

The Influence of Price and Product Quality on Decision Making of "On Mada" Coffe Shops Visitors

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Abstrak—Pesatnya pertumbuhan kedai kopi di Indonesia sejalan dengan meluasnya perluasan kedai kopi di belahan dunia lainnya. Menurut penelitian yang dilakukan, hal ini dipengaruhi oleh jumlah kopi yang dikonsumsi masyarakat Indonesia. Pilihan konsumen berpengaruh pada seberapa populer kafe. Keputusan konsumen didasarkan pada apa yang pelanggan pikirkan tentang apa yang disampaikan dan apa yang diharapkan. Kualitas suatu produk seringkali menjadi faktor dalam keputusan pembelian serta harga. Kualitas produk adalah penilaian keseluruhan pelanggan tentang seberapa baik produk atau layanan bekerja. Tujuan dari penelitian ini adalah untuk mengetahui pengaruh faktor-faktor seperti harga dan kualitas produk terhadap kedai kopi "di Mada" yang berlokasi di Rantauprapat. Berdasarkan hasil analisis data dan pengujian yang telah dilakukan, dapat dikatakan bahwa harga berpengaruh terhadap bagaimana masyarakat memilih untuk membelanjakan uangnya di kafe, namun kualitas produk tidak berpengaruh. Hasil uji Koefisien Determinasi (R^2) menunjukkan bahwa pengaruh harga dan kualitas produk terhadap keputusan konsumen sebesar 39,6%.

Kata Kunci: Kedai Kopi; Pengaruh Kualitas Produk; Pengaruh Harga; Keputusan Pembelian

Abstract—The fast growth of coffee shops in Indonesia is similar to the widespread growth of coffee shops in other parts of the world. According to research, this is affected by how much coffee people in Indonesia drink. One reason why is that the choices people make affect how popular cafes are. The consumer's decision is based on how the customer feels about what was delivered and how it compares to what was expected. Along with the price, the quality of a product is often a factor in whether or not to buy it. Product quality is how well a customer thinks a product or service works overall. The goal of this study is to find out how pricing and product quality affect Rantauprapat coffee shops that are "on Mada." Based on the results of the data analysis and testing, it can be said that price does affect how people spend their money at the cafe, but product quality does not. The results of the Coefficient of Determination (R^2) test show that price and product quality have a 39.6% effect on what customers decide to buy.

Keywords: Coffee Shops; Product Quality Affect; Price Effect; Purchase Decision

1. INTRODUCTION

Competitors in the business world move so quickly because business is changing and growing so quickly. One of them is the fact that the food business is growing quickly and can be found everywhere with different ideas. People think the culinary business has a lot of potential because it provides something people need, which is food (Matondang, Rahma, & Haramain, 2020). Consumers can choose from a wide range of products, and many companies are making products with new designs and features that can get people interested in them (Sumual, Fkawulur, & Kawulur, 2019).

At the moment, the cafe is not only a place to relax, but also a place for business people to talk about work, a place for students to do homework or college assignments, or just a place for young people to hang out. This means that people in the food business need to know how to make high-quality products while keeping the prices low enough for everyone to be able to buy something and come to their cafes. With affordable prices and good menus, customers will get a good taste of the products on offer, which will make them happy and encourage them to come back and buy more (Pasaribu & Liharman Saragih, 2020; Ruddin, 2020).

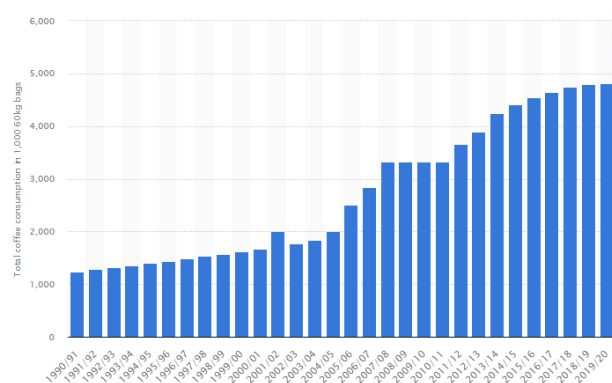


Figure 1. Total Coffee Consumption in Indonesia 1990-2020 (Hanadian Nurhayati-Wolff, 2021)

The fast growth of coffee shops in Indonesia is consistent with the widespread expansion of coffee shops in other parts of the world. According to research done, this is impacted by the amount of coffee consumed by the people of

Indonesia. As can be seen in figure 1, the average annual consumption of coffee by the people of Indonesia has been the equivalent of 4.8 million bags weighing 60 kilos each from the year 1990. This will translate into 4.8 million bags of coffee in 2019/2020. This is an almost 400 percent increase in the amount of coffee that is consumed. This rise in demand has been driven in large part by young people moving from drinking tea to drinking coffee and acquiring a deeper taste for locally produced coffee. In particular, this trend has been seen in the United States (Hanadian Nurhayati-Wolff, 2021).

