

The Influence of Price, Store Atmosphere, and Brand Image on Purchasing Decision of Product in Sehari Sekopi Sidoarjo



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ABSTRACT: The high level of consumption of Indonesian people regarding coffee consumption makes coffee shops spread throughout the region. Various coffee shops make business people need to choose the right way to deal with the competitiveness of their business. Sehari Sekopi is one of the famous coffee shops in Sidoarjo, particularly in the Kavling DPR Sidoarjo area. This research aims to analyze the effect of price, store atmosphere, and brand image on purchasing decisions for Sehari Sekopi products. The number of samples in this research was 100 people who were determined using the accidental sampling technique. The analytical method used by SEM-PLS Analysis. The result of the research indicates that price, store atmosphere, and brand image variables have a positive and significant effect on purchasing decisions for Sehari Sekopi products.

KEYWORDS: price, store atmosphere, brand image, purchasing decision.

I. INTRODUCTION

The high opportunity in the coffee industry has resulted in an increase in demand and an increase in the trend of consuming coffee in society. According to data from the International Coffee Organization (ICO), Indonesia occupies the top five in world coffee consumption in 2020/2021 (ICO, 2021). The high level of coffee consumption to become the latest trend, and it has resulted in the emergence of many coffee shops in Indonesia. The activity of drinking coffee has shifted into a lifestyle so the coffee shop business opportunity is promising. The need for practical coffee consumption has led to the rapid growth of the coffee shop-type food service industry, so it is not surprising that the trend of coffee shops is mushrooming in various regions of Indonesia (Mardhiyyah et al., 2019). Efforts to bring in consumers and retain customers can be done by growing consumer buying interest up to the purchasing decision stage. The comfortable atmosphere, taste, and menu variations as well as the many supporting facilities offered are some of the reasons coffee shops are the choice of places to gather (Kusno et al., 2019).

The purchase decision becomes a consideration of several alternatives. Price, quality, atmosphere, and image of perceived value have a major impact on customer purchasing decisions (Cakici et al., 2019). Perceived affordable prices with market share and product brands that attract customers to consume these products. Prices that are too high cause sales to decline and prices that are too low can reduce the profits of a business (Irawan, 2021). Consumers also pay attention to other things such as the theme and atmosphere that is built because it can create comfort in being in a place (Permatasari & Erdkhadifa, 2022). The store atmosphere is a reason for consumers to be interested and choose where they will visit and make purchases again (Baskoro & Mahmudah, 2021). Brand image is important for a business because the brand gives identity to the products being sold. Brand image means the image of a product in the minds of consumers in bulk, if the quality of the product is always improved by the company, then the brand image of the product will always increase from time to time (Diputra & Yasa, 2021).

Sehari Sekopi is one of the famous coffee shops in Sidoarjo, this coffee shop has been around since 2019 and until now it is always full of visitors every day, especially on weekends. Sehari Sekopi offers a variety of products ranging from coffee and non-coffee-based drinks to light and heavy meals. In addition, this coffee shop offers a minimalist and calm atmosphere with a large enough outdoor area that is in demand by customers for hanging out with friends. Currently, there are many coffee shops in Sidoarjo, especially in the Kavling DPR area, this of course makes the competition between coffee shops even higher. Shop business owners are required to provide uniqueness to their business in facing competitive competition in this market. Based on this description, the purpose of this research is to analyze the effect of price, store atmosphere, and brand image on product purchasing decisions at Sehari Sekopi.

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II. RESEARCH METHODOLOGY

This research is done intentionally or purposive at Sehari Sekopi, Jl. Kav. DPR IV No.152, Pagerwojo, Buduran, Sidoarjo. The population in this study were all consumers who visited the Sehari Sekopi with the sampling technique using accidental sampling. Data collection methods used are observation, interviews, documentation, and questionnaires. Data analysis uses SEM-PLS analysis so that the sample size used also follows the rules of SEM-PLS. According to Kock (2018), the minimum sample size that can be analyzed using Warppls is 50 respondents, so researchers use a sample size of 100 respondents to minimize errors. SEM-PLS is used to analyze how price influences (X1), store atmosphere (X2), and brand image (X3) on purchasing decisions (Y), using the evaluation outer model and inner model.

