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Authenticity, trust, affect, and loyalty in Indonesia's specialty coffee market: Evidence from Upala coffee & eatery

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ABSTRACT

This study investigates how brand authenticity and brand trust shape downstream brand affect and brand loyalty in a single-brand context—Upala Coffee & Eatery in East Jakarta. Using a descriptive–associative, quantitative, cross-sectional survey with purposive sampling ($n \approx 100$), we measured three authenticity facets—quality commitment, heritage, and sincerity—and two trust facets—brand reliability and brand intention—alongside brand affect and brand loyalty. Measurement diagnostics (PLS-SEM, SmartPLS 4) indicate satisfactory reliability and convergent/discriminant validity (CR > 0.80; AVE > 0.50). Structurally, authenticity explains meaningful variance in trust; sincerity and quality commitment significantly raise both trust dimensions, while heritage is not a significant driver. On the outcome side, brand intention (benevolence) strongly increases brand affect and modestly increases loyalty, whereas brand reliability behaves like a hygiene factor and does not significantly lift affect or loyalty. Brand affect exerts the strongest immediate influence on loyalty. Overall, the findings show that "lived" authenticity—consistently enacted values and quality follow-through—builds benevolent trust, which, in turn, generates positive affect and repeat-patronage intentions. For emerging coffee brands, prioritizing sincerity-in-action, transparent service recovery, and tangible quality cues is likely to yield greater loyalty than relying on heritage narratives alone.

Keywords: brand authenticity; brand trust; brand affect; brand loyalty; specialty coffee.

1. INTRODUCTION

Brand authenticity is a key component signifying a brand's success (Beverland, 2005; Morhart et al., 2015). In marketing, products are closely tied to a brand's credibility and consumer trust (Grayson & Martinec, 2004). The importance of brand authenticity fosters favorable perceptions once consumers have experienced the product or service (Morhart et al., 2015). Empirical work shows that brand authenticity—often operationalized through elements such as brand consistency, orientation, and congruence—significantly strengthens brand trust and, in turn, increases consumers' purchase intentions (Napoli et al., 2014; Fritz et al., 2017). This suggests that consumers' perceptions of a brand's authenticity can directly support their purchase intention. Complementary evidence shows that consumers increasingly seek brands that are original, authentic, and relevant (Morhart et al., 2015).

To achieve meaningful branding—particularly in the coffee industry—firms must deeply understand the nature of brand authenticity and its consequences. In Indonesia, the number of coffee shops exceeds 2,950 outlets with an estimated market value of ~IDR 4.8 trillion, underscoring the strategic importance of branding. Many coffee shops offer diverse beverage and dessert menus and emphasize high service levels, making them heavily reliant on brand strength to differentiate and compete (Han & Ryu, 2009; Ryu & Jang, 2008).

Indonesia is among the world's largest coffee producers and exporters. Each island in Indonesia cultivates coffee with distinctive regional flavor profiles, and national coffee productivity has continued to rise annually. This is illustrated by data presented in Figure 1, sourced from Katadata.

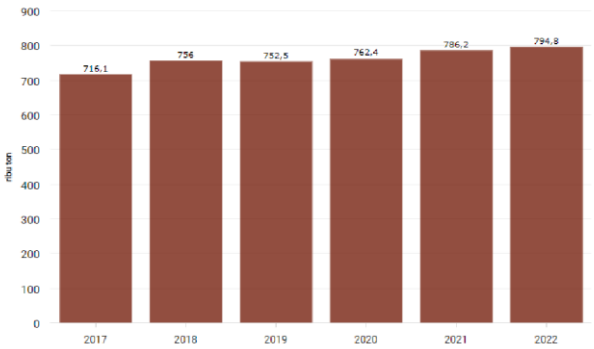

Figure 1. Increase in Coffee Production

Source: katadata.id (2022)

Against this backdrop, the present study aims to investigate how brand authenticity and brand trust influence brand affect and brand loyalty toward Upala Coffee & Eatery.

