The Effect of Social Interaction, Social Media on Brand Equity and Purchase Intention of Starbucks Brand

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Abstract: Building brand equity is extremely important because it serves the company's identity and is one of the main factors in consumer decision-making when purchasing a product. In the digital age, social interaction and social media are key factors that determine consumer perceptions of a brand. This study aims to examine the influence of social interaction and social media on brand equity and its impact on consumer purchase intention, using Starbucks in Jakarta as a case study. This study uses a non-probability sampling method with a purposive sampling technique on 120 respondents who are Starbucks customers. The research instrument was measured using a Likert scale with several indicators for the social interaction, social media, brand equity, and purchase intention variables. Data analysis was conducted using Structural Equation Modeling (SEM) based on Partial Least Squares (PLS). The research results indicate that social media has a positive and significant influence on brand equity, and social interaction also has a positive and significant influence on brand equity, while brand equity is proven to have a positive and significant influence on consumer purchase intention. This finding confirms the importance of social media-based marketing strategies and social interaction in enhancing brand equity, which can ultimately drive consumer purchase intention. The implications of this research contribute theoretically to the digital marketing literature and have practical implications for companies in designing more effective brand communication strategies.

Keywords: Social interaction, social media, brand equity, purchase intention, Starbucks.

Introduction

Brand equity is an asset owned by a company in the form of a name, symbol, or brand that can add or subtract value from the products and services provided by the company to customers (France et al., 2025). Building brand equity is crucial because it serves as the company's

identity and a key factor in consumer purchasing decisions. Consumers also differ in their preferences for branded versus unbranded products with the same level of product features, which is indicated by the presence of brand equity (Bhatia & Tandon, 2025). Therefore, a competitive position can be maintained so that consumers do not easily switch to other brands, while brand equity also generates value for consumers (Gutiérrez et al., 2024).

In the digital age we live in today, effective marketing strategies for building brand equity tend to be implemented through social media-based marketing activities. User interaction with brands on social media often relies on recommendations from other users, thus having a greater influence on the decision-making process. This interaction can encourage the emergence of consumer purchase intention. Social media also helps companies and customers create and share content, display intriguing information, and recommend products to other consumers. Companies have recognized the importance of understanding the impact of social media communication on brand perception (Jibril et al., 2019; Stojanovic et al., 2018).

Coffee is the most popular beverage among all segments of society worldwide. In Indonesia, coffee was introduced by the Dutch colonialists in the city of Malabar, India, and reached Java Island in 1696. The Dutch colonialists cultivated coffee plants in the Kedawung plantation area, Batavia (Anggraeni et al., 2023). It turns out that Indonesian society enjoys the flavors found in coffee, and it has become a daily habit (Silanoi et al., 2022). The large number of entrepreneurs opening coffee shops means that entrepreneurs must have characteristics or unique features that differentiate them from other competitors by providing comfortable facilities and unique products. Starbucks attracts consumer purchase intent by maintaining its brand to preserve consumer trust. By enhancing its brand, consumers can easily recognize the company, resulting in very high brand equity and customer satisfaction. Besides providing comfort, Starbucks also has a unique feature that customers love: writing their names on the coffee cups they purchase. The mentioned factor is one of Starbucks' attractions in attracting consumer purchase intention because purchase intention can be driven by consumer behavior in choosing products based on consumer experience (Kim et al., 2021; Meeprom & Kokkhangplu, 2025). Additionally, Starbucks also utilizes social media platforms like Instagram, Facebook, and Twitter to provide information about its products. Starbucks also develops products to offer to consumers by making innovations such as providing non-caffeinated products so that consumers who don't like coffee can also enjoy the drinks served by Starbucks, preventing consumers from easily switching to other coffee shops (Jibril et al., 2019).

