

Consumer Preferences in Coffee Purchasing (Case Study : Sanubari Coffee Shop and *Waiting List* in Medan Baru District)

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Abstract. Coffee consumption in Indonesia has shown significant growth in line with the rise of coffee culture, particularly in urban areas such as Medan Baru District. This study aims to analyze consumer preferences in coffee purchases at two coffee shops, Sanubari and *Waiting List*, focusing on consumer characteristics, decision-making processes, and product attributes that influence these preferences. The research method used is a quantitative and qualitative approach, with data collection techniques involving the distribution of questionnaires to 100 respondents selected through purposive sampling. Data analysis was conducted using descriptive methods and conjoint analysis with the assistance of IBM SPSS software. The results of the study indicate that the majority of consumers are young people under the age of 30 with a secondary to higher education background, who view coffee as part of their lifestyle. The consumer decision-making process generally involves stages of information search, evaluation of alternatives, and purchase decisions influenced by taste perception, coffee shop ambiance, and social influence. Conjoint analysis revealed that the attributes most influencing consumer preferences are coffee taste, followed by price, aroma, and beverage color. These findings have important implications for coffee shop operators in developing consumer preference-based marketing strategies.

Keywords: Consumer preferences, Coffee, Coffee shop, Conjoint analysis

1. INTRODUCTION

Indonesia is one of the world's largest coffee producers, ranking fourth after Brazil, Vietnam, and Colombia. According to data from the Ministry of Agriculture's Information and Data System Center, more than 94% of coffee production in Indonesia comes from smallholder plantations managed by small-scale farmers. The trend in coffee production from 2015 to 2020 shows a consistent increase, reflecting the significant potential of this sub-sector in supporting rural economic resilience and the agribusiness sector in general [1].

Along with the increase in production, domestic coffee consumption has also experienced significant growth. Average consumption growth reached 8.22% per year during the period from 2016 to 2021. This increase was not only influenced by the rising public interest in coffee as a daily beverage, but also due to the diversification of coffee-based products such as cosmetics, aromatherapy, and increasingly innovative ready-to-drink beverages. The emergence of roasteries and modern coffee shops has further expanded consumer access and choices for coffee products [2].

The habit of drinking coffee has evolved into an integral part of Indonesian society's lifestyle. No longer merely a source of caffeine, drinking coffee has become a means of recreation, social interaction, and even a symbol of urban lifestyle. Coffee shops serve as multifunctional alternative spaces for working, discussing, and relaxing. The growth in coffee consumption is not limited to major cities but has also spread to smaller towns and rural areas, expanding the market reach for coffee industry players[3].

Indonesia has a potential coffee land area of 1.3 million hectares, with around 5 million families depending on this sub-sector for their livelihoods. However, only a portion of this area is being optimally utilized. National coffee production is spread across various regions, from Sumatra, Java, Bali, to Papua, demonstrating a strategically significant geographical distribution. Despite fluctuations in production data from year to year, coffee remains an important commodity that not only holds economic value but also social and cultural significance.

Amidst this dynamic consumption, coffee shops have grown rapidly in various regions, including Medan. According to research by Toffin (2019), the number of coffee shops nationwide has tripled in three years. Changes in lifestyle, particularly among the younger generation, have been one of the main drivers. In Medan, the growth of the coffee industry is marked by the emergence of various coffee shops, both local and national, offering local coffee flavors such as Mandailing, Lintong, and Aceh. This phenomenon underscores the importance of in-depth research into consumer preferences regarding the attributes of the coffee products being offered [4].

Medan Baru Subdistrict is one of the areas that is active in the coffee consumption scene. The two coffee shops that are the subjects of this study, Sanubari and *Waiting List*, have distinctive characteristics and strong

market segmentation among coffee lovers. These two locations were chosen as research sites because they stand out in offering products with competitive taste, aroma, and pricing, as well as providing a modern atmosphere that aligns with the preferences of young consumers. Therefore, it is important to understand how consumer behavior influences their coffee purchasing preferences at these two locations. This study aims to provide an in-depth understanding of these aspects, using a descriptive approach and conjoint analysis as the primary methods [5].

2. METHODOLOGY

This study uses a mixed approach, namely quantitative and qualitative methods. Quantitative methods are used to measure numerical data obtained through questionnaires, while qualitative approaches are used to capture the deeper subjective meaning of consumer behavior through interviews and direct observation. This approach was chosen to obtain a comprehensive picture of coffee consumer preferences at Coffee Shop Sanubari and Waiting List.

The research location was determined purposively, namely Medan Baru District, specifically at two coffee shops selected based on the characteristics of active and diverse consumers. This area is considered representative because it has a strong coffee drinking culture and is the center of growth for the local coffee industry in the city of Medan. The research was conducted from July to August 2024.

The data used is primary data, obtained directly from coffee consumers through the distribution of closed questionnaires. The information collected includes consumer characteristics, purchasing decisions, and attributes that form the basis of preferences. All primary data is classified and tabulated for further analysis using statistical methods.

