

# Original Research Article

## **FACTORS AFFECTING CONSUMER DECISIONS IN CONSUMING COFFEE IN SURABAYA, SIDOARJO AND GRESIK.**

### **Abstract**

The purpose of this study is to analyse the factors that influence consumers decisions in consuming coffee in Surabaya, Sidoarjo and Gresik. Selected location of the research was chosen purposively, considering that Surabaya, Sidoarjo and Gresik are nearby regions. The sampling technique used in this study is accidental sampling, with the number of respondents as many as 90, with Surabaya as many as 30 respondents, Sidoarjo 30 respondents and Gresik 30 respondents. The data that has been obtained is then analysed using Warp PLS version 6.0. The results showed that the personal factor variables (age, occupation, income, lifestyle, education), social environmental factors (reference group, family), psychological factors (motivation, perception, attitude), and cultural factors (values, habits, popular culture) can influence consumers decision to buy coffee drinks.

Key words: Consumer decision, consuming, coffee

### **Introduction**

The increase in coffee consumption is in line with the growing retail of coffee shops in Indonesia. Global Market Intelligence Agency (Mintel) research, predicts that the compound annual growth rate in the Indonesian coffee retail market will pick up by (11.4%) between 2017 and 2021. National coffee consumption continues to grow and growth is predicted to reach (8.22%) per year (Timorria, 2019). This makes the coffee retail market in Indonesia is one of the fastest growing retailers in the world among the list of countries as follows: Vietnam, ranked second (9.2%), followed by Turkey (6.8%), the Philippines (6.7%) and Mexico (6.1%) (Normala, 2018). This coffee retail growth generally occurs, especially in big cities in Indonesia such as Jakarta, Surabaya, and Bandung.

The more critical consumers today in choosing the desired product to be consumed, then this condition must be addressed by companies engaged in services and both drink and food products. For this reason, companies that experience intense competition must be able to create products that are flexible and can meet consumer demand right and on target, and will be able to compete and furthermore be able to win the competition in Indonesia's global market as it is today. The right company offer will provide successful sales because there is still a loyal demand (Engel, Blackwell and Miniard, 1994). Suroto, Fanani and Nugroho (2013), stated that cultural variables are the most dominant variables influencing decisions

purchase of formula milk. While Deliana, Hapsari, Andriani and Trimo (2018), stated that factors which influence consumer purchasing decisions are the level of coffee income, price coffee and duration of coffee consumption. Consumer purchasing decisions are influenced by cultural, social, personal and psychological (Kotler and Keller, 2012). Kotler and Armstrong (2014), stated that consumer behaviour is influenced by social factors such as reference groups, family, role and status. Kotler and Keller (2011), psychological processes play a very important role in making purchase decision. Achmad (2009), psychological factors that influence buying namely motivation, perception, knowledge and beliefs and attitudes.

This research aims on analysing factors which influence consumer decision in consuming coffee in Surabaya, Sidoarjo and Gresik

## **Literature Review**

### **Personal**

Chen and Cai (2012) say that consumer psychological variables are useful to help with marketing. Almousa (2011) adds that shopping attitudes are influenced by convenience in online shopping, consumer perceptions and attitudes can change due to personalization. Ong, Kaharian, and Liorente (2019), stated that the most significant factors influencing decisions when buying instant coffee products are family and friends. Bidel et al. (2010) stated that consumer attitudes are significantly influenced by a person's personality. Sangadji and Sopiah (2013), said that personal factors are unique factors for a consumer.

### **Social environment**

According to Shahzad et al. (2015), stated that different social and cultural combinations have consumer group behaviour and have a significant influence. Li (2015) shows that integrating a sustainable environment is a profitable business model. Hessami & Yousefi (2013) consider behaviour as an important step for the survival of the company organization. Factors that control behavior include the level of knowledge, attitudes, and subjective norms. (Angelovska et al., 2012; Kim et al., 2014). Furthermore, Zhang & Gu (2015) added that information affects consumer trust social influence is much more influential than for personal innovation. Lu (2014); Golding & Peattie (2005) also added that social marketing changes attitudes to behaviour.

## **Psychology**

Astuti, Sudrajat and Astuti (2019), that psychological, cultural, social, personal variables have a positive and significant influence on consumer behaviour in purchasing decisions. Kuk-Shin et al. (2011) consumer assessment of the products purchased caused by environmental stimuli. While Martínez-López et al. (2014) proved that satisfaction from an online store has a strong influence. Emotion affects cognitive factors (Tanaka et al., 2015). In addition to cognitive imbalances and information about the product can reduce psychological imbalance. Lase, Setiadi and Budiraharjo (2019), stated that cultural, social, personal, psychological and physical factors have a major influence on consumer decision in buying coffee.

## **Culture**

Khasan (2018), stated that cultural factors influence the purchasing decision of White Coffee. Supriyadi and Pratiwi (2018), stated that cultural factors have a real positive effect on consumer buying interest at a Ketan Susu stall in the Kampung Inggris in Pare subdistrict. Tirelli and Martínez-Ruiz (2014) said that food attributes influence all decision making. Ali and Lee (2011); Sugandini et al. (2018) said that online networks in a country are influenced by same culture. Iriani et al. (2015) added that the cultural aspect is related to collectivity have a significant impact on attitudes. Meanwhile, Winarno, Darsono, Harisudin and Sudiyarto 2018 that cultural variables do not have a significant influence on attitudes of Robusta coffee consumers.