III. RESULT AND DISCUSSION

A. Outer Model Evaluation

Evaluation of the outer model or measurement model is a reflective measurement model that can show how indicators or manifest variables represent their latent variables.

Table 1. Result of Convergent Validity

Variable	Indicator	Loading Factor	AVE	Requirement	Conclusion
Price (X1)	X1.1	0.810	0.677	ng Factor>0,70 AVE>0,50	Valid
	X1.2	0.838			
	X1.3	0.833			
	X1.4	0.809			
Store Atmosphere (X2)	X2.1	0.790	0.686	ng Factor>0,70 AVE>0,50	Valid
	X2.2	0.832			
	X2.3	0.825			
	X2.4	0.866			
Brand Image (X3)	X3.1	0.886	0.774	ng Factor>0,70 AVE>0,50	Valid
	X3.2	0.876			
	X3.3	0.877			
Purchase Decision (Y)	Y1.1	0.737	0.561	ng Factor>0,70 AVE>0,50	Valid
	Y1.2	0.719			
	Y1.3	0.811			
	Y1.4	0.742			
	Y1.5	0.721			
	Y1.6	0.759			

Source: Primary data after processing, 2023

Based on the table above, it can be concluded that each indicator for each variable is deemed valid because it has a loading factor value>0.70 and the AVE (Average Variance Extracted) values for each variable are >0.50. From the loading factor results and the Average Variance Extracted test, it can be determined that the research meets the requirements for proceeding to the test of discriminant validity.

Discriminant Validity is used to test the indicators of a construct that do not have a high correlation with the indicators of other constructs. The values of Convergent Validity can be seen in the following table:

Table 2. Cross Loading Value

Indicator	Price (X1)	Store Atmosphere (X2)	Brand Image (X3)	Decision Purchase (Y)
X1.1	(0.810)	-0.052	0.052	-0.096
X1.2	(0.838)	-0.141	0.349	-0.059
X1.3	(0.833)	-0.097	-0.314	0.148

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X1.4	(0.809)	0.298	-0.090	0.004
X2.1	0.114	(0.790)	-0.061	-0.054
X2.2	-0.153	(0.832)	-0.141	0.035
X2.3	0.265	(0.825)	0.006	0.013
X2.4	-0.209	(0.866)	0.185	0.003
X3.1	-0.107	0.244	(0.886)	0.084
X3.2	0.061	-0.065	(0.876)	0.038
X3.3	0.047	-0.181	(0.877)	-0.123
Y1.1	0.085	0.188	0.486	(0.737)
Y1.2	0.051	-0.248	0.220	(0.719)
Y1.3	0.054	0.259	-0.350	(0.811)
Y1.4	-0.150	-0.145	-0.117	(0.742)
Y1.5	0.053	-0.259	-0.013	(0.721)
Y1.6	-0.092	0.163	-0.180	(0.759)

Source: Primary data after processing, 2023

Table 2 The research results indicate that the cross-loading values of each indicator on a latent variable are higher compared to the loading factor values of indicators from other latent variables. It can be concluded that the indicators are capable of measuring the latent variable. In addition to using the cross-loading factor, discriminant validity can also be observed from the square root of AVE (VAVE) for each construct, with correlation values between one construct and other constructs.

Table 3. Square Root of AVE Value

Variable	Price	Store Atmosphere	Brand Image	Decision Purchase
Price	(0.823)	0.689	0.678	0.721
Store Atmosphere	0.689	(0.829)	0.788	0.718
Brand Image	0.678	0.788	(0.880)	0.709
Purchase Decision	0.721	0.718	0.709	(0.749)

Source: Primary data after processing, 2023

Based on Table 3, it can be observed that the values of all variables are higher when explaining the variable itself compared to explaining other variables in the same column. These results lead to the conclusion that the tested model in this study has met the requirements and criteria indicating that the constructs within the model have discriminant validity.