The research sample was taken using non-probability sampling techniques with a judgment sampling approach. Respondents were selected based on the following criteria: aged over 17 years, had purchased coffee at both coffee shops at least twice in the last two months, and only one person from each family was included. The total sample used was 100 respondents.

The data was analyzed using two main approaches. First, descriptive analysis was used to describe consumer profiles and behavioral tendencies. Second, conjoint analysis was used to identify the coffee attributes that most influence purchasing decisions. Conjoint analysis was conducted in three stages: stimulus design (combination of coffee attributes), measurement of consumer preferences for these attributes, and data processing using regression to determine the utility value and level of importance of each attribute. The attributes analyzed included taste, aroma, color, price, and service.

In addition, this study also used a Likert scale to measure respondents' perceptions of the statements in the questionnaire. The scale used consisted of four levels: strongly disagree (1), disagree (2), agree (3), and strongly agree (4). This scale made it easier for researchers to systematically quantify consumer attitudes and preferences.

3. RESULTS AND DISCUSSION

3.1 The Coffee Purchasing Decision Process at Sanubari Coffee Shop and *Waiting List*

A purchase occurs when someone feels the need for something to fulfill their needs. In this process, there are five stages that a person generally goes through when deciding to buy something they want. Respondents in deciding to purchase coffee at Coffee Shop Sanubari and *Waiting List* went through these five stages, starting with the recognition of needs, followed by information search, evaluation of alternatives, purchase decision, and finally post-purchase.

3.1.1 *Needs Assessment*

The identification of needs essentially depends on the extent of the discrepancy between the actual situation that corresponds to the consumer's current circumstances and the situation desired by the consumer [6]. According to Christiana (2011), the identification of needs arises when consumers encounter a problem, namely a situation where there is a difference between the desired situation and the actual situation. At Coffee Shop Sanubari and *Waiting List*, identifying needs requires sufficient information to understand the reasons or motivations of consumers in visiting the café [7].

Based on the research results, during the needs assessment phase, it was found that the main reason or motivation for respondents to visit and consume coffee at Coffee Shop Sanubari and *Waiting List* was the taste of the coffee served (33.3 percent). The next reason respondents visited and consumed coffee at Coffee Shop

Sanubari and Waiting List was simply to socialize (33.3 percent), followed by wanting to try a new place (33.3 percent).

3.1.2 Information Search

The next stage after identifying needs is searching for information about the product. The information search process can be conducted internally or externally. Information search is a source where consumers can find a comfortable coffee shop with a distinctive taste and good service. Information sources from reference groups are groups that exert a strong influence on decision-makers. These groups typically have a significant impact on consumers' thoughts as purchasing decision-makers [6]. Information sources can be obtained from friends, family members, print media (brochures), advertisements, acquaintances, social media, as well as product purchases and consumption.

Based on the results of the study, it is known that most respondents (66.7 percent) obtained information about Coffee Shop Sanubari and Waiting List from personal sources such as friends, family, and neighbors. Furthermore, information was obtained from public sources (33.3 percent) such as social media and certain organizations. Then, it came from experiential sources (9 percent) such as purchasing and consuming the product themselves.

3.1.3 Alternative Evaluation

The third stage in the purchasing decision-making process is alternative evaluation. Alternative evaluation is the process of evaluating product and brand options and selecting them according to consumer preferences. At this stage, respondents establish criteria relevant to their desires in order to make a purchasing decision that they feel will be most beneficial in solving their problems. These criteria serve as the initial considerations for respondents when visiting and consuming coffee at Coffee Shop Sanubari and Waiting List. The factors that respondents considered when visiting and consuming coffee at Coffee Shop Sanubari and Waiting List included coffee taste (33.3 percent), coffee type (33.3 percent), and café atmosphere (33.3 percent).

3.1.4 Purchase Decision

The fourth stage of the purchasing decision process is the main objective of a series of processes that consumers generally go through before consuming a product or service. At this stage, consumers make various decisions about their purchases. Respondents' visits to and consumption of coffee at Coffee Shop Sanubari and Waiting List were partly driven by peer influence (66.7 percent) and also based on their own initiative and family influence (16.7 percent).

3.1.5 Post-Purchase Evaluation

After making a purchase, respondents will evaluate whether the results obtained from purchasing the product are satisfactory or not. The confidence of the attitude at this stage will influence the value of future purchases. Satisfied consumers typically make repeat purchases. Conversely, dissatisfied consumers feel disappointed and will not make repeat purchases. In post-purchase evaluations, customer satisfaction is an affective model, meaning consumers evaluate a product based on rational calculations, but also on subjective needs [8].

3.2 Consumer Preferences in Coffee Purchasing Decisions

An analysis of the factors that shape consumer preferences is conducted by identifying a number of variables that share similar characteristics, thereby eliminating or including variables that are correlated with a large number of other variables [9]. The basis of factor analysis is to group several variables that have similarities into one factor so that several attributes that influence a variable factor can be summarized into a smaller number of factors that still reflect the initial variables. The variables (X) to be used as input data in factor analysis are variables that consumers often consider when visiting Coffee Shop Sanubari and Waiting List in Medan Baru District. Additionally, the determination of variables is based on references from previous studies on consumer behavior.

