



The Influence of Brand Ambassador, Brand Image, Product Quality, and Price on Purchasing Decisions at Rumah Kopi Renon

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Abstract

The coffee shop businesses in Bali especially in the Denpasar area are growing rapidly, making competition fierce between coffee shops in this area. Therefore, every company has to be able to maximize its competitive advantage and choose the right marketing strategy. One of the coffee shops in the Denpasar area is Rumah Kopi Renon which is a coffee shop from the coffee brand Bali Coffee Banyuwatis which has been established since the 1960s so that it has a broad image. In building and maintaining a positive image, Bali Coffee Banyuwatis has used the services of a brand ambassador as a marketing communication strategy. This study aims to: 1) Identify the characteristics of visitors, 2) Analyze the value of each variable 3) Analyze the influence of brand ambassadors, brand image, product quality, and price on purchasing decisions. The data analysis method in this study used Structural Equation Modeling-Partial Least Square (SEM-PLS) with a sample of 96 respondents. The results showed that the characteristics of the majority of visitors to Rumah Kopi Renon were aged 21-25 years old, the gender was male, were student, and had incomes ranging from less than 3 million rupiahs per month. It was found that the brand ambassador, brand image, product quality, and price had a positive and significant effect as evidenced by the acquisition of the value of each variable 2,115; 2,164; 2,699 and 2.115 on purchasing decisions at Rumah Kopi Renon.

Keywords: coffee shop, brand ambassador, SEM-PLS

A. Introduction

Coffee is one of the plantation commodities that has a fairly high economic value among other plantation crops in Indonesia. Coffee plays an important role as a source of foreign exchange for the country and source of income for no less than one and a half million coffee farmers in Indonesia. According to data from the International Coffee Organization (ICO) (2021) in the last four years, Indonesia is ranked fourth as the largest coffee producer in the world after Brazil, Vietnam and Columbia.

Indonesia is one of the best coffee producers with the characteristics of different regional commodities, such as Java Preanger, Aceh Gayo, Bali Kintamani, Toraja, Papua Wamena and others. Apart from being the best coffee producer, the level of coffee consumption in Indonesia also increases every year. Based on ICO data, domestic coffee

consumption in Indonesia has continued to increase over the last five years. Coffee consumption in Indonesia is ranked 1st for coffee consumption in Southeast Asia, reached 294,000 tons in 2019, an increase of 13.9% compared to the previous year (Toffin & Mix, 2020).

The high coffee production followed by an increase in coffee consumption in Indonesia proves the increasing public interest in the coffee product. Along with the times, the coffee shop which is now known as the modern coffee shop is not only a place to spend time to gather while enjoying a cup of coffee, but a coffee shop is used as a working space (Sari, *et al.* 2018). Coffee shops have become part of the lifestyle and are much favored by the community so that they become bright business prospects now and in the future (Safitri *et al.* 2019). In recent years, the coffee shop business in Bali, especially in the Denpasar area, has grown rapidly. The proliferation of coffee shop businesses has created fierce competition among coffee shops in the region. To survive and develop, companies are required to increase competitive advantage and require every company to be able to choose the right marketing strategy in achieving competitive advantage. The success of a company can be seen if it is able to create loyalty and attract customers to lead a purchase decision.

One of the coffee shops in the Denpasar area is Rumah Kopi Renon which is located at Jl. Moh. Yamin X No. 11 Renon, Denpasar. Rumah Kopi Renon is a coffee shop from Bali Coffee Banyuwatis which is a legendary Balinese coffee brand that has been established since the 1960s, so this coffee brand had a broad image. In building and maintaining a positive image among the Balinese people in particular, Bali Coffee Banyuwatis has implemented one marketing communication strategy by using the services of a brand ambassador. The goal is to attract young people, so from that their products are still in demand by people from various circles now. Increasing business competition requires Rumah Kopi Renon to maintain product quality and create a varied menu so as not to be sidelined in business competition. In addition, price is one of the factors that also influence consumer purchasing decisions. A consumer tends to consider the price in making a purchase decision.

