Price Effect and Physical Evidence on Purchase Decision at Rooftop Coffee Bandung

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Abstract

The rapid development of business in the culinary field which results in changes in consumer behavior, business people who are engaged in the same field must be able to implement strategies that can maintain and develop their business. One of the fast-growing culinary businesses today is a café. One of the cafes that can be considered quite famous in Bandung is Rooftop Coffee. In order for its business to remain competitive, Rooftop Coffee must develop a marketing strategy that can attract potential customers and retain old customers, but in the past year Rooftop Coffee is experiencing an increase and decrease in sales. significant. This shows that there is a decrease in consumer purchasing decisions on Rooftop Coffee. However, the service marketing strategy that has been carried out by Rooftop Coffee is considered to be less effective, this is shown by the presence of several negative reviews and complaints through the digital platform regarding Rooftop Coffee, especially on the dimensions of price and physical evidence. This research was conducted to determine the effect of Price and Physical Evidence on Purchase Decisions at Rooftop Coffee Bandung. This study uses quantitative methods of descriptive research with multiple linear regression analysis techniques. The sampling technique used was non-probability sampling, the type of accidental sampling with the number of samples used by as many as 100 respondents who were Rooftop Coffee consumers who had visited and purchased Rooftop Coffee products. This test was carried out using the help of SPSS 26. Based on the results of descriptive analysis in this study, the price variable was included in the good category with an average percentage of 75.68%, while the Physical Evidence as a whole had an average percentage of 77.63% and the overall Purchase Decision variable. overall has an average percentage of 52.28%. The results of this study are the influence of Price and Physical Evidence on Purchase Decisions on Rooftop Coffee with a t-test result of tcount Price (X1) 2.711 > table 1.987 and for Physical Evidence (X2) 6.732 > table 1.987 and by using the f test it can be seen that the price and physical evidence simultaneously affect the purchase decision. by 66% while 34% is influenced by other factors that can influence purchasing decisions, one of which is other factors that are not examined such as location, people, promotions, products and processes.

I. Introduction

In the current era of globalization, many culinary businesses have emerged that are in great demand by the millennial generation, especially the culinary industry is an industry that will never stop growing and will continue to emerge with all kinds of things.

innovation and novelty. Like now, there are a lot of culinary businesses that have sprung up with various characteristics and advantages, especially in Bandung. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). The success of leadership is partly determined by the ability of leaders to develop their organizational culture. (Arif, 2019).

The rapid development of business in the culinary field which results in changes in consumer behavior, business people engaged in the same field must be able to implement strategies that can maintain and develop their business because marketing is the spearhead of the success of a company in order to survive and compete with other companies.

One of the fast-growing culinary businesses today is a café. The café business is a very promising business in the current era of globalization. One of the cafes that can be considered quite famous in Bandung is Rooftop Coffee, Rooftop Coffee is a coffee shop that has a characteristic location on the rooftop of the Bandung Trade Mall, with an open-air atmosphere that can see the *city lights* of Bandung. This Rooftop Coffee provides a variety of food and beverages such as *coffee, milk base, tea series, snacks* to heavy meals. The price given by this Café starts from 18 thousand to 60 thousand. What sets this Café apart from the others is the *Live Music* which is held every day with the tagline "*Live Music Everyday!*"

In order to continue to compete, every businessman must be able to provide services that consumers want in order to be able to have an impact on consumer purchasing decisions. According to Kotler and Keller (2016: 184) consumer purchasing decisions are a final decision made by individuals and groups to buy goods and services for personal consumption. Kotler and Keller (2016: 47) also state that there are seven components of the marketing mix. The seven components are then better known as the 7Ps, namely *Price, Place, Product, People, Process, Promotion, and Physical Evidence.*

The marketing strategy that has been carried out by Rooftop Coffee has received *reviews* from its consumers. Some of *the reviews discuss* the dimensions of price and *Physical Evidence.* There are some who say the price at Rooftop Coffee is expensive and also the benchmark price for parking is expensive.

Price is one factor that is quite important for companies to improve purchasing decisions. According to Tjiptono (2019:209), defining price in the context of service marketing is the amount of money (monetary unit) as well as other (non-monetary) aspects that contain certain utilities/usages needed to obtain a service.

The review given is not only about the price but also about the *physical evidence.* Where consumers feel that the arrangement of the trash can smells inappropriate, dirty, and there is no *tissue at every* table. *Physical evidence* is quite important for the company. According to Lupiyoadi (2019) Physical evidence is the physical environment of the company where services are created and where service providers and consumers interact, plus any tangible elements used to communicate or support the role of services, and all tangible commodities that facilitate the performance or communication of these services.

With the problems or phenomena mentioned above, this problem can be investigated further using price variables and *Physical Evidence* in order to know how much influence it has on consumer purchasing decisions with the title "The Influence of Price and *Physical Evidence* on Purchase Decisions at Rooftop Coffee Bandung".