Although a number of studies have addressed the influence of social interaction and social media on brand equity (Stojanovic et al., 2018), most of these studies have focused on the telecommunications, tourism, or financial services sectors. Research on the international

coffee shop industry, particularly in Indonesia, is still relatively limited. In fact, Indonesia is one of the largest coffee markets in Asia, with a continuously increasing growth rate of coffee shops (Rashid et al., 2021). Competition between international brands like Starbucks and local coffee shops demands more effective marketing strategies to maintain consumer loyalty. Therefore, this research is important to conduct in order to provide an empirical contribution to the digital marketing literature in Indonesia and to offer practical implications for companies in designing more effective brand communication strategies through social interaction and social media (Park & Namkung, 2022).

Based on this, this study refers to previous (Majeed et al., 2021) which found that social interaction has a negative and insignificant influence on brand equity, while brand equity has a positive influence on purchase intention. Therefore, the focus of this research is to determine whether social interaction has a positive influence on brand equity, social media has a positive influence on brand equity, and brand equity has a positive influence on consumer purchase intention for the Starbucks brand.

Literature review

Social Interaction

Social interaction on digital media is understood as a reciprocal communication process between users, encompassing the exchange of information, recommendations, and consumer experiences regarding a brand. This interaction is key to determining brand perception, increasing emotional attachment, and fostering consumer loyalty. Recent research indicates that digital social interaction strengthens brand-consumer relationships and positively contributes to brand equity (France et al., 2025; Park & Namkung, 2022).

Social Media

Social media is an interactive platform that allows users to create, share, and discuss content. The role of social media in marketing is becoming increasingly significant because it can shape perceptions, increase engagement, and strengthen brand equity. Contemporary studies confirm that social media marketing activities, especially through Instagram, have a positive impact on customer-based brand equity through entertainment, interaction, customization, and trends (Park & Namkung, 2022). Additionally, social media is considered the primary means of building brand communication and creating greater value for consumers

Brand Equity

Brand equity is now understood as the accumulated value derived from consumer perceptions, loyalty, image, and digital engagement. France et al. (2025) emphasize the importance of

digital brand equity, measured through awareness, sentiment, and engagement based on online platforms. Meanwhile, John (2025) asserts that brand equity is formed by consumer interactions with the brand, resulting in awareness, positive image, and loyalty. Strong brand equity enables companies to maintain a competitive advantage and create added value for consumers.

Purchase Intention

Purchase intention is the consumer's tendency to buy a product based on their perceived value, experience, and engagement with the brand. Recent research indicates that social media and brand experience play a significant role in shaping consumer purchase (Dwivedi et al., 2021). Suryani and Hendryadi (2022) found that customer engagement facilitated by social media and experiential value in coffee shops can significantly increase purchase intention. This confirms that purchase intention is not just a reflection of rational needs but also the result of emotional engagement and digital interaction.

Hypothesis

H1: Social media has a positive influence on brand equity.

H2: Social interaction has a significant positive influence on brand equity.

H3: Brand equity has a positive influence on purchase intention.

Research Method

This research uses a quantitative approach with a survey method. The sampling technique used is non-probability sampling with a purposive sampling approach, where respondents are selected based on specific criteria, namely Starbucks consumers residing in Jakarta who are at least 18 years old and who have made at least two purchases at Starbucks in the last three months. The sample size was set at 120 respondents, in accordance with the recommendation by Hair et al. (2021) that Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis requires a minimum sample size of 100−200 respondents (Hair Jr et al., 2021). Make sure that work can be repeated according to the details provided. It contains technical information of the study presented clearly. Therefore, readers can conduct research based on the techniques presented. Materials and equipment specifications are necessary. Approaches or procedures of study together with data analysis methods must be presented (Sarstedt et al., 2021).

The research instrument consists of four main constructs: social media (4 indicators), social interaction (3 indicators), brand equity (4 indicators), and purchase intention (4 indicators). All indicators were measured using a 5-point Likert scale, with categories: 1 = Strongly

Disagree (SD), 2 = Disagree (D), 3 = Neutral (N), 4 = Agree (A), and 5 = Strongly Agree (SA). The Likert scale was chosen because it is effective in measuring respondents' attitudes, opinions, and perceptions toward the research object.

Data analysis was conducted using the Structural Equation Modeling (SEM) method based on Partial Least Squares (PLS) with the assistance of SmartPLS software version 3.0. The PLS-SEM approach was chosen because it is suitable for research with a relatively small sample size and is capable of testing latent relationships between variables with a moderate level of model complexity (Ringle et al., 2020; Sarstedt et al., 2021).

