# Chapter 1
# Modelling Factors Influencing Consumer Behaviour Towards the Brand Equity of Coffee Machines in Malaysia

**Loo Soo Peng**
*Inti International University, Malaysia*

**Wong Chee Hoo**
iD https://orcid.org/0000-0003-0691-4463
*Inti International University, Malaysia*

## EXECUTIVE SUMMARY

*The goals of this chapter are to examine the application of a customer-based brand equity model based on Aaker's brand equity framework from the viewpoint of consumer behaviour in the coffee machine market in Penang, Malaysia. The theoretical framework of this study is derived from Aaker, namely brand equity model. Brand equity includes four dimensions: brand loyalty, perceived quality, brand awareness, and brand association. Customers or users who possess a coffee machine for home or business usage and are 21 or older are sought as respondents in this research. The chapter uses a structured online questionnaire containing a series of statements based on a 5-point Likert scale. Using convenience sampling, data were successfully collected from a total of 438 respondents. Brand loyalty, perceived quality, brand awareness, and brand association were shown to have a positive and significant influence on brand equity for coffee machine brands in Penang, Malaysia.*

## INTRODUCTION

In recent years, espresso makers that are intended solely for use in the home have evolved in order to meet the needs of individuals who consume coffee in their homes. Coffee has become ingrained in the routines of many people in the morning. Home brewing coffee, whether it be espresso, filter coffee,

or mocha, is something that a lot of people like doing on a regular basis. Automatic coffee machines are able to produce a wide range of flavours and brew a diverse selection of coffees, making them extremely versatile. (Adhi & Yunus, 2021) An increasing number of consumers are interested in purchasing a device that can reproduce the high-quality beverages served in cafes at their own residences. This is because there has been a growth in the popularity of the "home barista." According to Zoe (2021), the vast majority of the big corporations that compete in the international market for automatic coffee machines place a high importance on market expansion, product diversity and quality, as well as the development of ecologically friendly products. In response to the growing demand from customers for customised products that are adapted to the specific needs of consumers in various nations (Danya, 2021), manufacturers offer a broad assortment of coffee manufacturing equipment and solutions. This is done in order to meet the growing demand for such products. According to Mordor Intelligence (2022), the market for coffee machines was predicted to be worth 5.11 billion US dollars in 2020 and would climb to 6.36 billion US dollars by 2027, indicating a CAGR of roughly 4.5%. This growth would be driven by an increase in the number of people purchasing coffee machines. Although COVID-19 has caused some damage to the industry as a consequence of manufacturing and supply chain constraints, manufacture of coffee machines has been halted in the United States, Europe, and Asia as a result of a lockdown in China (Wang & Majerison, 2019). This is despite the fact that COVID-19 has caused some of the market's problems in the first place. This is due to the fact that firms in these areas are being pressured to temporarily ship out a significant quantity of their input materials. In spite of the pandemic, investment of commercial infrastructure and office space has ensured continued growth, particularly in Southeast Asia (Adhi & Yunus, 2021). According to Pappu, Quester, and Cooksey (2007), the subject is fascinating to research because to the increased exposure and awareness of consumers. This makes the topic particularly interesting. Given that Malaysia has to do research on the connection between brand equity and customer loyalty, this concept needs to be examined. We will use Aaker's model of brand equity to disentangle the interconnected parts (brand loyalty, perceived quality, brand awareness, and brand association) and analyse the effect that these factors have on coffee machines in Penang, Malaysia from the perspective of the end-user in order to fill the knowledge gap that has been created as a result of the absence of this knowledge. This knowledge gap was created as a result of the absence of this knowledge. This study will not only help us better understand brand equity by completing some of the gaps in our knowledge, but it will also increase our knowledge in areas where other studies have fallen short. Both professionals in the business world and academics might find value in the findings of this study. On the other hand, there was a dearth of study on the subject of how customer-based brand equity (CBBE) effects coffee machine brands, in particular in the city of Penang in Malaysia. For this reason, it is essential that marketers lay a strong emphasis on the branding of individual stores. There has been a lot of study done on brand equity, including its drivers, models, measurement, and definition (Burt, 2000), however there hasn't been any research done on coffee machines as brands. As a result, the purpose of this research is to deconstruct the components of the well-known customer-based brand equity model that was provided by Aaker (1991) and explore the model's effect and influence on the brand equity of coffee machines in Penang, Malaysia. Aaker's model was proposed because Aaker believed that customers were the most important factor in determining a company's brand equity. The purpose of this study is to provide an answer to the question, "Does brand loyalty, perceived quality, brand association, and brand awareness significantly effect the brand equity of coffee machines in Penang, Malaysia?" This will be accomplished by analysing these factors in relation to sales of coffee machines in the region. The results of this study ought to assist in providing an answer to this question.

15 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/modelling-factors-influencing-consumer-behaviour-towards-the-brand-equity-of-coffee-machines-in-malaysia/341980

## Related Content

Financial Time Series Data Mining
Indranil Bose (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 883-889).*
www.irma-international.org/chapter/financial-time-series-data-mining/10924

Knowledge Discovery in Databases with Diversity of Data Types
QingXiang Wu, Martin McGinnity, Girijesh Prasadand David Bell (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 1117-1123).*
www.irma-international.org/chapter/knowledge-discovery-databases-diversity-data/10961

Search Engines and their Impact on Data Warehouses
Hadrian Peter (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 1727-1734).*
www.irma-international.org/chapter/search-engines-their-impact-data/11051

Literacy in Early Childhood: Multimodal Play and Text Production
Sally Brown (2020). *Participatory Literacy Practices for P-12 Classrooms in the Digital Age (pp. 1-19).*
www.irma-international.org/chapter/literacy-in-early-childhood/237410

Real-Time Face Detection and Classification for ICCTV
Brian C. Lovell, Shaokang Chenand Ting Shan (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 1659-1666).*
www.irma-international.org/chapter/real-time-face-detection-classification/11041