Quality of ingredients, price: Determinants of The Decision to Buy Pastry in a Coffee Shop

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Abstract. The Coffee Shop presents a variety of excellent pastry products produced by the pastry department, neatly arranged and eye-catching from behind the window. There are also guests who are attracted and buy without judging whether the price is cheap or expensive, judging by the quality and appearance. On the other hand, some guests consider the price factor before buying. Is there a relationship between the decision to purchase pastry products, the quality of ingredients and products, and price. The study aims to determine the relationship between purchasing decisions for pastry products and the quality of ingredients and products and prices. This type of research is a quantitative associative approach, to analyze the relationship between two or more variables, using multiple linear regression techniques and convenience sampling. The results showed that Product Diversity and Product Price have a significant influence on purchasing decisions, while Product Quality does not have a significant influence on purchasing decisions. It is suspected that respondents do not understand product quality. Recommendations for further research researchers can use respondents from the appropriate market segment or use qualitative research types.

Keywords: Quality of Materials and Products, Concerning Purchasing Decisions.

1. Introduction

Coffee shop is a relaxed place that sells pastry products offered are a variety of cakes and breads as well as a variety of attractive structured drinks with a cozy, comfortable and clean atmosphere with soft music. The service welcomes guests with greeting, friendly and warm [1]. Coffee Shop is a place for informal activities for personal and formal matters with a relaxed atmosphere. Western countries, cafes are an important indicator of urban vitality because as the third location after work and home, it offers individuals areas to socialize, develop connections, and exchange ideas [2]. Creating a relaxed atmosphere, guests linger to spend time relaxing and leisure. Customer trust is invisible to the eye, so customers are sometimes dizzy with the value of trust in product appearance [3]. Pastry products are displayed visually with an arrangement in a show case that is eye-catching to arouse guests' appetite. From an economic perspective, coffee shops provide income and profits and provide an image and brand for the coffee shop because the superior product of pastry is 'delicious' [4]. When guests approach the coffee shop, they can see the cake show case, which displays a variety of cakes, puddings, and snacks. In general, the price of pastry products offered in coffee shops is higher than that of general pastry shops. Often this is not understood by consumers, the initial orientation is on cheap or expensive prices [4]. This often raises

problems, to what extent consumers understand the diversity, quality and price of pastry products in coffee shops affect purchasing decisions. The purpose of the study was to determine the understanding of the diversity, quality and price of pastry products in hotel cafes, influencing purchasing decisions.

From several previous studies on purchasing decision making, a product is not to fulfill desires alone, but rather becomes a cultural trend, a lifestyle because many consumers do not want to be out of date [5]. Neat and unique packaging also influences purchasing decisions for consumers, the totality of features that affect the look, feel and function of the product based on customer needs. Packaging can be used as an attribute of a product, so that it characterizes the brand of a product [6]. Promotion is a communication between sellers and buyers to influence consumer attitudes and behavior to buy [7]. This is done to introduce the product to consumers, so that consumers can find out the advantages of the product they are going to buy. Brand image becomes a consumer memory, if a company has a strong positive brand image, customers will be loyal to its various product lines. Brand image as a consumer reaction to a brand based on the good or bad quality of the brand that consumers remember. Consumers more often buy products from well-known brands because they feel more comfortable and hope that well-known brands are more trusted and the quality is not in doubt [8]. Taste is a way of selecting product characteristics that must be distinguished from the taste of the product. Taste is a form of cooperation between the five human senses, especially the sense of taste. With product attributes which include appearance, aroma, taste, texture, and temperature can grow consumer decisions to buy and become a level of satisfaction for consumers [9].

Based on previous research, it can be concluded that the first research, lifestyle is an influence in purchasing decisions, many generation Z do not want to miss the trend and try to feel it too. Second research, unique and neat packaging can attract consumers because if a product is neatly designed it can increase comfort and satisfaction for consumers who buy. Third research, promotion becomes a communication between sellers and buyers or other parties in the channel to influence consumer attitudes and behavior and become a source of information to find out what superior products are offered. The fourth research according to Evita Maifani et al., [8], that brand image is the perception of a brand described by brand associations in consumer memory. The research to be conducted explains that the diversity of materials, quality and price of products can influence purchasing decisions. Research that will be "The effect of product diversity, product quality, and product prices on purchasing decisions to buy pastry products at coffee shops in Batam city".

2. Literature Review

Purchasing Decisions

A consumer decides to buy a product starting when the consumer feels a need, looks for options, considers alternatives, and then chooses certain goods or services Amiriddinova, [10]. The buyer's decision is the stage when consumers choose between several brands and finally buy the brand they are most interested in or consumers have been influenced by product quality, price and relevant information about the product [11]. When consumers choose to buy or not, they are in a decision-making position. Purchasing decisions are a stage of integrating and combining information in evaluating and explaining two or more alternative attitudes [12].