The original variables that shape consumer preferences consist of nine variables, namely flavor variety (X1), menu variety (X2), promotions (X3), price (X4), and service (X5).

3.3 Data Quality Test Results

3.3.1 Validation Test Results

In conjoint analysis, validity (significance) testing is performed by looking at the Pearson correlation and Kendall's Tau values. The guidelines for validity testing are as follows:

Hypothesis:

H0 = there is no strong correlation between the Estimates variable and Actual

H1 = there is a strong correlation between the Estimates variable and Actual

If the significance value is > 0.05 , then H0 is accepted. Conversely, if the significance value is < 0.05 , then H0 is rejected.

The overall conjoint output shows that the significance values of Pearson's R and Kendall's Tau correlations are 0.000 and 0.002, respectively. As mentioned above, significance values below 0.05 indicate that the factors used in this study are highly significant. Therefore, the utility evaluation performed has good validity.

Conjoint analysis is very useful for determining which factors consumers consider most important when evaluating several attributes at once. By knowing the relative importance levels, it can be determined that the relative importance level of the most important attributes and sacrificing the relatively less important attributes in buying coffee at Coffee Shop Sanubari and Waiting List.

3.3.2 Utility Analysis of Each Factor Level

One of the purposes of conducting conjoint analysis is to determine the utility value of each level of the factors tested. By knowing the utility value, the preferences of respondents, both individually and in aggregate, in evaluating their interest in the factors possessed by Coffee Shop Sanubari and Waiting List can also be determined. Individual utility values are useful for designing a sales context that is specific to each individual. Aggregate utility values represent the overall utility value of the respondents in this study. There are aggregate utility values with negative signs due to the influence of coding effects in the calculation process.

3.4 Attribute Importance Analysis

The values most considered by consumers are seen from the level of importance of attributes. From Table 1, the values from highest to lowest can be seen as follows:

Table 1. Level of Importance of Coffee Attributes at Coffee Shop Sanubari and Waiting List

Attributes	Sig	Value
Product		29,418
Price		33,649
Cafe* Service		17,654
Location		11,060
Facilities		8,219
Correlation		
Pearson's R	0,000	0,866
Kendall's tau	0,000	0,744

Source: Processed data, 2024

Based on the attribute importance rating, the most important attribute is price, with a rating of 33.649 percent, which means that consumers prioritize price when visiting and consuming coffee at Coffee Shop Sanubari and Waiting List. Based on the utility estimate conjoint level, the selected café facilities are priced at Rp. 20,000 – Rp. 25,000.

The second consideration chosen by consumers in visiting and consuming coffee at Coffee Shop Sanubari and Waiting List is product attributes with a value of 29.418 percent. Based on these results, it can be seen that product attributes are the second consideration after price attributes. Therefore, in this study, product attributes will be considered important if the choice of price attributes has already been considered.

The third consideration is that respondents chose the coffee shop service attribute with a value of 17.654 percent. This result shows that consumers consider the coffee shop service attribute after the product attribute when visiting and consuming coffee at Coffee Shop Sanubari and Waiting List. Based on the utility estimate of the conjoint analysis, the coffee shop service attribute chosen by consumers is responsive service. The fourth

consideration chosen by consumers was the location of the café, with a value of 11.060 percent. This result shows that consumers are likely to consume coffee because the location is close to where they live.

The fifth consideration chosen by consumers was the café facilities, with a value of 8.219 percent. This result shows that consumers are likely to consume coffee because they feel comfortable with the cleanliness of the café.

The conjoint analysis results are not significantly different from the actual opinions of respondents, as reflected by the high correlation coefficient between the estimated results and the actual results. The method used to analyze this correlation was Kendall's tau correlation test. The results of the correlation analysis yielded a Kendall's tau correlation coefficient of 0.744. This correlation coefficient can be considered a fairly strong correlation, as it is above 0.5. This proves that there is a strong relationship between the estimates and the actual results, or that there is high predictive accuracy with this conjoint process.

4. CONCLUSION

Consumers make purchases following a decision-making process. The first stage is the recognition of needs, where consumers are motivated to visit Coffee Shop Sanubari and Waiting List to consume delicious coffee. The second stage is the search for information, characterized by the fact that the majority of information sources come from public sources regarding delicious coffee flavors. Following this, consumers evaluate alternatives based on the information gathered, with considerations including the taste and type of coffee. The fourth stage is the purchase decision, where consumers are not influenced by others and visits are planned. Most consumers visit the café twice a month, with no fixed schedule. The majority of visits occur in the evening (from 6:00 PM to 2:00 AM). Post-purchase evaluation is characterized by consumers feeling satisfied and willing to recommend their friends to visit Coffee Shop Sanubari and *Waiting List*.

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