Result and Discussion

This section presents the results of the data analysis obtained from 120 respondents using the PLS-SEM approach. The analysis was conducted in two stages: (1) assessment of the measurement model (outer model) to evaluate the validity and reliability of the constructs, and (2) assessment of the structural model (inner model) to test the research hypotheses. The findings are then discussed in light of relevant theories and prior empirical studies to highlight both the theoretical and practical implications.

Outer Model Testing

The results of the PLS analysis can be used to evaluate the measurement model if all indicators in the PLS model meet the requirements of convergent validity, discriminant validity, and composite reliability.

Convergent Validity

Convergent validity was assessed by examining the factor loadings of each indicator on its respective construct. For confirmatory research, a loading factor threshold of 0.70 is recommended (Hair Jr et al., 2021). Indicators with loading values above this threshold are considered valid in measuring the construct. In addition, convergent validity is also evaluated through the Average Variance Extracted (AVE), where a construct is considered to have satisfactory convergent validity if AVE > 0.50.

The results of the PLS Algorithm estimation indicate that all indicators have loading factors above 0.70 and AVE values greater than 0.50, thus fulfilling the convergent validity criteria. A summary of the AVE values for each construct is presented in Figure 1.
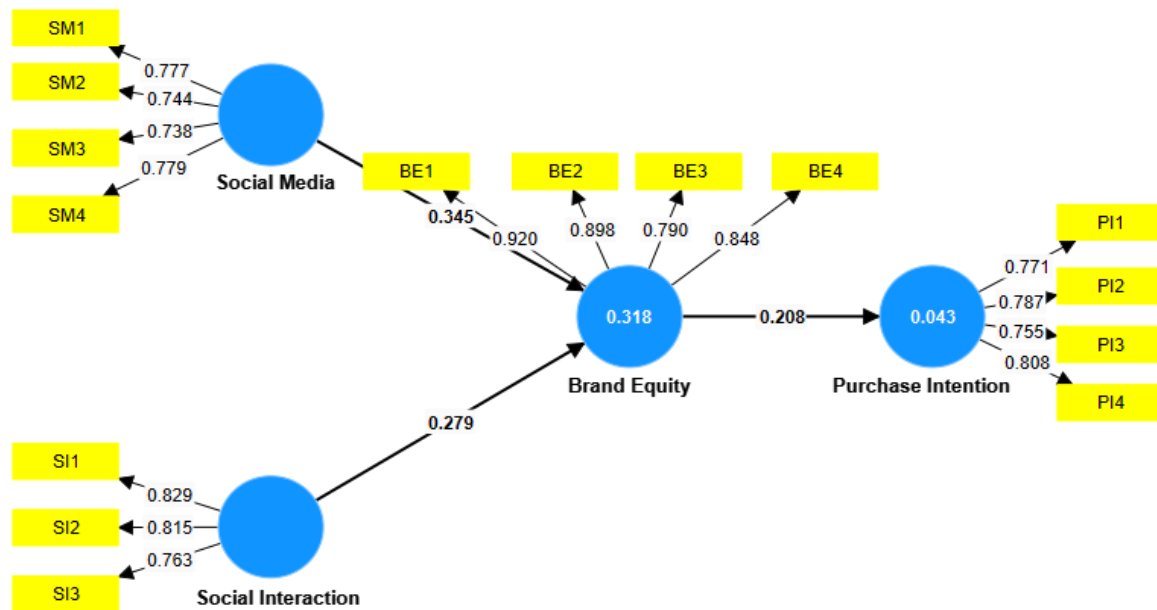
Figure 1 PLS Model Estimation Results - Algorithm

Based on the results of the PLS model estimation in Figure 1, all indicators have a loading factor value above 0.70, so they are declared valid in measuring their respective constructs. In addition, convergent validity was also evaluated through the AVE value. A construct is considered to meet convergent validity if the AVE value is > 0.50 (Hair Jr et al., 2021; Sarstedt et al., 2021). Therefore, the PLS model in this study has met the convergent validity criteria. The loading factor and AVE values for each construct are shown in Table 1.