II. Review of Literature

2.1 Service Marketing

According to Zeithaml and Bitner in Priansa (2017: 67) states that service marketing is the disclosure of promises, promises made to consumers and must be kept. The strategic framework known as *service triangle* reinforces the importance of people in the company keeping their promises and being successful in companies keeping their promises and being successful in building *customer relations*.

2.2 Price

According to Tjiptono (2019:209), defining price in the context of service marketing is the amount of money (monetary unit) and/or other (non-monetary) aspects that contain certain utilities/usages needed to obtain a service.

2.3 Physical Evidence

According to Lupiyoadi (2019) Physical evidence is the physical environment of the company where services are created and where consumer service providers interact, plus any tangible elements used to communicate or support the role of services, and all tangible commodities that facilitate the performance or communication of these services.

2.4 Purchasing Decisions

According to Tjiptono (2020: 22) explains that purchasing decisions are processes experienced by consumers in studying problems, obtaining information about knowledge of a particular item and carrying out evaluation actions about the good or bad of each alternative choice that can provide problem solving, and then cause on the decision to buy a particular product.

2.5 Thinking Framework

Based on the research framework above, the hypotheses that will be proposed and proven in this study are as follows:

H1: Price affects Purchase Decisions

H2: *Physical Evidence* affects Purchase Decisions

H3: Price and *Physical Evidence* affects Purchase Decisions.

III. Research Method

According to (Sugiyono 2019:2) the research method is defined as a scientific way to obtain data with certain goals and uses. The research approach used in this final project is a quantitative approach. According to Sugiyono (2019:16) Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, quantitative/statistical data analysis, with the aim of testing hypotheses that have been established. set. According to Sugiyono (2019:6) descriptive research seeks to describe or describe or photograph what happens to the object under study.

According to Sugiyono (2019:126) the population of the generalization area consists of: objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population in this study is the people of Bandung (students, students, workers, etc.) who have visited and bought Bandung's rooftop coffee.

According to Sugiyono, (2019:127) The sample is part of the number and characteristics possessed by the population, because the number of the population is not known, the determination of the number of samples uses the Bernoulli formula. According to Sugiyono, (2019:128) the sampling technique is a sampling technique. According to Sugiyono (2019: 131) *non-probability sampling* is a sampling technique that does not provide equal opportunities or opportunities for each element or member of the population to be selected as a sample. The *probability sampling technique* used in this study is *Accidental Sampling*. *Accidental Sampling* is a sampling technique based on chance, that is, anyone who coincidentally/incidentally meets a researcher can be used as a sample, if it is deemed that the person who happened to be met is suitable as a data source. In this study, data collection was carried out by means of a questionnaire.

According to Sugiyono (2019: 199) a questionnaire is a data collection technique that is carried out by giving several questions or written statements to respondents to answer. Data collection techniques are carried out by being distributed online. The data analysis technique was carried out using *SPSS* software *For Windows vers* 26.

The validity test in this study uses the *Pearson Product Moment correlation formula,* using a significance level (5%) with a rateable value of 0.195.
1. Item is declared valid if r count > r table.
2. Item is declared invalid if r count r table.

For the reliability test, the writer uses the Cronbach Alpha coefficient (formulation) method. With the criteria, according to Sugiyono (2019:362) the questionnaire is declared reliable if the Cronbach Alpha value is > 0.6.

In this study, using descriptive analysis to determine the magnitude of the effect of price and *physical evidence* on purchasing decisions. In the questionnaire that has been distributed there are five criteria which are selected according to the respondents. Description:

20% - 36%	Very Bad
>36% - 52%	Poor
>52% - 68%	Enough
>68% - 84%	Good
>84% - 100%	Very Good

Multiple linear regression analysis was used to analyze the effect of price and *physical evidence* Against Purchase Decisions on Rooftop Coffee. The multiple linear regression formula is as follows:

$Y = a + b_1X_1 + b_2X_2 + \ldots + b_kX_k$

Description:

Y	: dependent variable
a	: constant number
$b_1, b_2, \ldots, b_k$	: regression coefficient
X_1, X_2	: independent variable

The hypothesis testing in this study using the Simple Regression Coefficient test (t test). Significant means that the effect that occurs can apply to the population (can be generalized). The significance level uses = 5%. Based on the significance value of the SPSS output results obtained the test criteria:

1. If the value of sig. <0.05 then the independent variable has a significant effect on the dependent variable.
2. If the value of sig. > 0.05 then the independent variable has no significant effect on the dependent variable.

Based on the value of t count and t table, the test criteria are obtained:

1. If the value of t count > t table, then the independent variable affects the dependent variable.
2. If the value of t count < t table, the independent variable has no effect on the dependent variable.