## **Research methods**

The research was conducted in July – September 2020, in three cities, namely the city of Surabaya, Sidoarjo, and Gresik. Location selection is based on consideration of easiness to access location so that research can be monitored and controlled more quickly and efficiently. The sampling technique used in this study is non-probability sampling, namely accidental sampling. Sugiyono (2017), stated that Accidental Sampling is a technique to determine sample based on coincidence. There were 90 respondents in this research. 30 respondents in Surabaya, 30 respondents in Sidoarjo and 30 respondents in Gresik. The collected data was then analyzed using Warp PLS.

## **Result and Discussion**

<b>Hypothesis</b>	<b>Path</b>	<b>Path Coefficient</b>	<b>P values</b>	<b>Standart of Error for Path Coefficient</b>	<b>Effect size for Path Coefficient</b>	<b>Sig.</b>
<i>H1</i>	Personality → Decision	0,237	0,038	0,691	0,178	p<0.05 Significant ( <i>H2</i> accepted)
<i>H2</i>	Social Environment → Decision	0,270	0,021	0,712	0,202	p<0.05 Significant ( <i>H4</i> accepted)
<i>H3</i>	Psychology → Decision	0,249	0,031	0,699	0,180	p<0.05 Significant ( <i>H3</i> accepted)
<i>H4</i>	Culture → Decision	0,226	0,045	0,710	0,156	p>0.05 Significant ( <i>H1</i> accepted)

### **Personal**

Based on the results of the WarpPLS 6.0 analysis, personal factors have a significant influence, significantly have positive effect on consumer behaviour (Y) with a path coefficient of 0.237, in which the value of  $p = 0.038$  which is smaller than  $= 0.05$ . Based on the results of the study, it was found that personal factor variables have a significant effect on consumer decisions, where the personal factor variable has five indicators, namely age, occupation, income, lifestyle and education. From these five indicators, lifestyle becomes the most powerful indicator of personal factor variables in this research. Munandar (2017), states that personal factors are the most dominant in influencing consumer purchasing decisions for espresso coffee in the Dewantara subdistrict of North Aceh district. The results of this study are also the same as the previous research findings by Susanti, Qomariah and Anwar (2017), that the variables of cultural, social, personal factors and psychological together affect the purchase decision. Among those variables, the most dominant among cultural, social, personal and psychological factors are personal factors. To increase attention to personal factors including age, occupation, income, lifestyle and education, the consumer's decision to buy coffee drinks will increase also. This is because the personal factor variables in this study have a significant effect on consumer decision.

### **Social Environment**

Based on the results of the Warp PLS 6.0 analysis, social environmental factors have a significant influence giving positive effect on consumer behavior (Y) with a path coefficient of 0.270, in which the value of  $p = 0.011$  which is smaller than  $= 0.05$ . Based on

the results of the study, it was found that social environmental factor variables have significant effect on consumer decisions. The social environment factor variable has two indicators, namely the reference group and the family. From the two indicators, the reference group is the strongest indicator of the social environment factor variables in this study. It may show that the closest people can be influences for consumers in making a purchase of a product and the closest people to them not only from the family but also from people who often doing various activities together. Yunita, Sudarma and Dewi (2017), stated that social factors have the biggest influence on consumer decisions to buy Sariwangi tea bags in Kota Denpasar. Increasing attention to social environmental factors which include reference groups and families, the consumer's decision to buy coffee drinks will also increase. It is because the variables of social environmental factors in this study have a significant effect on consumer decisions.

### **Psychology**

Based on the results of WarpPLS 6.0 analysis, psychological factors have significant influence, it has a positive effect on consumer behavior (Y) with a coefficient path of 0.249, where the value of  $p = 0.031$  which is smaller than  $= 0.05$ . Based on the research results, it was found that psychological factors had a significant effect on consumer decisions, where the psychological factor variable has three indicators, namely motivation, perception, and attitude. From the three indicators of psychological factor variables, the strongest indicator is attitude. This means that consumers have a good attitude towards coffee drinks. Kusmirayati (2015), states that psychological variables have a dominant influence on purchasing the Torabika instant milk coffee. To increase attention to psychological factors which include: motivation, perception, and attitude, then the consumer's decision to buy coffee drinks will increase too. This is because the psychological factor variables in this study have an effect on significant to consumer decisions.

### **Culture**

Based on the results of Warp PLS 6.0 analysis, cultural factors have influence which was a significant positive effect on consumer behaviour (Y) with a path coefficient of 0.226 , where the value of  $p = 0.045$  which is smaller than  $= 0.05$ . Based on the results of the study, it was found that the cultural factor variable has a significant effect on consumer decisions, where the cultural factors have three indicators, namely values, customs, and popular culture. Among the three indicators, the strongest indicator of cultural factors in this research is

popular culture. This is because buying coffee drinks has become a popular culture because now drinking coffee has become a trend because it is considered as something popular and keep up with the times by buying coffee drinks at coffee shops with a certain brand. Shelviana, Rahadhini, and Wibowo (2019), stated that cultural factors, social, personal and psychological factors have a significant effect on purchasing Timlo Sastro Solo. Cultural factors are variables that have dominant influence on Timlo Sastro Solo. To increase attention to cultural factors which include values, habits, and popular culture, the consumer's decision to buy coffee drinks will increase too. This is because the cultural factor variables in this study have an effect on significant to consumer decisions.

## **Conclusion**

Based on the results of the study, it can be concluded that personal factor variables (age, occupation, income, lifestyle, education), social environmental factors (reference group, family), psychological factors (motivation, perception, attitude), and cultural factors (values, habits, popular culture) influence consumers to decide to buy coffee drinks.

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