2. METHOD

This study is structured around the stated research problem and hypotheses, and the design integrates core elements that guide the entire inquiry: research objectives, problem delimitation, research setting and objects, sampling frame and technique, data collection procedures, analytic strategy, reporting, and evaluation. The overarching objective is to assess brand loyalty as a function of brand authenticity and brand trust in the context of a single coffee-shop brand, Upala Coffee & Eatery. The empirical setting is the brand's first outlet, located at Kayu Putih, East Jakarta (Jl. Kayu Putih Tengah IC No. 42, RT.9/RW.7, Pulo Gadung, Jakarta 13260). Fieldwork was conducted in the July–August 2023 period. Methodologically, the study adopts a descriptive–associative, quantitative, survey-based, cross-sectional design with the individual consumer as the unit of analysis.

Operationally, the investigation distinguishes independent and dependent variables following standard definitions in business research. Independent variables (also called stimuli, predictors, or antecedents) are the factors posited to influence outcomes, while the dependent variables (outputs,

criteria, or consequences) are the affected outcomes. In this project, brand authenticity and brand trust serve as the independent variables hypothesized to shape the dependent outcome, brand loyalty. The constructs are operationalized through multi-item measures suitable for structural modeling.

The study relies on both primary and secondary data. Primary data are obtained via a structured questionnaire administered to Upala customers, supported by on-site observation and brief interviews to ensure contextual understanding of the brand and in-store experience. Secondary data include documents and prior studies relevant to the topic (journal articles, theses, and other literature) that inform construct definitions and measurement choices.

The target population consists of males and females aged over 15 years who have purchased from Upala Coffee & Eatery. Given the practical constraints and the focus on a specific outlet, the sampling approach is non-probability, specifically purposive sampling. Respondents must satisfy two screening criteria: (1) age > 15 (adolescents to adults) and (2) prior purchase at Upala. Although probability sampling is ideal for generalization, the study follows well-established evidence that non-probability designs can yield results comparable to probability samples when thoughtfully executed and when limitations are acknowledged.

Data collection uses a self-administered questionnaire with five-point Likert scales to record agreement with each item. This scale choice supports parametric analysis and facilitates subsequent reliability and validity testing. In total, 100 respondents were surveyed. The sample size is justified using the Lemeshow formula for unknown population size at a 95% confidence level and 10% sampling error, yielding an estimate of approximately $n \approx 96$, which the researchers conservatively rounded to 100 to meet minimum thresholds for multivariate analysis and to allow for item-level screening.

The analytic strategy is twofold. First, descriptive statistics (mean, median, mode, standard deviation, and frequency distributions) profile respondents and summarize indicator central tendencies and dispersions without inferring to populations beyond the study context. Second, the study employs Structural Equation Modeling (SEM)—specifically with SmartPLS 4—to test the associative relationships among constructs. PLS-SEM is well-suited for predictive modeling, complex relationships, and studies with modest sample sizes.

The measurement (outer) model is evaluated through standard criteria. Convergent validity is assessed via indicator loadings and Average Variance Extracted (AVE); indicators should ideally load > 0.70 on their respective constructs, and AVE should exceed 0.50, indicating that constructs capture more variance from their indicators than error. Reliability is examined through composite reliability and internal consistency metrics. These diagnostics ensure that brand authenticity, brand trust, and brand loyalty are measured with sufficient precision before structural relationships are interpreted.

The structural (inner) model assessment focuses on the direction and strength of relationships among latent variables and on model-level predictive capacity. Key statistics include R^2 (coefficient of determination), which indicates the proportion of variance in the dependent construct explained by its predictors, and Q^2 (Stone–Geisser's predictive relevance), typically obtained via blindfolding or cross-validated redundancy measures. A Q^2 greater than zero indicates meaningful out-of-sample predictive power. Bootstrapping is used to estimate path coefficients and their significance levels, enabling inferences about whether brand authenticity and brand trust exert statistically significant effects on brand loyalty.