Table 1 Average Variance Extracted

Variable	Average Variance Extracted (AVE)
Social Media	0.577
Social Interaction	0.645
Brand Equity	0.749
Purchase Intention	0.609

Convergent validity is considered achieved when the AVE value for each construct exceeds 0.50 (>0.50), indicating that most of the variance in the indicators can be explained by the latent construct they measure (Hair Jr et al., 2021; Sarstedt et al., 2021). Additionally, convergent validity can also be assessed using the outer loadings, where an indicator is considered valid if its loading factor value is above 0.70. Based on the test results, all indicators in this study have a loading factor >0.70, thus meeting the criteria for convergent validity.

Discriminant Validity

Discriminant validity was tested using the Heterotrait–Monotrait Ratio (HTMT) approach. According to Henseler, Ringle, and Sarstedt (2015), a satisfactory HTMT value is below 0.90

(<0.90), indicating that the constructs in the model have clear differences and there are no discriminant issues. Based on the test results shown in Table 2 (Discriminant Validity Test Results Based on HTMT Values), all HTMT values between constructs are below the 0.90 threshold. This indicates that the research model has met the criteria for discriminant validity. Thus, the social media construct, social interaction, brand equity, and purchase intention were proven to empirically measure distinct concepts in accordance with the underlying theory.

Table 2 Discriminant Validity Test Based on HTMT Values

Variable	Brand Equity	Purchase Intention	Social Interaction
Brand Equity	-	-	-
Purchase Intention	0.237	-	-
Social Interaction	0.565	0.192	-
Social media	0.511	0.237	0.825

Discriminant validity in this study was assessed using the HTMT criterion. According to Henseler, Ringle, and Sarstedt (2015), discriminant validity is established when HTMT values are below 0.90. Values exceeding this threshold indicate a lack of discriminant validity, meaning that constructs may not be sufficiently distinct. The results of the analysis show that all HTMT values in this study were below 0.90, confirming that the constructs demonstrate adequate discriminant validity.

Reliability Testing

Based on the results of the reliability analysis presented in Table 3, the values of Cronbach's Alpha and Composite Reliability (CR) for all constructs exceeded the recommended threshold of 0.70. This indicates that all variables in the study satisfy the reliability criteria, confirming that the indicators used are consistent in measuring their respective latent constructs.

Table 3 Reliability Test Results (Composite Reliability and Cronbach's Alpha)

Variable	Composite Reliability	Cronbach's Alpha	Decision
Social Media	0.845	0.790	Reliable
Social Interaction	0.845	0.739	Reliable
Brand Equity	0.922	0.888	Reliable
Purchase Intention	0.862	0.792	Reliable

As presented in Table 3, all variables achieved Composite Reliability and Cronbach's Alpha values greater than 0.70. Therefore, the measurement model is considered reliable, indicating that the items used are consistent in measuring their respective constructs

Results of the Coefficient of Determination Value

The R-Square (R^2) value is used to determine the coefficient of determination and to assess the extent to which independent variables explain the variance of dependent variables. According to Hair et al. (2019), the interpretation of R^2 values can be categorized as follows: 0.75–1.00 indicates a substantial effect, 0.50–0.74 indicates a moderate effect, and 0.25–0.49 indicates a weak effect. An R^2 value below 0.25 suggests that the model has very limited explanatory power.

Table 4 Results of the Coefficient of Determination Test (R^2)

Construct	R-Square	Interpretation
Brand Equity	0.318	Moderate (31.8%)
Purchase Intention	0.048	Very Weak (4.3%)

As presented in Table 4, the R^2 value for Brand Equity is 0.318, which means that 31.8% of the variance in Brand Equity can be explained by social media and Social Interaction, while the remaining 68.2% is explained by other variables outside the model. Meanwhile, the R^2 value for Purchase Intention is 0.043, indicating that only 4.3% of its variance is explained by Brand Equity. According to Hair et al. (2019), the explanatory power of 0.318 can be classified as moderate, while 0.043 is categorized as very weak.