Consumer choices have an effect on how popular cafes are, which is one reason why. The consumer's decision is based on what the customer thinks about what was delivered and what was expected. When a customer is happy with the value of a product or service, they are likely to stay a customer for a long time (Maesano, di Vita, Chinnici, Pappalardo, & D'amico, 2020). Consumers say that price is the most important thing when deciding what to buy. Price is also a number of values, which can be money, that customers pay for the benefits of having or using different goods or services. When you want to buy something, price is the most important thing. Some customers even link price and worth (Danziger, Hadar, & Morwitz, 2014; Steenhuis, Waterlander, & de Mul, 2011).

Setting the right prices is an important part of marketing (Fathiyah & Nur Fahmi Hidayah, 2019). If the prices are wrong, the product will fail and may not sell well on the market. Pricing and price competition are seen as the biggest problems the company will have to deal with. Consumers will care a lot about the price and quality of a company's products when making a decision about what to buy. People will look at the prices of one cafe and compare them to those of another. So, the price is very important because people will think carefully before they buy something (Wibowo, Chen, Wiangin, Ma, & Ruangkanjanases, 2021).

The quality of a product is often a factor in buying decisions as well as the price. Product quality is a customer's overall assessment of how well a product or service works. Business people need to do their best in terms of product quality, price, and service quality to stay in business and keep customers happy in a world where competition is getting more and more fierce (Runtunuwu, Oroh, & Taroreh, 2014). The study's findings showed that the quality of service as shown by physical proof, dependability, responsiveness, assurance, and empathy had a positive and significant effect on customer satisfaction. Product quality has a big and positive effect on customer satisfaction through its function, features, reliability, suitability, age, looks, and how it is perceived (Novia, Semmaila, & Imaduddin, 2020).

In light of the information presented above, the purpose of this study is to investigate the impact that factors such as pricing and product quality have on coffee shops "on Mada" that are located in Rantauprapat. Research along these lines has also been carried out at the Aceh Coffee Shop in Malang. The findings indicated that although simultaneously both of quality and price have influence to loyalty with a value of 3.93 and significance of 0.000 005, separately quality has influence, while price has no influence to consumers' loyalty, but simultaneously both of quality and price has influence to loyalty with value of 3.93 and significance of 0.000 005 (Novitawati, Mahfud, & Sasongko, 2019).

At Mbah Sangkil Coffee Shop in Surabaya, another investigation on the influence of product quality, pricing, and service on consumer decision-making about purchases was carried out. The findings indicated that there was a positive and significant influence on purchase decisions brought about by a combination of factors, including product quality, price, and service quality.

2. RESEARCH METHOD

This kind of research is called "quantitative research" (Sugiyono, 2018). It is a type of "explanatory research" or "cause-and-effect relationship" research that looks at selected samples or populations (Sugiyono, 2015). Sampling techniques are usually done at random, data collection requires research tools, data translation is quantitative, and the direction is to test the hypothesis. Random sampling was used to choose the sample for this study (Sudarmanto et al., 2021). Random sampling is a way to choose people for a sample in which everyone in the population has the same chance, either individually or as a group, of being chosen. In random sampling, each person in the population has an equal chance of being a sample (Sudarmanto et al., 2022). Using the Slovin method, the researchers were able to figure out that there were 67 samples in this study (Sugiyono, 2016).

3. RESULT AND DISCUSSION

Statistics like minimum, maximum, mean, sum, and others are described by descriptive analysis. Here are the results of the descriptive analysis for the variables of price, product quality, and customer decisions:

Table 1. Variable Descriptive Analysis Test Results

	<i>Descriptive Statistics</i>				
	N	Min	Max	Sum	Mean
Price	67	22	39	2036	30.39
Product Quality	67	12	29	1515	22.61
Visitors Decision	67	24	47	2598	38.78
Valid N (listwise)	67				

From the information above, we can see that the lowest value for the visitor decision variable (Y) is 24, the highest value is 47, the total value is 2598, and the average value is 38.78. In variable X, which is the price variable (X1), the minimum value is 22, the maximum value is 39, the sum of all the values is 2036, and the average value is 30.39. For the variable X2, which is about the quality of the product, the lowest value is 12 and the highest value is also 12. The total value is 1515, and the average value is 22.61.

