



The Influence of Prices, Quality of Facilities and Quality of Services on Consumer Decisions at Coffee Shops in Tasikmalaya City

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Abstract. This research aims to determine the influence of price, facility quality, and service quality on consumer decision-making at Tasikmalaya coffee shops. This research investigates the extent to which these variables influence consumer preferences by analyzing survey data and regression models. The software used to process and analyze research data is SPSS version 25.0. Based on the findings, the price, facility quality, and service quality variables are included in the "good" category, and consumer choice variables are included in the "medium" category. The results provide insight into the factors that most influence consumer decisions when choosing a coffee shop and provide a basis for industry players to improve marketing and service strategies.

Keywords: Facility Quality, Price, Purchasing Decisions, Service Quality.

1 Introduction

Spending time in coffee shops has now become commonplace in big cities. This phenomenon is closely related to various upper and middle-class groups, from teenagers to adults [1]. The emergence of different coffee shops in Indonesia has been booming in recent years. This can be seen from the significant increase in the number of coffee shops and domestic coffee consumption in recent years [2]. The number of coffee shops in Indonesia has tripled, from 1,083 in 2016 to more than 2,937 in 2019, which will continue to grow. Based on the current number of shops, Toffin estimates that the total profit of coffee shops in Indonesia will reach IDR 4.8 trillion [3]. A promising prerequisite for opening a coffee shop is that technological developments significantly impact the culinary industry, including coffee shops.

In Tasikmalaya City, many coffee shops are located in almost the same location and have the same products. For this reason, coffee shop owners must be able to provide something or implement a strategy so that the performance of the coffee shop business in Tasikmalaya City becomes more developed and competitive, such as developing long-term strategies, both in terms of location and operational strategy so that business direction and goals can be achieved clearly and can immediately make the right decisions when facing competitors, provide added value, and be different from competitors.

This is also supported by the operational strategy of each coffee shop in targeting their target market and developing their business [4].

The consistent growth of coffee shops in Tasikmalaya City, as evidenced by Table 1, indicates a widespread expansion across urban and suburban areas. This proliferation, particularly in locations like Dr. Sukarjo (Simpang 5) and the Galunggung region, is driven by changing social preferences, with cafes becoming central to socializing and business interactions.

Table 1. The growth of coffee shops in Tasikmalaya.

Year	Number of Coffee Shops	Percentage Ascension
2014	49	0
2015	49	0
2016	132	169
2017	132	0
2018	158	19,70
2019	216	36,71
2020	481	122,68

1.1 Meaning of Coffee Shop

A coffee shop, often also called a cafe or a coffee shop, refers to a business or place that provides coffee and usually also offers other coffee drinks and perhaps other snacks or dishes. At the coffee shop, customers can enjoy various types of coffee served, such as espresso, cappuccino, latte, or coffee with multiple brewing methods such as pour-over, siphon, or French press. Apart from coffee drinks, coffee shops also frequently provide various types of tea, non-coffee drinks, and some places may also offer snacks, cakes, or light breakfast dishes [5].

A growing number of coffee shops are adopting policies that center on sustainable and high-quality coffee bean sourcing, integrating ethical business principles, and cultivating unique customer interactions [6]. They may focus on aspects such as sustainability, ethics in the coffee business, and experience with unique customers [6].

1.2 Effect of Price

Price influence refers to the impact or effect of a product or service on consumer behavior, purchasing decisions, and a company's sales performance [7]. Price is an essential marketing element, and price changes can have significant implications for various aspects of the business [8]. Several aspects of price influence include Consumer behavior, Product Demand, Company Revenue, Market Position, Marketing Strategy, and Business Sustainability. It is essential to understand that pricing decisions are often part of a broader marketing strategy, and companies need to consider factors such as production costs, product value, and market conditions in determining appropriate prices. In addition, pricing policies should be integrated with other marketing elements to achieve business goals holistically [5].

1.3 Quality of Facilities

Facility quality refers to the extent to which a place or building meets or exceeds the expectations of its users or visitors. Facilities can include various types, such as office buildings, shopping centers, hotels, restaurants, sports venues, and other public places. Facility quality can be measured through various aspects, including cleanliness, safety, comfort, reliability, and design [9]. Several factors are often considered in evaluating the quality of facilities: Cleanliness, Security, Comfort, Design and Layout, Reliability, Availability, and Accessibility [5].