3. RESULT AND DISCUSSION

3.1 Result

3.1.1 Company and Sample Profile (Context for Interpretation)

Upala Coffee & Eatery was founded in 2022 as an F&B concept with two shops (Bekasi and East Jakarta), pursuing a vision of a "social space" and a mission to deliver strong service, experience, and products for socializing and work. The respondent pool (n = 105) skews male (72%), is relatively young (21–30 years: 40%; 31–40 years: 25%), and largely university-educated (S1: 62%) with incomes that suggest

discretionary spending potential (largest bracket IDR 4–7 million: 31%). This profile fits the Indonesian coffee-shop segment's youth-leaning, urbanized audience, and it provides a realistic base for testing whether authenticity and trust mechanisms translate to affect and loyalty in early-stage brand building.

3.1.2 Descriptive Patterns (Indicator-Level Signals)

Descriptive statistics (1–5 scale) point to generally agree/neutral-to-agree evaluations across constructs. Quality Commitment (PQ) averages 3.129 (Neutral) with the highest indicator PQ3 = 3.286, suggesting customers are undecided to mildly favorable about the brand's consistency with "original coffee" expectations. Heritage (PR) averages 3.435 (Agree); PR1 = 3.505 indicates endorsement that Upala preserves elements of coffee heritage. Sincerity (PS) is stronger (3.552, Agree), with PS1 = 3.657, implying the brand is seen as faithful to its values. Trust components are robust: Brand Reliability (PT) averages 3.660 (highest PT1 = 3.771) and Brand Intention (PU) 3.841 (highest PU1 = 3.943), indicating customers perceive Upala as well-intentioned and fairly dependable. Downstream outcomes are notably high: Brand Effect/Affect (PV) = 3.936 and Brand Loyalty (PW) = 4.089, showing broadly positive affect and stated loyalty tendencies even at an early brand age. These patterns foreshadow the structural results: authenticity facets—especially Sincerity—appear to feed trust, which in turn underpins affect and loyalty.

3.1.3 Measurement Quality (Outer Model)

PLS reliability/validity diagnostics are broadly acceptable. Cronbach's alpha and composite reliability exceed 0.80–0.95 for all constructs; AVE values are reported above 0.64 for PQ, PR, PS, PT, PU, PV, and PW (e.g., PQ AVE = 0.837; PR = 0.776; PS = 0.645; PT = 0.826; PU = 0.862; PV = 0.884; PW = 0.873), supporting convergent validity. Discriminant validity assessed via HTMT also indicates satisfactory separation among constructs. The narrative notes some mixed signals around convergent validity when inspecting specific cross-relations (e.g., mentions of AVE/association shortfalls); however, the tabled AVE and reliability metrics meet conventional thresholds, with any anomalies likely reflecting local item behavior rather than construct collapse. Overall, the measurement model provides a sound platform for interpreting structural relationships.

3.1.4 Structural Model (Inner Model): Explained Variance and Path Structure

Explained variance (R^2). The model achieves moderate explanatory power across endogenous constructs: PT ($R^2 = 0.371$), PU ($R^2 = 0.363$), PV ($R^2 = 0.576$), and PW ($R^2 = 0.591$). In practical terms, authenticity facets account for ~36–37% of the variation in the trust components (reliability, intention), and the trust/affect chain explains ~58–59% of brand loyalty—substantial for a single-brand, single-outlet context.

Hypothesis tests (bootstrapped paths) are:

1) From authenticity to trust:
   PQ → PT positive, significant ($\beta = 0.221$; $t = 2.179$; $p = 0.015$).
   PQ → PU positive, significant ($\beta = 0.216$; $t = 1.913$; $p = 0.028$).
   PR → PT not significant ($\beta = 0.086$; $t = 0.698$; $p = 0.242$).
   PR → PU not significant ($\beta = 0.061$; $t = 0.523$; $p = 0.301$).
   PS → PT positive, significant ($\beta = 0.397$; $t = 3.574$; $p < 0.001$).
   PS → PU positive, significant ($\beta = 0.414$; $t = 4.124$; $p < 0.001$).