3.1 Validity Test Results

Validity is a term for how well an empirical measure shows what the real meaning of the thing being studied is. If an instrument is valid, it means that the measuring tool used to get data is valid. The SPSS (Statistical Product and Service Solution) version of the program 22 is used by the author to run the test. The following are the results of the validity test for the visitor decision variables. Table 2 show the results of the validity test on visitor decisions, prices, and product quality, all statements are declared valid.

Table 2. Test Results of Visitor Decision Validity, Price Validity, and Product Quality Validity

Visitors Decision Validity			Price Validity			Product Quality Validity		
Num	Rcount	Note	Num	Rcount	Note	Num	Rcount	Note
1	0,561	Valid	1	0,579	Valid	1	0,720	Valid
2	0,549	Valid	2	0,467	Valid	2	0,675	Valid
3	0,556	Valid	3	0,614	Valid	3	0,683	Valid
4	0,357	Valid	4	0,593	Valid	4	0,781	Valid
5	0,205	Valid	5	0,672	Valid	5	0,725	Valid
6	0,581	Valid	6	0,718	Valid	6	0,712	Valid
7	0,265	Valid	7	0,402	Valid			
8	0,551	Valid	8	0,463	Valid			
9	0,696	Valid						
10	0,728	Valid						

3.2 Reliability Test Results

A reliability test is used to see how consistent a measuring tool is. Usually, a questionnaire is used for this. A reliable instrument is one that gives the same results when used more than once to measure the same thing. From the reliability test to the visitor's decision, price, and product quality were all declared reliable and acceptable. Here are the results of the test to see how reliable the visitor's decision variables, price and product quality, are:

Table 3. Test Results of Visitor Decision Reliability, Price, and Product Quality Reliability

	Cronbach's Alpha	N of Items
Visitor Decision Reliability	0,561	Valid
Price Reliability	0,549	Valid
Product Quality Reliability	0,556	Valid

3.3 Normalitas Test

The normality test is used to see if the residual value after a recession is distributed normally or not. A good regression model is one in which the residual value is spread out in a normal way. The One-Sample Kolmogorov-Smirnov Test is used to find out if a distribution is normal, Poisson, uniform, or exponential. If the value of the significant level is > 0.1, the residual has a normal distribution. And you can see this in the table below:

Table 4. Normalitas Test (One-Sample Kolmogorov-Smirnov Test)

		Unstandardized Residual
N		67
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.06798954
Most Extreme Differences	Absolute	.063
	Positive	.043
	Negative	-.063
Test Statistic		.063
Asymp. Sig. (2-tailed)		.200 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

In table 4., the results of the normality test show that the significant value (Assymp. Sig 2-tailed) of 0.200 is greater than the significant value of 0.1 (0.200 > 0.1). This means that the residual value is normally distributed.

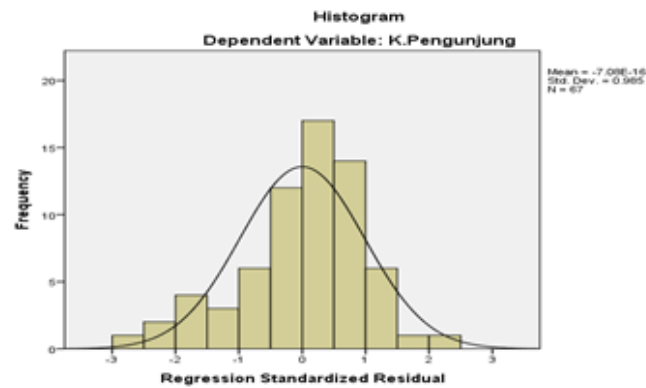


Figure 2. Histogram Normality Test Results

Based on the figure above, we know that the data is normally distributed because the image of the histogram has a bell-shaped line and is convex in the middle. Then, using the PP Plot image to test the normality of the data, it is clear that the points for price, product quality, and visitor decisions are spread out around the diagonal line. This means that the data is normally distributed.