Inner Model Testing

Path coefficient testing is conducted to determine the magnitude of the influence between variables in the research model. This test is conducted thru a bootstrapping procedure in SmartPLS, which generates path coefficient values, t-statistics, and p-values to determine the significance of relationships between constructs. The results of the path coefficient testing are shown in Figure 2 and summarized in Table 5.
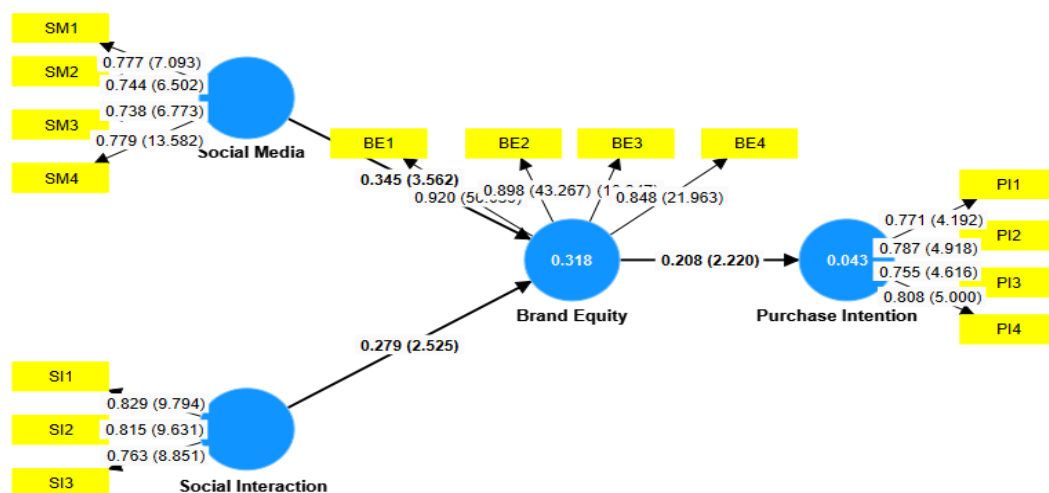

Figure 2 Bootstrapping Results

Figure 2 shows the results of the PLS-SEM model bootstrapping. All indicators have outer loadings ≥0.70 with t-statistics >1.96, thus meeting the criteria for convergent validity. In the inner model, Social Media has a positive influence on Brand Equity (β=0.208; t=2.220), and Social Interaction also has a positive influence on Brand Equity (β=0.279; t=2.525). Furthermore, Brand Equity has a positive and strongest influence on Purchase Intention (β=0.345; t=3.562). The R^2 value of 0.318 for Brand Equity indicates a moderate explanatory power by Social Media and Social Interaction, while the R^2 value of 0.043 for Purchase Intention indicates very low explanatory power, suggesting that other factors outside the model likely also contribute to purchase intention.

Table 5 Hypothesis Testing Results

Variable	Original sample	T-statistics	P-values	Description
Social Media – Brand Equity	0.208	3.562	0.000	Accepted
Social Interaction – Brand Equity	0.279	2.525	0.012	Accepted
Brand Equity – Purchase Intention	0.345	2.220	0.026	Accepted

Based on the results of hypothesis testing through PLS-SEM bootstrapping analysis, the following results were obtained:

1. The Influence of Social Media on Brand Equity (H1) The p-value is 0.000 with a t-statistic of 3.562 and a positive path coefficient of 0.208. Since the p-value is < 0.05, the t-statistic is > 1.96, and the path coefficient is positive, it can be concluded that social media has a positive and significant influence on brand equity. Therefore, hypothesis H1, which states, "Social media has a positive influence on brand equity," is accepted.

2. Hypothesis H2 examines the influence of social interaction on brand equity. The p-value is 0.012 with a t-statistic of 2.252 and a positive path coefficient of 0.279. Since the p-value < 0.05, the t-statistic > 1.96, and the path coefficient is positive, it can be concluded that social interaction has a positive and significant influence on brand equity. Therefore, hypothesis H2, which states, "Social interaction has a positive influence on brand equity," is accepted.