2) From trust to affect/loyalty:
   PT → PV not significant ($\beta = 0.117$; $t = 1.186$; $p = 0.118$).
   PT → PW not significant ($\beta = -0.001$; $t = 0.011$; $p = 0.495$).
   PU → PV positive, significant ($\beta = 0.671$; $t = 6.957$; $p < 0.001$).
   PU → PW positive, marginal-to-significant ($\beta = 0.227$; $t = 1.964$; $p = 0.025$).
   PV → PW positive, significant ($\beta = 0.584$; $t = 6.101$; $p < 0.001$).

Together, these results position Sincerity and Quality Commitment as the authenticity levers that reliably elevate Brand Reliability and Brand Intention; in turn, Brand Intention—more than Reliability—propels Brand Affect and Loyalty, with Affect exerting a strong, immediate pull on Loyalty.

3.2 Discussion

3.2.1 Authenticity That "Feels True" Matters More Than "Heritage" Signaling

The introduction emphasized that consumers look for brands that are original, authentic, and relevant, and that authenticity can foster favorable post-experience perceptions and trust. The results concretize that thesis: Sincerity (PS)—the perception that a brand stays true to its values—has the largest and most consistent positive influence on both Brand Reliability and Brand Intention. Quality Commitment (PQ), capturing promises kept on product quality and consistency, also significantly raises both trust dimensions, albeit with smaller coefficients than Sincerity. By contrast, Heritage (PR)—signals about tradition or origin—does not significantly shift trust.

Interpreted within an urban Indonesian coffee context serving a young, pragmatic audience, "authentic now" beats "authentic then." Customers respond more to observable sincerity and quality follow-through than to heritage narratives per se (Beverland, 2005; Morhart et al., 2015). This does not mean heritage is useless; rather, without strong indexical (present-day, verifiable) cues of sincerity and quality, heritage's more iconic signals rarely secure trust on their own (Grayson & Martinec, 2004). For a young brand like Upala, investing in visible, consistent values-in-action—for example, transparently communicated ethical sourcing, clear craft standards at the barista station, and honest claim-proofing—offers stronger credibility signals that build brand trust and, downstream, purchase intentions and loyalty (Fritz et al., 2017; Napoli et al., 2014; Delgado-Ballester & Munuera-Alemán, 2001).

3.2.2 Trust's "Intention" Facet is The Bridge to Affect and Loyalty

The methods positioned Brand Trust as a proximal driver of Affect and Loyalty. The split results between PT (Reliability) and PU (Intention) refine that logic: Brand Intention—customers' belief that the brand acts in their interest—strongly lifts Affect (PV) and modestly lifts Loyalty (PW). Meanwhile, Brand Reliability does not significantly move either outcome in this sample.

Why might intention outperform reliability? First, reliability in coffee (e.g., "my drink tastes as expected") may function as a threshold or must-be attribute: once a satisfactory level is reached across competitors, it no longer differentiates affect or loyalty. Second, intention embodies benevolence and customer-centricity (e.g., fair pricing, attentive service, flexibility on special requests), which are emotionally salient and therefore more tightly linked to affect and repeat choice (Mayer et al., 1995; Sirdeshmukh et al., 2002; Oliver, 1999). The implication is practical: emphasize visible policies and behaviors that unmistakably put the customer first—such as satisfaction guarantees, transparent pricing, and respectful complaint handling—so consumers can infer benevolent intent.

3.2.3 Affect is The Immediate Engine of Loyalty

The PV → PW link is large and significant ($\beta \approx 0.584$), indicating that brand affect (positive feelings toward the brand) is the closest psychological driver of loyalty in this context. Affect is fueled most powerfully by Brand Intention rather than Reliability, which matches the introduction's logic that post-experience emotions (how the brand made me feel) shape repeat patronage. Managerially, weave micro-experiences that create positive emotions—friendly greetings, consistent ambiance, music/lighting congruent with the brand's values, and "small wins" like personalized recommendations—so that each visit reinforces affective bonds that carry over into loyalty.