IV. Result and Discussion

4.1 Results of Descriptive Analysis

Based on the validity and reliability testing that the examiner has carried out, it is found that all variable items are more than the table value, therefore all statement items are said to be valid. The results of the reliability test have a Cronbach's alpha value of more than 0.6, therefore the research is said to be reliable.

Table 1. Rooftop Coffee Price Results

No	Statement	%	Category
1.	I feel that the price offered by Rooftop Coffee varies.	76.80%	Good
2.	I feel that the price set by Rooftop Coffee is in accordance with the quality of the product provided.	76.80%	Good
3.	I feel the price of Rooftop Coffee is in accordance with the promised quality.	76.80%	Good
4.	I feel that the price offered by Rooftop Coffee can compete with other similar coffee shops.	75.60%	Good
5.	I feel that the price offered by Rooftop Coffee can compete with other similar coffee shops.	77.40%	Good
6.	I feel that the price of Rooftop Coffee has an advantage over other similar coffee shops.	73.00%	Good
7.	I feel the price of Rooftop Coffee is in accordance with the benefits I receive.	73.00%	Good

8.	I feel that the price of Rooftop Coffee has good benefits compared to other similar coffee shops.	76.00%	Good
TOTAL		**75.68%**	**Good**

Based on the table above, the results of the calculation of respondents' responses to the variable Price (X1) has an average percentage of 75.68% indicating that the respondents' responses are in the range of 68% - 84%, which means that the position of the Price variable is considered good.

Table 2. Results of *Physical Evidence* Rooftop Coffee

No	Statement	%	Category
1.	I feel the lighting on Rooftop Coffee is adequate.	80.20%	Good
2.	I find the color selection on Rooftop Coffee's live music interesting.	80.60%	Good
3.	I feel that the selection of music played by Rooftop Coffee is according to my taste.	81.00%	Good
4.	I feel that the live music on Rooftop Coffee creates a cool impression.	79.00%	Good
5.	I feel Rooftop Coffee has a fresh aroma.	72.80%	Good
6.	I find Rooftop Coffee has an appetizing aroma.	74.20%	Good
7.	I feel Rooftop Coffee has a strategic place.	77.20%	Good
8.	I feel Rooftop Coffee has an accessible layout.	76.00%	Good
TOTAL		**77.63%**	**Good**

Based on the table above, the results of the calculation of respondents' responses to the *Physical Evidence* (X2) have an average percentage of 77.63% indicating that the respondents' responses are in the 68% - 84% range, which means the position of the *Physical Evidence* considered Good.

Table 3. Result of Rooftop Coffee Purchase Decision

No	Statement	%	Category
2.	I visited Rooftop Coffee when I wanted coffee.	76.40%	Good
3.	I decided to buy Rooftop Coffee products based on good quality.	74.00%	Good
4.	I decided to buy Rooftop Coffee products based on habits.	77.40%	Good
5.	I decided to buy Rooftop Coffee products because of the easy access.	74.60%	Good
6.	I decided to buy Rooftop Coffee products based on the convenience of the buyer's location.	78.20%	Good
7.	I feel Rooftop Coffee provides bulk purchases.	77.80%	Good
8.	I chose to come to Rooftop Coffee because the products offered are always available.	77.00%	Good
9.	I chose Rooftop Coffee because it's open until late at night.	83.80%	Good
10.	I choose Rooftop Coffee products because they are fast	76.00%	Good

	in making purchases.		
11.	I feel that the payment procedure for Rooftop Coffee can be done in various ways (can be cash or cashless).	79.40%	Good
12.	I feel comfortable when processing payments at Rooftop Coffee.	80.60%	Good
TOTAL		**52.28%**	**Enough**

Based on the table above, the results of the calculation of respondents' responses to the Purchase Decision variable are obtained (Y) has an average percentage of 52.28% indicating that the respondents' responses are included in the range of 52% - 68% which means the position of the Purchase Decision variable rated Enough.

4.2 Multiple Linear Regression Analysis

$$Y = a + bX1 + bX2$$
$$Y = 6.818 + 0.342\ X1 + 0.953\ X2$$

From the results of the multiple linear regression equation, it will be explained as follows:
a. Y value is the amount of Purchase Decision at Rooftop Coffee in Bandung City.
b. The value of a is the constant value in the regression equation. The constant in this study of 6,818 states that if the two independent variables (X1 and X2) are equal to zero, which means that the value of the Purchase Decision on Rooftop Coffee is without Price and *Physical Evidence*. The number 6818 is divided by twelve items of questionnaire statements regarding Purchase Decisions so as to obtain a result of 6818 if there are no variables, namely Price and *Physical Evidence*.
c. Price (X1) has a variable coefficient of 0.342, which means that for every 1-point increase in the X1 variable, the Purchase Decision will increase by 0.342 points and vice versa if there is a decrease.
d. Physical Evidence (X2) has a variable coefficient of 0.953, which means that for every 1 point increase in Variable X2, Physical Evidence will increase by 0.953 points and vice versa.