Additionally, there is Composite Reliability, where if the reliability value is >0.7, it indicates high reliability for that construct. Composite reliability is considered a better method than Cronbach's alpha for testing the reliability of SEM-PLS.

Table 4. Result of Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability	Requirement	Conclusion
Price (X1)	0.841	0.893	Loading Factor>0,70	Reliable
Store Atmosphere (X2)	0.847	0.897	Loading Factor>0,70	Reliable
Brand Image (X3)	0.854	0.911	Loading Factor>0,70	Reliable
Decision Purchase (Y)	0.843	0.884	Loading Factor>0,70	Reliable

Source: Primary data after processing, 2023

The results from Table 4 indicate that each latent variable meets the criteria because they have Cronbach's alpha and composite reliability values >0.70, which suggests that they are reliable or consistent in measuring their respective latent variables. Based on the processed data, it can be concluded that this study has achieved good results in terms of convergent validity, discriminant validity, and composite reliability.

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B. Evaluation of the Inner Model

The evaluation of the inner model, or structural model, is used to assess the relationships between constructs or latent variables, which can be observed through path coefficient values. This evaluation can be seen through several results, including R-square and Q-square values, model fit, and hypothesis testing through P-values.

Table 5. R-square and Q-square Value

Variable	R-Square	Q-Square
Purchase Decision (Y)	0,644	0,647

Source: Primary data after processing, 2023

Table 5 shows that the R-square value for the purchase decision variable is 0.644, which falls into the moderate category. It can be concluded that 64.4% of the purchase decision variable can be influenced by the price, store atmosphere, and brand image variables. The remaining 35.6% of the purchase decision variable is influenced by other variables not studied. In addition to R-square, the PLS method can also be assessed based on Q-square. Q-square is useful for measuring how well the model's observed values and parameter estimates match. The purchase decision variable has a predictive relevance or Q-square value of 0.647, or 64.7%. From these results, it is known that this research model has a high predictive relevance according to the criteria.

The next evaluation of the model is the evaluation of model fit through the Goodness of Fit (GoF). Out of the total 10 model fit measures, the researcher only used Average Path Coefficient (APC), Average R-Square (ARS), Average Adjusted R-Square (AARS), Average block VIF (AVIF), and GoF, as shown in Table 6 below:

Table 6. Result of Fit Model

Information	Mark	Criteria
Average path coefficient (APC)	0,297, P<0,001	P<0,05
Average R-squared (ARS)	0,644, P<0,001	P<0,05
Average adjusted R-squared (AARS)	0,633, P<0,001	P<0,05
Average block VIF (AVIF)	2,676	acceptable if ≤ 5 , ideally ≤ 3.3
Tenenhaus GoF (GoF)	0,659	small ≥ 0.1 , medium ≥ 0.25 , large ≥ 0.36

Source: Primary data after processing, 2023

The P-value of the Average Path Coefficient (APC) is <0.001, which means there is a difference in the sign of the path coefficients. ARS and AARS are supported by significant values (<0.05), indicating that the contribution of one latent variable significantly influences changes in other latent variables. The AVIF value is 2.676, which meets the requirement of ≤ 3.3 , indicating that the model is free from multicollinearity. The research results also yield a GoF value of 0.659, which falls into the large category. Hypothesis testing simultaneously can be observed from the path coefficient values, P-values, and effect sizes from the data processing results. These results can be seen in Table 7 as follows:

Table 7. Value of Path Coefficient, P-value, and Effect Size

Hypothesis	Path Coefficient	P-Value	Effect Size	Criteria	Conclusion
Price -> Purchase Decision	0.381	<0.001	0.279	The hypothesis is accepted if P-Value<0.05, and rejected if P-Value>0,05	hypothesis accepted
sphere -> Purchase Decision	0.236	0.007	0.171		hypothesis accepted
Brand Image -> Purchase Decision	0.274	0.002	0.194		hypothesis accepted