B. Methodology

1. Research Design

This research was conducted at Rumah Kopi Renon, Jln. Moh. Yamin X No. 11 Renon, Denpasar. The Rumah Kopi Renon was chosen as the location in this study using certain considerations. This research was carried out from December 2021 to March 2022. The type of data used in this study is quantitative data in the form of visitor characteristics such as: the age of the respondent, the income of the respondent, besides that it is related to the total visits of respondents to Rumah Kopi Renon in one month and the value of the brand ambassador variable, brand image, product quality, price and purchase decisions. While the qualitative data in the form of gender, the type of work of the respondent, whether the visitor is a coffee connoisseur or not, how often the respondent visits a coffee shop in one month, and the purpose of visiting the Rumah Kopi Renon. Sources of data used in this study are primary data and secondary data.

2. Participants/Respondents/Population and Sample

Determination of the sample in this study was taken using accidental sampling technique. The population in this study is large and the number is not known with certainty, so that in determining of sample, the formula according to Rao Purba (1996) obtained a total sample of 96 respondents. The sample in this study were all visitors at the Rumah Kopi Renon.

3. Technique of Data Collection

The data collection method in this study was carried out by observation, structured interviews and documentation. Observations were made by researchers by visiting the Rumah Kopi Renon directly, to be able to observe and see firsthand how things were at the research site. Structured interviews were conducted using a research instrument in the form of a questionnaire. Documentation is in the form of data that has been collected by researchers from the results of observations and questionnaires that have been filled out by visitors at the Rumah Kopi Renon, as well as photos obtained by researchers during the research to support primary data. Structured interviews were conducted using a research

instrument in the form of a questionnaire. Documentation is in the form of data that has been collected by researchers from the results of observations and questionnaires that have been filled out by visitors at the Rumah Kopi Renon, as well as photos obtained by researchers during the research to support primary data.

4. Instruments

The instrument used in this research is a questionnaire, where a list of statements has been prepared in advance related to the variables consisting of each indicator, which is used to answer the problems in the research and there are alternative answers in it.

5. Technique of Data Analysis

Data analysis on the first and second objectives were analyzed by descriptive analysis with simple tabulation. The third objective analysis was analyzed using the Partial Least Square (PLS) approach where PLS is a component or variant-based Structural Equation Modeling (SEM) equation model. There are two stages of data analysis in the SEM-PLS approach, namely evaluation of the outer model and evaluation of the inner model. This PLS SEM diagram has 4 independent variables, and 1 determining variable, namely brand ambassador, brand image, Instagram, price, and purchasing decisions. The following is the dependent variable and the independent variable in Figure 1.

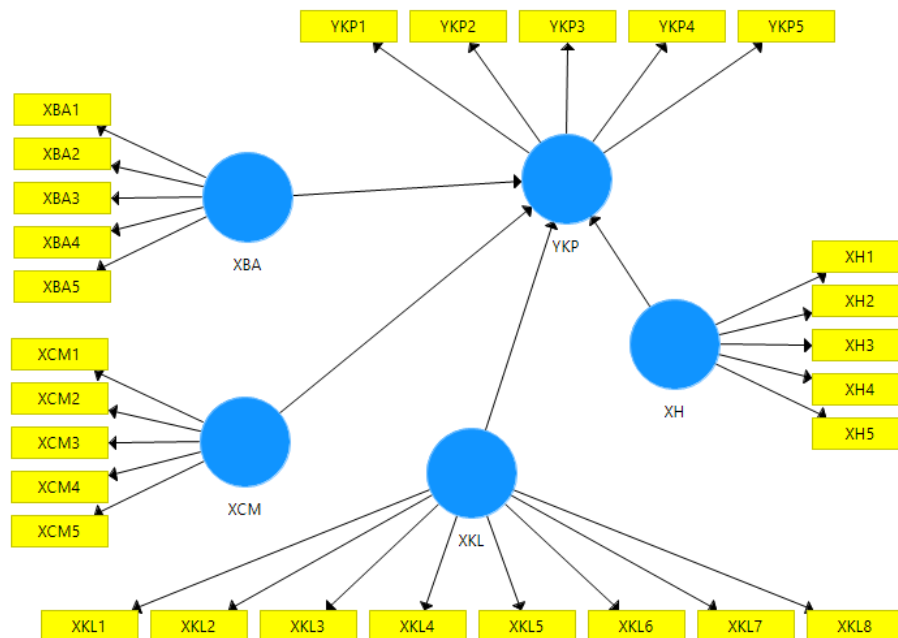


Figure 1. Schematic of the initial path

Explanation :