3. The influence of brand equity on purchase intention is represented by hypothesis H3. The p-value is 0.026 with a t-statistic of 2.220 and a positive path coefficient of 0.345. Since the p-value < 0.05, the t-statistic > 1.96, and the path coefficient is positive, it can be concluded that brand equity has a positive and significant influence on purchase intention. Thus, hypothesis H3, which states, "Brand equity has a positive influence on purchase intention," is accepted.

Discussion

The Effect of social media on Brand Equity (H1)

The results indicate that social media has a positive and significant effect on brand equity. This finding is consistent with Ashley and Tuten (2015), who highlighted that social media campaigns connect multiple touchpoints that foster continuous communication between a brand and its consumers. Such interaction encourages consumers to become more engaged with branded content. More recent studies also support this result, showing that social media marketing activities, particularly on Instagram, positively influence brand awareness, brand image, and perceived quality dimensions that are critical to building brand equity (Park & Namkung, 2022). Similarly, Dwivedi et al. (2021) emphasize that social media plays a strategic role in shaping digital brand equity through consumer engagement and interactivity.

The Effect of Social Interaction on Brand Equity (H2)

The analysis further demonstrates that social interaction has a positive effect on brand equity. This aligns with Bruhn et al. (2012), who found that both firm-created and user-generated communication on social media significantly enhance brand awareness and brand associations. The participatory nature of social media allows consumers to share, recommend, and co-create content, thereby strengthening brand equity. Loureiro et al. (2020) also revealed that social interaction in digital environments fosters emotional connections between consumers and brands, which in turn enhances consumer-based brand equity.

The Effect of Brand Equity on Purchase Intention (H3)

The study also confirms that brand equity positively influences consumers' purchase intention. This result is in line with Aaker's (1991) foundational work and Santoso and Cahyadi (2014), who stated that higher brand equity increases the likelihood of purchase. More recent studies provide further evidence that purchase intention is shaped not only by brand image and loyalty but also by consumers' digital experiences with the brand (Ornelas Sánchez & Vera Martínez, 2021). France et al. (2025) highlight that digital brand equity has become a decisive factor influencing consumer purchasing decisions, particularly in highly competitive industries such as coffee shops.

Overall, the findings of this study highlight the pivotal role of social media and social interaction in strengthening brand equity, which in turn enhances consumers' purchase intention. From a theoretical perspective, this study contributes to the digital marketing and consumer behavior literature by confirming that consumer-based brand equity functions as a mediating mechanism linking social media activities and social interaction to purchase

intention. From a managerial perspective, the findings suggest that companies, particularly in the coffee shop industry, should actively leverage social media platforms to foster consumer engagement, deliver personalized experiences, and strengthen emotional connections with their customers. Nevertheless, the relatively low explanatory power (R^2) of brand equity on purchase intention indicates that other factors such as price, lifestyle, and service quality may play a critical role in shaping consumer buying decisions. Future research could therefore expand the model by incorporating these factors as moderators or mediators to provide a more comprehensive understanding of purchase intention in the context of global coffee brands.

Conclusions

This study examined the influence of social media and social interaction on brand equity and its subsequent effect on purchase intention, with Starbucks consumers in Jakarta as the research context. The results confirm that both social media activities and social interaction significantly and positively contribute to brand equity, while brand equity itself is an important factor that determines consumers' purchase intention. From a theoretical perspective, the findings extend the literature on digital marketing and consumer behavior by emphasizing the mediating role of brand equity in linking digital engagement with consumer decision-making. From a managerial perspective, the results underline the importance for coffee shop brands to actively utilize social media platforms and foster interactive consumer experiences to strengthen brand equity and encourage purchase intention.

Nevertheless, the relatively low explanatory power of brand equity on purchase intention suggests that additional determinants such as price, service quality, and lifestyle factors may also influence consumer behavior. Future research could therefore broaden the scope by incorporating these variables or testing the model in different cultural and industrial settings, thereby offering a more comprehensive understanding of purchase intention in the context of global coffee brands.

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