Source: Primary data after processing, 2023

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Based on Table 7, the price variable has a P-value < 0.001 , indicating that the hypothesis is accepted. This suggests that the price variable has a significant influence on purchase decisions. The path coefficient value for the price variable is 0.381, indicating that the price variable has a positive effect on purchase decisions. The effect size value of 0.279 means that the price variable influences purchase decisions by 27.9%, with the remaining being influenced by other variables. This indicates that the more positive consumers' perceptions of the price indicator, the higher their purchase decisions regarding the product. The affordability indicator (X1.1) influences purchase decisions because the price set for Sehari Sekopi is affordable and in line with consumers' income and purchasing power. The price-quality fit indicator (X1.2) also has an influence on purchase decisions because good product quality makes consumers willing to spend money to buy the product. The price competitiveness indicator (X1.3) has an impact on product purchase decisions. Consumers consider where they will visit and make purchases and compare one coffee shop to another. Additionally, the price-benefit fit indicator (X1.4) also influences purchase decisions because the price of the product aligns with consumers' needs and the benefits they obtain from consuming it, making consumers feel that they are not at a loss when making purchases at Sehari Sekopi.

Based on Table 7, it is known that the P-value of the store atmosphere variable is 0.007, indicating that the hypothesis is accepted because the P-value is < 0.05 . From the P-value, it can be concluded that the store atmosphere variable has a significant influence on purchase decisions. The path coefficient value for this variable is 0.236, meaning that the store atmosphere variable has a positive effect on purchase decisions. This variable has an effect size of 0.171, indicating that the store atmosphere variable can influence the purchase decision variable by 17.15%, with the remaining being influenced by other variables. The more positive consumers' perceptions of the store atmosphere indicator, the higher their purchase decisions regarding the product will be. The exterior store indicator (X2.1) influences purchase decisions. The exterior of the store is one of the reasons why consumers are interested in buying something from a coffee shop. The general interior indicator (X2.2) also has an impact on purchase decisions. Sehari Sekopi creates an ambiance that makes consumers comfortable and encourages them to spend more time in the coffee shop. A good general interior, including the food, can influence consumers' emotions or feelings during their visit, ultimately driving their interest to make a purchase. The store layout indicator (X2.3) influences purchase decisions. Sehari Sekopi has a well-designed layout that facilitates consumers' activities. In addition, the interior display indicator (X2.4) also has an impact on purchase decisions. Sehari Sekopi has attractive interior displays to capture consumers' attention and enhance their visiting experience.

Based on Table 7, the P-value of the brand image variable is 0.002, indicating that the hypothesis is accepted because the P-value is < 0.05 . From the P-value, it can be concluded that the brand image variable has a significant influence on purchase decisions. The path coefficient value for this variable is 0.274, meaning that the brand image variable has a positive effect on purchase decisions. This variable has an effect size of 0.194, indicating that the brand image variable can influence the purchase decision variable by 19.4%, with the remaining being influenced by other variables. The more positive consumers' perceptions of the brand image indicator, the higher their purchase decisions regarding the product will be. The product excellence indicator (X3.1) has an influence on purchase decisions. Product quality is one of the strengths of Sehari Sekopi, and it is important to pay attention to quality to meet consumer expectations. The brand association strength indicator (X3.2) has an impact on purchase decisions. A simple yet meaningful brand name makes it easier for consumers to remember, allowing them to recall their experience when visiting. The brand uniqueness indicator (X3.3) also has an influence on purchase decisions. The selection of the appropriate logo elements attracts consumers and helps them remember that the logo represents Sehari Sekopi.

IV. CONCLUSIONS

Based on the findings of this study, the influence of price, store atmosphere, and brand image on purchase decisions of products at Sehari Sekopi is categorized as good. The analysis using SEM-PLS indicates that the variables of price, store atmosphere, and brand image have a positive and significant impact on purchase decisions. The independent variables have a 64.7% influence on the dependent variable of purchase decisions, while the remaining 35.6% is influenced by other variables that were not examined in this study.

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