Product Diversity

More product choices can provide a better match in purchases between available products and the features consumers want [13]. Indicators related to product diversity, namely product completeness, brand, size and quality, such as making coffee with expresso, not only offering desserts but other heavy foods such as sandwiches, fried noodles, fried rice and others. Customer concern for the products offered is a challenge for the hotel to meet guest demand, so that the hotel is more careful in offering its products [14]. With the availability of pastry products offered to consumers by coffee shops such as cakes, pies, cookies, soft roll bread, sweet bread, toast bread, croissants, danish, pudding made in various forms to increase satisfaction for those who see and consume. Product diversity is expected to meet the desires, tastes and needs of consumers [5]. Product diversity is a collection of product lines and goods that a particular seller offers to buyers [15].

Product Quality

The Common Agricultural Policy (CAP) is a European policy to promote quality food, CAP aims to support farmers' livelihoods and increase agricultural productivity, while ensuring reasonable prices and stable food supplies [16]. The policy can be a guideline for hotels choosing to buy and produce quality raw materials in order to produce quality pastry products. Quality refers to the overall features of a product or service that affect its capacity to meet stated or presumed needs. Product quality consists of several measures, including ease of use, durability, function, variety, product size [17]. Product quality is a product offered by a company that has good value in the eyes of consumers so that it can compete with other products [18].

Product Price

According to Souki et al., [19] price is the maximum amount that must be paid may be influenced by consumer culture and needs, as well as their physiological and psychological well-being when buying and consuming certain products. The demand for a particular product also affects how much consumers are willing to pay for the product. Product price is the value of the product measured in money according to [11]. Product price means the amount of money that consumers have to pay for the purchase or use of a product or service. Consumers usually interpret expensive product prices as good quality, and if the price of a product is cheap, consumers doubt its quality. The economy of each individual is different, therefore, to determine the price, it is necessary to measure various indicators. Several price indicators, including (1) product prices that are profitable for consumers, (2) prices according to product quality, (3) the price depends on the benefits of the product, (4) prices according to the market.

Price is the value for which a product is exchanged, which must include all costs associated with production, promotion, distribution, or expected profits [12]. Thus, price can enhance the image of a competing product to gain sales from competitors, or empower individuals to change the timing of orders.

Research Hypothesis

The Effect of Product Diversity on Purchasing Decisions

Product diversity is one of the elements that must be considered by entrepreneurs, good product selection and diversity can attract consumers to visit and buy [20]. Research by Tri

Oktavian & Roslina [21] states that the more product variations offered to consumers, the higher the level of consumer purchasing decisions. Therefore, stock availability must be increased to meet demand, overcome consumer dissatisfaction and increase consumer purchasing decisions for the products offered. From the discussion above, the following hypothesis can be proposed:

H1: There is an influence between product diversity and purchasing decisions

The Effect of Product Quality on Purchasing Decisions

Product quality is closely related to consumer attitudes, product quality motivates consumers to form strong ties with the company. Good product quality will make consumers satisfied and more confident. When consumers feel satisfied and confident, of course, they will buy a product if they are interested and feel appropriate. The product must be tailored to the wants or needs of consumers so that the marketing of the product is successful [22]. From the discussion above, the following hypothesis can be proposed:

H2: There is an influence between product quality and purchasing decisions

**The Effect of Product Price on Purchasing Decisions**

Based on the theory that has been explained, it can be concluded that the price of a product shows the value of the product which can be expressed in money. Price is one of the marketing tools that plays an important role in addressing competition in the market. Price is a determining factor in purchasing decisions that can create customer engagement and loyalty [23]. From the discussion above, the following hypothesis can be proposed:

H3: There is an influence between product prices and purchasing decisions

3. Research Methodology

The research method using a quantitative research approach has the nature to test hypotheses with data collection techniques through questionnaires, measuring questionnaires with a Likert scale. The sampling technique used in this study is Accidental sampling (convenience sampling) is a sampling procedure that selects a sample of people or entities that are most easily found or accessed [24]. The research population is people from Batam City, who have bought pastry products at coffee shops. Determining the number of samples with Hair J et al., [25], determining the number of representative samples, which depends on the number of indicators multiplied by 5 to 10. because the population size is not known with certainty [26]. Based on the calculation of the formula, the sample size of this study was 210 respondents.