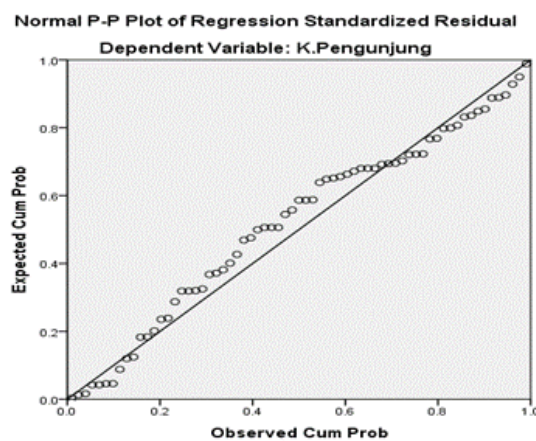


Figure 3. PP Plot Normality Test Results

3.4 Multiple Linear Regression Test Results

Multiple linear regression analysis is used to predict the value of a dependent variable based on the values of two or more independent variables. The results of multiple linear regression analysis are as follows:

Table 5. Multiple Linear Regression Test Results

Model	Coefficients ^a				t	Sig.
	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta			
1 (Constant)	16.902	3.365			5.022	.000
Price	.663	.131	.605		5.058	.000
Q.Product	.076	.151	.060		.505	.615

a. Dependent Variable: Decision Visitors

The constant value of 16.902 with a positive parameter means that the price and quality of the product are taken into account when deciding whether to pay cash or not, so the number of units that visitors to the shop or cafe choose is 16.902. The price coefficient has a value of 0.663, which means that if the price goes up by one unit, the visitor's choice will change by 0.663 units, assuming that all other variables stay the same. The coefficient is positive, which means that there is a link between price and how people decide to visit. In the same way, the value of the product quality coefficient is 0.076, which means that if the quality of the product goes up by 1 unit, it will affect the visitor's decision by 0.076 units, and vice versa, if the other variables stay the same. A negative coefficient means that there is a bad link between the quality of the product and how visitors choose to act.

3.5 T-Test Results (Partial)

The t-test is used to prove or test whether the price variable (X1) and the product quality variable (X2) have an effect on the visitor decision variable (Y) on its own (partial). Here are the results of the t test:

Table 6. T-Test Results

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta		
1 (Constant)	16.902	3.365		5.022	.000
Price	.663	.131	.605	5.058	.000
Q. Product	.076	.151	.060	.505	.615

a. Dependent Variable: D. Visitors

Based on the results of the partial test, it can be seen that at the price H_0 is rejected and H_a is accepted. This shows that price does have an effect on how people decide what to do at the coffee shop. On the other hand, H_0 is accepted and H_a is rejected when it comes to product quality. This means that product quality doesn't have the most impact on people's decisions about whether or not to go to a coffee shop.

3.6 F Results

The F test is used to see what effect the independent variable (X) has on the dependent variable (Y) at the same time (Y). Here are the results of the F test:

Table 7. T-Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	482.022	2	241.011	22.629	.000 ^b
	Residual	681.620	64	10.650		
	Total	1163.642	66			

a. Dependent Variable: D. Visitors

b. Predictors: (Constant): Q. Product, Price

Based on table 7 above, it is explained that $F_{count} > F_{table}$ can be seen from the statistical table at a significant level of 0.10 with degrees of freedom $df_1 = k-1 (3-1) = 2$ and $df_2 = n-k (67-3) = 64$, then $F_{table} = 2.39$. So that it can be seen that the value of $F_{count} > F_{table} (22.629 > 2.39)$. So, it can be seen that H_0 is rejected and H_a is encouraged, meaning that there is an influence between price and product quality simultaneously (simultaneously) on the decisions of visitors at the Cafe.

3.7 Coefficient of Determination Test Results (R_2)

The coefficient of determination is a measure of how well the data fit the regression equation. The determination coefficient (R_2) can be used to figure out how much each independent variable (X_1, X_2) affects the dependent variable (Y). The rest of the effect is caused by other independent variables that are not part of the model. Here are the results of the test for the determination coefficient (R_2):

Table 8. Coefficient of Determination Test Results (R_2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.644 ^a	.414	.396	3.263

a. Predictors: (Constant), Q. Product, Price

Table 8 shows that the value of Adjusted R_2 is 0.396, which is 39.6 percent. This number means that price and product quality affect customers' decisions at the "on Mada" coffee shop by 0.396. This means that the relationship between the independent variable and the dependent variable is weak. In the table above, the value of Adjusted R_2 is 0.396, which is the same as 39.6 percent. This shows that price and product quality have a 39.6% impact on what visitors do. While the other 60.4% (100 - 39.6%) is affected and explained by other factors that are not the main focus of the study.

4. CONCLUSION

Based on the results of the data analysis and testing that has been done, it can be said that price has some effect on how people choose to spend their money at the cafe, but product quality has no effect. The results of the Coefficient of Determination (R_2) test show that the effect of price and product quality on customer decisions is 39.6%. The rest is affected by things that were not part of this study.

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