1.4 Quality of Service

Service quality refers to the extent to which a service meets or exceeds customer expectations. Service quality covers various aspects, including responsiveness, quick response to customer needs, reliability, ease of communication, and the ability to solve problems or provide assistance effectively [9]. Several elements that are often considered in evaluating service quality include [9] Tangibles (Physical Evidence), Reliability, Responsiveness, Insurance, Empathy, and Responsibility [10].

1.5 Consumer Decisions

Consumer satisfaction is the level of satisfaction or satisfaction felt by customers after using a product or receiving services from a company or brand. It reflects consumers' positive or negative feelings toward their experience with a product or service and the extent to which it meets or exceeds their expectations [8]. Some key points related to consumer satisfaction include meeting expectations, product or service quality, customer service, user experience, price and value, brand trust and reliability, and customer feedback and evaluation.

1.6 Hypothesis

Hypothesis is a hypothesis which is generally defined as a temporary answer (alleged) to a research problem. Hypotheses are only prepared in inferential research, namely a type of research with a quantitative approach that aims to test. Price has a positive influence on consumer decisions. Which means, most or the majority of every purchasing decision made by buyers or consumers is seen and determined by the price value of the goods [8].

Based on this, it is necessary to formulate a hypothesis statement, namely: H1: Price has a positive influence on consumer decisions. H2: Facility quality has a positive effect on consumer decisions. H3: Facility quality has a positive effect on consumer decisions.

1. Price Hypothesis:

- H0: Price does not have a significant influence on consumer decisions.
- H1: Price has a significant influence on consumer decision making.

2. Facility quality hypothesis:

- H0: There is no significant influence of facility quality on consumer decision making.
- H1: Facility quality has a significant influence on consumer decisions.

3. Service quality hypothesis:

- H0: Service quality does not have a significant influence on consumer decision making.
- H1: Service quality has a significant effect on consumer decision making.

4. Interaction of Price, Asset Quality, and Service Quality:

- H0: There is no significant interaction between price, asset quality and service quality in consumer decision making.
- H1: There is a significant interaction between price, asset quality and service quality on consumer decision making.

2 Methods

The research method used in this research is a quantitative survey method using a questionnaire as a data collection instrument. The population of this study was all coffee shop visitors. The sample for this study was random coffee shop visitors with 107 respondents in the city of Tasikmalaya. The collected data will be analyzed using regression analysis to test the influence of price variables, facility quality, service quality on coffee shop consumer decisions. The software used to process and analyze research data is SPSS version 25.0. Based on the research results, the price, facility quality and service quality variables are included in the good category, and the consumer decision variables are included in the adequate category.

3 Results and Discussion

3.1 Descriptive Test

Based on descriptive test result, there are four variables observed, namely influence of price, quality of service, quality of facilities, and consumer decisions. Each variable has 107 observations or observations. The minimum and maximum value range for each variable is between 7.00 and 35.00. The average (mean) of variable influence of price is around 23.6916 with a standard deviation (std. deviation) of 4.29438. Variable quality of service has a mean of around 26.9065 with a standard deviation of 4.76927, while variable consumer decisions has a mean of around 22.4860 with a standard deviation of 4.19426. All observed data has a valid N (listwise) of 107, indicating that there are no missing values in this analysis.

3.2 Normality Test

The test result shows a value of 0.076 with significance. The normality test using the One-Sample Kolmogorov-Smirnov Test was carried out on a sample of 107 observations. The normal unstandardized residual parameter shows an average value of 0.0000000 with a standard deviation of around 2.27501188. The test results show that the most significant extreme difference is at an absolute value of 0.076. The positive difference reached 0.043, while the negative difference reached -0.076. Asymptotic (2-tailed) around 0.155 after Lilliefors significance correction. From these results, it can be concluded that the data distribution in the sample is not statistically significant from a normal distribution, with a significance value greater than the commonly used significance level (0.05). Therefore, it can be considered that the data observed tends to follow a normal distribution.

3.3 Reliability Test

In the reliability analysis, a Cronbach's Alpha value of 0.900 was calculated from the four items observed. This value reflects the level of consistency or reliability of the measurement instrument, and a higher value indicates a better level of reliability. Next, the linear regression model is explained by model summary statistics. The correlation coefficient (R) between the independent variable quality of facilities, The Adjusted R Square value of around 0.697 indicates that the model has been adjusted to the number of independent variables used, taking into account the complexity of the model.