X_{BA}: Brand Ambassador

X_{CM}: Brand Image

X_{KL}: Product quality

X_H: Price

Y_{KP}: Purchase Decision

X_{BA1}: Transference

X_{BA2}: Congruence

X_{BA3}: Credibility

X_{BA4}: Attraction

X_{BA5}: Power

X_{CM1}: Strengthness

X_{CM2}: Uniqueness

X_{CM3}: Favorable

X_{CM4}: Image maker

X_{CM5}: Product image

X_{KL1}: Performance

X_{KL2}: Privileges

X_{KL3}: Reliability

X_{KL4}: Conformance to specification

X_{KL5}: Attraction

X_{KL6}: Ability updated

X_{KL7}: Aesthetics

X_{KL8}: Perceived quality accuracy

X_{H1}: Affordable price

X_{H2}: Price match with product quality

X_{H3}: Price match with benefits

X_{H4}: Price competitiveness

X_{H5}: Price match with market

Y_{KP1}: Stability in a product

Y_{KP2}: Habits in buying products

Y_{KP3}: Planned purchase

Y_{KP4}: Providing recommendations to others

Y_{KP5}: Repurchase

C. Findings and Discussion

The research data collection used an instrument in the form of a questionnaire related to the characteristics of visitors in the form of gender, age, type of work, income (per month), coffee connoisseurs or not, total visits to Rumah Kopi Renon, frequency of visiting coffee shops, and the purpose of visiting the Rumah Kopi Renon. In addition, it consists of statements related to the phenomenon at Rumah Kopi Renon that have been adjusted to the variables of brand ambassador, brand image, product quality, and price, where in each statement there are points based on a Likert scale, then analyzed using an approach SEM-PLS.

1. Visitor Characteristics

Data regarding visitor characteristics include gender, age, type of work, and respondent's income (each month) in addition to the respondent's experience whether a coffee connoisseur or not, how often respondents visit coffee shops in one month, and the customer's goal to visit Rumah Kopi Renon. The following is data regarding the characteristics of visitors:

Table 1. Gender of Respondents

No	Gender	Total (person)	Percentage (%)
1	Male	62	64,58
2	Female	34	35,42

Source: Primary data (processed) 2022

Table 1 shows that the number of male visitors at Rumah Kopi Renon is more than female. The number of male visitors was 62 people with a percentage of 64.58%.

Table 2. Age of Respondents

No	Age (Years Old)	Total (person)	Percentage (%)
1	<20	4	4,17
2	21-25	33	34,37
3	26-30	23	23,95
4	31-35	17	16,7
5	36-40	14	14,58
6	>40	5	5,21

Source: Primary data (processed) 2022

Table 2. proves that the majority of visitors to Rumah Kopi Renon are from the age range of 21-25 years old as many as 33 people with a percentage of 34.37%.

Table 3. Types of Jobs of Respondents

No	Types of Jobs	Total (person)	Percentage (%)
1	Students	37	38,54
2	Private employees	31	32,29
3	Government employees	9	9,37
4	Businessman	11	11,45
5	Other	8	8,33

Source: Primary data (processed) 2022

Based on Table 3. it is known that most of the visitors at Rumah Kopi Renon are students with total of 37 people with a percentage of 38.54%.

Table 4. Respondents Income

No	Income	Total (person)	Percentage (%)
1	< Rp 3.000.000	48	50
2	Rp. 3.000.000 - Rp. 5.000.000	24	25
3	Rp. 5.000.000 - Rp. 10.000.000	21	21,87
4	> Rp. 10.000.000	3	3,13

Source: Primary data (processed) 2022

Table 4. obtained information that the majority of respondents at Rumah Kopi Renon earn < Rp 3,000,000 per month as many as 48 people (50%), where the dominant visitors at Rumah Kopi Renon are students who do not have income but pocket money.

Table 5. Frequency of Coffee Connoisseurs

No	Coffee Connoisseurs	Total (person)	Percentage (%)
1	Yes	37	38,54
2	No	59	61,45

Source: Primary data (processed) 2022

Based on data of the frequency coffee connoisseurs in Table 5. proves that the majority of visitors at Rumah Kopi Renon are not coffee connoisseurs, as evidenced by the higher number of visitors who are not coffee connoisseurs as many as 59 people (61.45%).

Table 6. Frequency of visits to coffee shops in one month

No	Frequency of visits	Total (people)	Percentage (%)
1	Seldom (1-3 times)	28	29,17
2	Often enough (4-10 times)	54	56,25
3	Very often (> 10 times)	12	12,5
4	Always (everyday)	2	2,08

Source: Primary data (processed) 2022

Based on Table 6. shows that the majority of respondents are often enough (4-10 times) in visiting coffee shops in one month with the number of respondents as many as 54 people (56.25%).

