's images. Alternatively, companies have to formulate market branding and communication strategy in such a way to build congruency between company's image with customer's self-image. For example, international-chain coffee shops can portray its global image via its global branded product, service, outlet, and advertising strategies to appeal to customers with global aspiration. Meanwhile, local coffee shops can communicate its locality (local products, local designs, and local service culture) to appeal to customers who favor locality. The findings of this study also provide insights that in the globalization era, both products with global images and products with local images have chances to flourish as each appeals to its own target market.

This study has also several shortcomings. First, this research only measures the impact of the effectiveness of self-congruity, which only affects customer loyalty, and only through four variables, that is, consumer perceptions on environment, services, products, and prices. Second, this study does not explain in detail how self-congruity has a direct impact on customer loyalty without explaining the purchasing decision process. Third, all consumer groups in the market cannot be represented in the samples due to the nature of non-probabilistic sampling technique.

This research also encourages further researchers to conduct research in other service industries, such as banking, insurance, hotels, and others. For other service industries, the research instruments should be adjusted to the context and nature of services provided by the service organization.

Note: *) All responses are recorded on a 7-scale Likert Scale ranging from "1" (strongly disagree) to "7" (strongly agree)

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APPENDIX

Table 12

Operationalization of Variables

No.	Variables and Measurement*)
1.	Self-Congruity 1) The typical customer of this coffee shop reflects the type of person that I am. 2) The typical customer of this coffee shop is very much like me. 3) The image of the typical customer is similar to how I see myself. 4) The image of the typical customer is similar to how others believe that I am. 5) The image of the typical customer is similar to how others see me. 6) The coffee shop is made for me. 7) The coffee shop reflects my personality. 8) The image of the typical customer is similar to how I would like to be. 9) The typical customer of this coffee shop is quite similar to people that I admire. 10) The image of the typical customer is similar to how I would like to see myself. 11) The image of the typical visitor is similar to how I would like others to see me. 12) The image of the typical visitor is similar to how I ideally like to be seen by others.
2.	Environment Perceptions 1) The interior design of the coffee shop is visually attractive. 2) The colors of the coffee shop create a sense of well being. 3) The overall coffee shop design is attractive. 4) In general, the internal layout makes the coffee shop functional. 5) Layout makes it easy for employees to move around. 6) Wall décor and floor décor of coffee shop are attractive. 7) Wall décor and floor décor reflect the coffee shop's theme. 8) The colors of the furniture match with the floor and wall colors. 9) In general, the furniture and the internal layout are harmonious. 10) The internal ambience is comfortable. 11) The dining room is clean. 12) The tableware are clean. 13) The tableware are attractive. 14) Layout gives me enough privacy. 15) The toilets are clean.
3.	Service Perceptions 1) The employees were willing to help me. 2) The employee's attitude inspires confidence. 3) The employees have been efficient in serving me. 4) The employees are very competent. 5) The employee satisfied my expectations. 6) The employees give me individual attention. 7) The employees are kind and friendly. 8) Overall, the interaction is of high quality. 9) The service I received is of a high quality. 10) The employees provided prompt service. 11) Employees have a neat appearance.

4.	Product Perceptions 1) Drink presentation is attractive. 2) The smell of the drink is agreeable. 3) The coffee shops menu offers a wide range of choices. 4) The coffee shop offers attractive products. 5) The coffee shop offers the other products besides drink (e.g. tumbler, coffee beans). 6) The coffee shop serves tasty drink. 7) The coffee shop offers drink with good quality. 8) The coffee shop offers locally produced products. 9) The coffee shop offers products of controlled quality. 10) Helping adequate. 11) Drink presentation is appropriate. 12) Drink is served at the right temperature. 13) Drink presentation is visually appealing.
5	Price Perceptions 1) Prices of product compared to its quality are good. 2) Prices at this coffee shop are fair. 3) I obtain value for my money at this coffee shop. 4) This coffee shop is worth my time. 5) I obtain value for my time at this coffee shop.
6	Loyalty 1) The coffee shop provides me superior service quality as compared to any other coffee shop. 2) No other coffee shop perform services better than this coffee shop. 3) The coffee shop gives more benefits than others in its category. 4) I love staying at this coffee shop. 5) I feel better when I stay at this coffee shop. 6) I like this coffee shop more than other coffee shop. 7) Even if another coffee shop is offering a lower price, I would still choose this coffee shop. 8) I intend to continue choosing this coffee shop. 9) I consider this coffee shop to be my first choice of coffee shop.