4.3 t test results (partial)
This test is carried out by looking at the criteria for the results of t count > t table with a degree of error of 5% or 0.05. In this study, it is known that the research hypothesis is as follows.

The value of tcount is 2,711 for the price variable (X1) and 6732 for the *Physical Evidence* (X2) or greater than table (1,987). The table value is obtained from the formula df = nk-1 = 100-2-1 = 97 with a level of significance at 0.05 (5%).

The significant value generated in table 4.15 shows a number of 0.008 for the Price variable and 0.000 for the *Physical Evidence* because the coefficient is smaller with a probability value of 0.05. So, it can be concluded that H1 and H2 are accepted. So, there is an influence between Price (X1) on Purchase Decision (Y) in accordance with H1 and the influence of *Physical Evidence* (X2) with Brand awareness (Y) in accordance with H2.

4.4 F Test Results

Based on the significance value, if it is below <0.05 then it is said to be influential, it can be seen in table 4.16 that the significance value is 0.000 then based on the significance value it can be concluded that Price (X1) and *Physical Evidence*(X2) simultaneously have an effect to the Purchase Decision (Y).

And based on the analysis in table 4.16 above, based on the calculated values and tables, it is obtained that Fcount = 94.082 > Ftable = 3.09. the formula to find Ftable is (k; nk) = (2; 100-2) = (2; 98) = (3.09) So simultaneously, Price (X1) and *Physical Evidence* (X2) individually or simultaneously affect the Purchase Decision (Y)

In accordance with H3, namely Price and *Physical Evidence* affect the Purchase Decision on Rooftop Coffee.

4.5 F Coefficient test results Determination

The coefficient of determination R square in this study is 0.660 or 66%, which means that purchasing decisions are influenced by price and *physical evidence*. While the remaining 34% or 0.340 is influenced by other variables or factors that are not examined such as location, people, promotions, products and processes.

V. Conclusion

Based on the results of research that has been conducted by the author on 100 respondents regarding "The Influence of Prices and *Physical Evidence* on Purchase Decisions on Rooftop Coffee", several conclusions were obtained to answer some of the problem formulations in this study. The following are the conclusions obtained by the researchers as follows:

1. Respondents' responses to the price variable as a whole have a percentage of 75.68% which indicates that the respondents' responses are in the range of 68% - 84%, which means the position of the price variable is considered good. This figure is obtained from respondents' responses through 8 statements regarding the price variable. Respondents' responses to the *Physical Evidence* as a whole have an average percentage of 77.63% which indicates that the respondents' responses fall within the range of 68% - 84%, which means the position of the *Physical Evidence* considered good. This figure is obtained from respondents' responses through 8 statements regarding the *Physical Evidence variable*. Respondents' responses to the overall Purchasing Decision variable have an average percentage of 52.28% which indicates that the respondents' responses are included in the range of 52% - 68%, which means the position of the Purchase Decision variable rated Enough. This figure is obtained from respondents' responses through 12 statements regarding the *Physical Evidence variable*.

2. Based on the results of the t-test there is an effect of Price on Purchase Decisions on Rooftop Coffee with t-test results of tcount 2.711 > table 1.987 for Price (X1) and the resulting significant value shows a number of 0.008 for the Price variable. This is because the coefficient is smaller with a probability value of 0.05. So it can be concluded that H1 is accepted. So, there is an influence between Price (X1) on Purchase Decision (Y) according to H1.

3. Based on the results of the t-test there is the influence of *Physical Evidence* on Purchase Decisions on Rooftop Coffee with a t-test result of 6,732 > table 1,987 for Physical Evidence (X2) and the resulting significant value shows a number of 0.000 for the *Physical Evidence*. This is because the coefficient is smaller with a probability value of

0.05. So it can be concluded that H2 is accepted. So there is the influence of *Physical Evidence* (X2) with Purchase Decision (Y) in accordance with H2.

4. Simultaneously/simultaneously X1 and X2 have a significant effect on the Y variable. This is obtained because based on the calculated values and tables, it is obtained that Fcount = 94.082 > Ftable = 3.09. So simultaneously, Price (X1) and *Physical Evidence* (X2) individually or simultaneously affect the Purchase Decision (Y) In accordance with H3, namely Price and *Physical Evidence* affect the Purchase Decision on Rooftop Coffee. And from the results of tests that have been carried out based on the results of the coefficient of determination, it can be stated that the Effect of Price and *Physical Evidence* on Purchase Decisions is influenced by 66% while 34% is influenced by other factors that can influence Purchase Decisions, one of which is other factors not examined such as location, people, promotions, products and processes.

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