Model of Research Framework
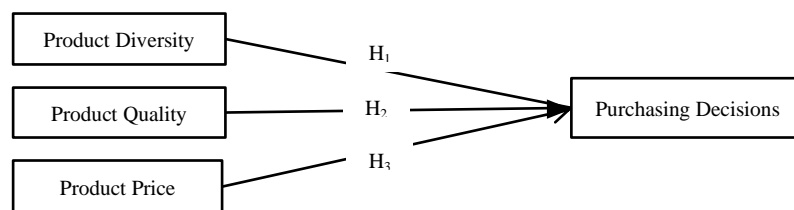
4. Results & Discussion

Outer Loadings Test

Table 1. Outer Loadings test results

	Product Price	Purchasing Decisions	Product Diversity	Product Quality
KP1			0.859	
KP2			0.619	
KP3			0.621	
KP4			0.711	
KP5			0.841	
PD1		0.798		
PD2		0.627		
PD3		0.652		
PD4		0.755		
PD5		0.616		
PP1	0.641			
PP2	0.721			
PP3	0.675			
PP4	0.640			
PP5	0.713			
PQ1				0.735
PQ2				0.659
PQ3				0.615
PQ4				0.604
PQ5				0.703
PQ6				0.634

*KP(Product Diversity); PD(Purchasing Decision); PP(Product Price); PQ(Product Quality)
Source: Primary data processed (2024)

Based on the test results from the table above, it can be seen that the value of the outer loadings of this study is valid because each indicator has a number above> 0.6, which means it shows that each variable is valid to continue.

Construct Reability and Validity

Table 2. Reliability and Construct Validity test results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Product Price	0.711	0.716	0.810	0.461
Purchasing Decisions	0.729	0.753	0.821	0.481
Product Diversity	0.783	0.800	0.854	0.544

Product Quality	0.740	0.745	0.822	0.436

Source: Primary data processed (2024)

Based on the table above, the Average Variance Extracted (AVE) value of each variable is smaller than 0.5. The test results of this study can also be said to be reliable, the Cronbach's Alpha value of each variable is above 0.6 and Composite Reliability which gets a value above 0.7.

Hypothesis Test Results
If the p-Value <0.05 then H0 is rejected and there is an influence (Product quality> Purchase Decision). Conversely, if the p-Value> 0.05 then H0 is accepted and there is no influence. The following are the hypothesis test results that have been obtained from the Bootstrapping Report SmartPLS 3.0.

Table 3. Results of Path Coefficients test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Product Price > Purchasing Decisions	0.163	0.164	0.040	4.055	0.000
Product Diversity > Purchasing Decisions	0.795	0.794	0.032	25.035	0.000
Product Quality > Purchasing Decisions	0.064	0.065	0.035	1.861	0.063

Source: Primary data processed (2024)

From the test results in the table above, there are two direct effects between variables, of which 2 variables have a significant effect. Meanwhile, the variable test Product Quality> Purchasing Decision has no significant effect because the value in the t statistic is not more than 1.96 and the P value is not more than 0.05. It can be concluded that the results of the direct effect hypothesis test are as follows:

Table 4. Conclusion of hypothesis test

Hypothesis	Results
There is an influence between Product Diversity and Purchasing	Supportive
There is an influence between Product Quality and Purchasing Decisions	Not Supportive
There is an influence between Product Price and Purchasing Decisions	Supportive

Source: Primary data processed (2024)

Test Results of the Coefficient of Determination (R Square)

Table 5. R Square test results

	R Square	Adjusted R Square
Purchasing Decisions	0.903	0.902

Source: Primary data processed (2024)

From the table, the R Squares value listed on the Purchase Decision variable is 0.902, which means that the ability of the independent variables to explain the Purchase Decision has a high value of 90.2%, while the remaining 9.8% is explained by other variables that are not mentioned.

Conclusion

Based on the results of the data analysis test conducted, it can be concluded as follows:

1. The Product Diversity variable has a significant influence on purchasing decisions at the Batam City coffee shop. This means that product diversity has the ability to influence purchasing decisions and can attract guests to buy a variety of pastry products.
2. The Product Quality variable does not have a significant influence on purchasing decisions at the Batam City coffee shop. It is suspected that some guests do not understand the quality of pastry products.
3. The Product Price variable has a significant influence on purchasing decisions at the Batam City coffee shop. It can be explained that the right price can increase guest satisfaction when buying pastry products, so they will share positive experiences about what they feel.

Limited Time problem in distributing questionnaires to get the right representative respondents according to the market segment and can represent the people of Batam city.

Recommendation

Recommendations for future research are as follows:

Research conducted using qualitative methods with limited target respondents in accordance with the expected market segment.

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