Table 7. Purpose of visiting Rumah Kopi Renon

No	Purpose of Visit	Total (people)	Percentage (%)
1	Drink/enjoy coffee	32	33,33
2	Carry out a task	28	29,17
3	Gathering with relatives/friends	36	37,5
4	Other	0	0

Source: Primary data (processed) 2022

Table 7. proves that the majority of respondents as many as 36 people (37.5%) visited the Rumah Kopi Renon with the aim of gathering with relatives/friends.

2. The Value of Brand ambassador, brand image, product quality, price and purchasing decision at Rumah Kopi Renon

In this analysis, it explains how and measures the extent of the visitor's perspective regarding the value of each indicator on each variable through the phenomena that occur at Rumah Kopi Renon. Measurement of brand ambassador value, brand image, product quality, price, and purchasing decisions can be used as a benchmark in improving and developing strategies and company performance. The results of the analysis of the calculation of visitor perceptions of the indicator values for each brand ambassador variable, brand image,

product quality, price, and purchasing decisions at Rumah Kopi Renon can be seen in Table 4.8

Table 8. Results of the calculations analysis of brand ambassador, brand image, product quality, price and purchasing decisions at Rumah Kopi Renon

Variable	Indicator	Mean
Brand Ambassador	XBA1	4,08
	XBA2	4,1
	XBA3	4,01
	XBA4	4,01
	XBA5	3,98
Mean		4,03
Brand Image	XCM1	4,1
	XCM2	4,07
	XCM3	3,97
	XCM4	3,96
	XCM5	4,07
Mean		4,03
Product Quality	XKL1	4,06
	XKL2	4,02
	XKL3	3,98
	XKL4	3,98
	XKL5	4,10
	XKL6	3,97
	XKL7	4
	XKL8	4,01
Mean		4,02
Price	XH1	3,98
	XH2	3,97
	XH3	4,03
	XH4	4,03
	XH5	4,02
Mean		4,01
Purchase Decision	YKP1	4,04
	YKP2	3,96
	YKP3	4,11
	YKP4	4,05
	YKP5	4,06
Mean		4,04
Average of Mean		4,03

Source: Primary data (processed) 2022

Obtaining the highest indicator value on the brand ambassador variable is on the XBA2 (conformity) of 4.1 indicates that visitors agree with the selection of brand ambassador figures in advertising Bali Banyuatis coffee products, where there is a suitability or match of criteria between the characters and the advertised product. In the brand image variable, the highest score is on the XCM1 (strength) indicator, with a score of 4.1 proving that the strength of the Bali Coffee Banyuatis brand is very high. This is evidenced by the respondents agreeing to the broad, well-known, and positive image of this brand. The variable quality of the product with the highest indicator value is XKL5 (durability) which is 4.1, proving that visitors agree that the product at Rumah Kopi Renon has an appeal in good product durability so that it does not change the taste of the product itself. In the variable price, the highest indicator value is XH3 (price match with benefits) and XH4 (price according to ability/price competitiveness) with the same average value of 4.03. This indicates that visitors agree that Rumah Kopi Renon is able to provide prices that are comparable to the

benefits of coffee provided, and the prices provided at Rumah Kopi Renon meet consumer expectations and are able to compete with other coffee shops. The purchasing decision variable shows the acquisition of the highest indicator value at YKP3 (planned purchases) of 4.11, meaning that visitors agree with the purchasing decision factor as evidenced by visitors planning to visit Rumah Kopi Renon.

3. The Influence of Brand Ambassador, Brand Image, Product Quality, Price on Purchase Decisions at Rumah Kopi Renon

Table 9. shows the value of the outer model in this study, where all variables have an AVE value above 0.7. This means the variable has a good convergent validity value. In addition, the results calculation of composite reliability value of all variables show a value above 0.7, which means all indicators are reliable in measuring or can be said to meet the reliability test. In Table 9. if the AVE root value of a variable shows a higher value than its correlation with other variables, it means that the discriminant validity is good. The following are the results of the initial path scheme in Figure 2. and the results of the outer model in Table 9.