3.2.4 Why Some Convergent – Validity Text Seems Mixed (and Why The Model still holds)

Tabled reliability/AVE metrics are strong (all AVE > 0.64), yet a narrative remark points to some convergent-validity shortfalls (e.g., references to AVE < 0.5 in certain associations). The most likely explanation is local item behavior or cross-loading quirks during intermediate checks. Because the reported composite reliabilities and AVEs for the final constructs meet standard thresholds—and HTMT supports discriminant validity—the latent structure is sufficiently stable for structural interpretation. Still, future iterations should audit item wording, particularly for any indicators that might overlap semantically across constructs (e.g., sincerity and quality language), to preserve clean factor structure as the instrument scales to other sites.

3.2.5 Practical Playbook for Upala (from Authenticity → Trust → Affect → Loyalty)

First, lead with sincerity: Codify and publicize the core values (e.g., honest sourcing, fair wages, community engagement). Train frontline staff to articulate these values naturally; authenticity is performed as much as it is announced. Sincerity is your most potent upstream driver.

Second, show quality commitment in tangible ways: Standardize brew protocols, run visible QC rituals (e.g., dial-in boards), and share "what we changed and why" updates. Small, consistent quality signals accumulate into trust.

Third, design for benevolence (brand intention): Adopt transparent refund/redo policies, honor special requests, and manage queues respectfully. Make "we've got your back" unmistakable; it energizes affect and repeat visits.

Fourth, engineer affect on-site: Harmonize sensory cues (aroma, soundscape, lighting), social cues (staff warmth), and convenience (Wi-Fi stability, power outlets), then monitor affect proxies (dwell time, NPS comments about "feel"). Affect is the shortest path to loyalty.

3.2.6 Theoretical Contributions

The findings add nuance to authenticity-trust-loyalty theory in a specialty coffee, emerging-market setting: (1) Authenticity is multi-facet, but not all facets bite equally. Sincerity and quality follow-through move trust; heritage does not—at least for a young brand competing in a modern urban microculture. This suggests boundary conditions on "origin stories" as loyalty engines; (2) Trust is not monolithic. The intention dimension (benevolence) translates to affect and loyalty; reliability functions more like hygiene in this sample, consistent with threshold effects in service categories with widely standardized quality baselines; (3) Affect is the proximal driver of loyalty. The sizable PV → PW path highlights the emotional basis of repeat patronage, aligning with affect-mediated loyalty models in experiential services.

4. CONCLUSION

The study clarifies the micro-mechanisms linking authenticity to loyalty in an Indonesian specialty coffee setting. Two authenticity levers—sincerity (being true to stated values) and quality commitment (keeping performance promises)—consistently elevate brand intention and brand reliability. Of these trust facets, brand intention is the pivotal bridge to outcomes: it meaningfully boosts brand affect, which then strongly drives brand loyalty. Brand reliability, by contrast, appears threshold-like—necessary but not differentiating once baseline expectations are met. The heritage facet does not significantly shape trust in this context, implying that origin stories require reinforcement through present-day proof points to influence loyalty.

Managerially, the shortest path to loyalty is to perform authenticity rather than merely proclaim it: codify values, operationalize them in service and product routines, make benevolence unmistakable (fair policies, responsive recovery), and keep quality cues visible and consistent. Engineer positive in-store emotions—welcoming staff, ambience congruent with the brand's identity, and friction-free experiences—because affect is the immediate engine of repeat patronage. Methodologically, the PLS-SEM

results demonstrate adequate measurement quality and moderate-to-strong explanatory power, supporting the study's descriptive–associative design. Future work should extend to multiple outlets and competing brands, incorporate behavioral loyalty metrics, and refine indicators where constructs may overlap semantically. In short: enact sincerity, show quality, signal benevolence, design for positive affect—loyalty follows.

Ethical Approval
Not Applicable

Informed Consent Statement
Not Applicable

Disclosure Statement
The Authors declare that they have no conflict of interest

Data Availability Statement
The data presented in this study are available upon request from the corresponding author for privacy.

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Notes on Contributors

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