In addition, the Standard Error of the Estimate (SE) is around 2.30791 indicating how well this model can estimate the value of the dependent variable. The results of this regression are shown by the equation:

$$\text{AND} = b_0 + b_1 \cdot \text{Quality of Facilities} + b_2 \cdot \text{Influence of Price} + b_3 \cdot \text{Quality of Service} \quad (1)$$

with the constant (b_0) as the regression constant. These results provide an idea of the extent to which the independent variables can be used to predict the dependent variable in this model.

This Model Summary provides an overview of how well the linear regression model can explain the variability in the dependent variable consumer decisions based on the independent variables quality of facilities, influence of price, and quality of service. The correlation coefficient (R) of around 0.840 indicates that there is a positive relationship between the dependent variable and the combination of independent variables used in the model. As much as 70.6% of the variability in the dependent variable can be explained by the variability in the independent variable, as reflected by the R Square of around 0.706.

Adjusted R Square, which takes into account the number of independent variables and model complexity, is approximately 0.697. This provides an indication that this model has a good ability to generalize to new data. Furthermore, the Standard Error of the Estimate (SE) of around 2.30791 states how accurate this model is in estimating the value of the dependent variable consumer decisions. The lower the SE value, the better the model is at predicting the value of the dependent variable.

In this model, the independent variables used are quality of facilities, influence of price, and quality of service, including a constant (intercept). These results can provide a clear view of the extent to which the combination of independent variables can explain the variation in the dependent variable, which in this context is consumer decisions.

3.4 T Test

Based on the t test result, coefficient analysis is carried out to understand the influence of the independent variables (influence of price, quality of service, and quality of facilities) on the dependent variable (consumer decisions). The analysis results show that the constant (intercept) of this model is -0.237 with a standard error of around 1.467. However, it is not statistically significant with a T value of around -0.162 and p-value of 0.872. The unstandardized coefficient for influence of price is 0.262, with a standard error of about 0.069. This coefficient is positive and statistically significant ($T = 3.812$, $p = 0.000$), indicating that there is a significant positive influence between influence of price and consumer decisions.

Likewise, quality of service has a coefficient of 0.229, a standard error of 0.076, and is statistically significant ($T = 3.031$, $p = 0.003$). This indicates that quality of service also has a significant positive influence on consumer decisions. The independent variable quality of facilities has a coefficient of 0.397, with a standard error of 0.078, and is statistically significant ($T = 5.103$, $p = 0.000$). This shows that quality of facilities has a significant positive influence on the dependent variable consumer decisions. Thus, the results of this t test analysis provide information about the extent to which each independent variable makes a significant contribution to the variability of the dependent variable.

3.5 F Test

The analysis of variance (ANOVA) test was used to evaluate the overall significance of the regression model and the contribution of the independent variables to the dependent variable. In the results of this test, the sum of squares for the regression is 1316.107, with degrees of freedom (df) of 3, resulting in a mean square of around 438.702. The F-statistic value is around 82.363 and the significance (Sig.) is very low (0.000) indicating that at least one of the independent variables has a significant influence on the dependent variable.

Meanwhile, the residual sum of squares (error) is 548,622 with a df of 103, and a mean square of around 5,326. This reflects variation that cannot be explained by the regression model. The total sum of squares, which includes both components, is 1864,729 with a total df of 106.

With significant results in the F test, we can conclude that at least one independent variable in this model makes a significant contribution to the variability of the dependent variable. Therefore, the overall regression model can be considered as a significant model in explaining the variation in the dependent variable consumer decisions.

4 Conclusions

The conclusion of this research shows that there is a significant relationship between product prices in coffee shops and consumer decisions. Linear regression analysis reveals that the price variable, together with variables influence of price, quality of service, and quality of facilities together make a significant contribution to variation in consumer decisions. The coefficient of determination (R Square) of around 70.6% indicates that the model can explain most of the variation in consumer decisions.

The importance of the price factor in consumer decision making can be seen from the statistically significant price coefficient exchange rate. Therefore, coffee shop management can consider wise pricing policies to positively influence consumer decisions. While these results provide valuable insight, the study also identifies several areas for further research.

4.1 Suggestion

Future research could expand the model by considering additional variables, digging deeper into interactions between variables, or conducting further analysis on specific consumer segments. In addition, research can use qualitative methods to consider more significant results and broader results.

And further research can use other units of analysis and add variables to increase insight. Thus, the conclusions of this study provide a basis for further understanding the role of price in the coffee shop context and contribute to the development of more effective marketing strategies in this industry. These suggestions are designed to enrich research and expand understanding of the relationship between price and consumer decisions in coffee shops.

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