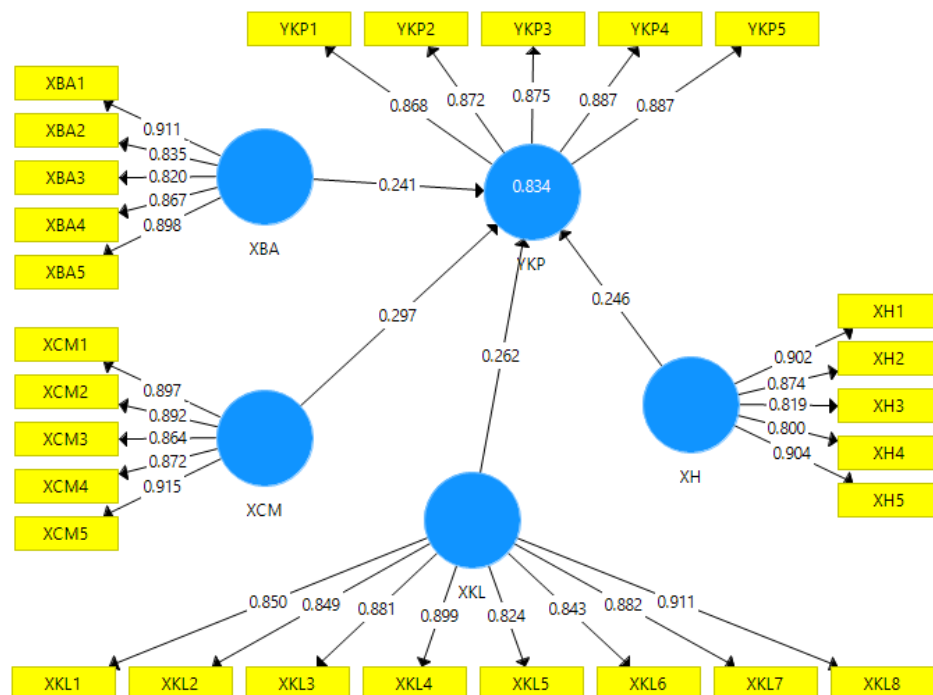


Figure 2. Results of the initial path scheme

Table 9. Outer Model Results

Variabel	AVE	Composite Reliability	Cronbach's Alpha
Brand Ambassador	0,752	0,938	0,917
Brand Image	0,789	0,949	0,933
Price	0,741	0,935	0,912
Product Quality	0,753	0,961	0,953
Purchase Decision	0,770	0,944	0,925

Source: Primary data (processed) 2022

Table 10. Results of Inner Model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
XBA -> YKP	0,241	0,243	0,114	2,115	0,035
XCM -> YKP	0,297	0,283	0,137	2,164	0,031
XH -> YKP	0,246	0,245	0,091	2,699	0,007
XKL -> YKP	0,262	0,268	0,124	2,115	0,035

Source: Primary data (processed) 2022

The inner model in Table 11. shows that it has a significant path relationship in each variable because the t-statistic value has a value greater than the path coefficient of 1.96, namely 2.115, 2.164, 2.699, and 2.115. This means that brand ambassador, brand image, product quality, and price on purchasing decisions have a significant effect. The results of this study are in line with the research conducted by Suparwi and Fitriyani (2020) regarding "The Influence of Product Knowledge, Brand Image, and Brand Ambassadors on Top White Coffee Purchase Decisions" where brand ambassadors have a positive and significant effect on purchasing decisions for Top white coffee on students. Faculty of Economics and Islamic Business IAIN Kudus 2016-2017. In line with Abdulrahman's research (2016) on "The Influence of Prices, Products, and Store Atmospheres on Consumer Purchase Decisions for Cyrano Cafe Bogor" where product variables have a significant effect on consumer purchasing decisions.

D. Conclusion

The conclusions in this study: 1) The characteristics of visitors at Rumah Kopi Renon can be seen from their personal characteristics which show that the main visitors are young people aged 21-25 years, male, having an income or pocket money of less than IDR 3,000,000/month. 2) The results of the analysis of the brand ambassador variables, brand image, product quality, price, and purchasing decisions at Rumah Kopi Renon have been assessed as good from the perspective of visitors through a questionnaire. This is evidenced by the visitors at Rumah Kopi Renon being satisfied with the use of the brand ambassador, the brand image they have, product quality, and the price given at Rumah Kopi Renon. 3) The influence of brand ambassadors, brand image, product quality, and price have a significant effect on purchasing decisions at Rumah Kopi Renon as evidenced by the t-statistic value of each variable which is greater than the t-table value (1,96).

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