

The Effect of Brand Image, Service Quality, Location on Purchasing Decisions of Post-Covid-19 Intervening Trust Café (Lampoh Cofee Case Study)

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Abstract:- This research was conducted to analyze the effect of Brand Image, Service Quality, Location on Cafe Selection Decisions through Intervening Trust in Lampoh Coffee. The data used in this study is questionnaire data taken from 165 respondents using convenience sampling. Meanwhile, the data analysis was performed using quantitative statistics using Structural Equation Modeling (SEM) assisted by LISREL version 9.2 software. The results showed that Brand Image, Service Quality, and Location had a significant effect on Trust, and also Trust had a significant effect on Election Decisions. In the research results, direct and indirect relationships, both their image, service quality, and location directly have a significant effect on the selection decision. Likewise, indirectly through a trust has a significant effect on the Election Decision. The results of this study can be used as a reference both academically and practically in implementation management by Lampoh Coffee.

Keywords:- Brand Image, Service Quality, Location, Trust, Selection Decision (Purchase decision).

I. INTRODUCTION

➤ Background

A cafe is a type of restaurant that usually provides indoor and outdoor seating. The cafe does not serve heavy meals but focuses more on light menu items such as cakes, bread, and soups. For drinks, tea, coffee, juice, and chocolate milk are usually served. Alcoholic drinks are not usually served in cafes. The research results of TOFFIN, a company providing business solutions in the form of goods and services in the HORECA industry (hotels, restaurants, and cafes), together with Mix MarComm magazine, showed that the number of cafes in Indonesia in August 2019 reached more than 2,950 outlets. That number has nearly tripled or increased by around 1,950 outlets from 2016, which was only around 1000 outlets. This also proves the increasing competition in this business (detik.com).

However, at the beginning of 2020, there was a crisis that affected not only the world but Indonesia. The Corona Virus crisis has hit HOREKA's business in recent months. Especially in the month of Ramadan, according to the Deputy

Chairperson of the Indonesian Hotel and Restaurant Association (PHRI), Emil Arifin said that the loss of all businessmen in the HOREKA sector is estimated to reach Rp. 3 trillion. HOREKA's business income in the month of Ramadan 2020 is considered to be inversely proportional to previous years. If the previous year's sales were above 120%, now the below-normal income has reached more than 100%. (detik.com).

One of the cafes that have received the impact of this crisis is Lampoh Coffee, along with the government's appeal to work and study at home to reduce the Covid-19 virus and the holding of the PSBB (Large-Scale Restrictions), there has been a significant decrease in sales since the coronavirus outbreak. So far, Lampoh Coffee still maintains the quality and hygiene of its products. There was a fluctuation in sales that occurred, especially during the Covid crisis. Even though operational costs can still be covered, there has been a significant decrease that occurred because the cafe was temporarily closed due to the impact of the PSBB (Large-Scale Restriction) by the orders from the governor of DKI Jakarta to prevent the spread of the coronavirus.

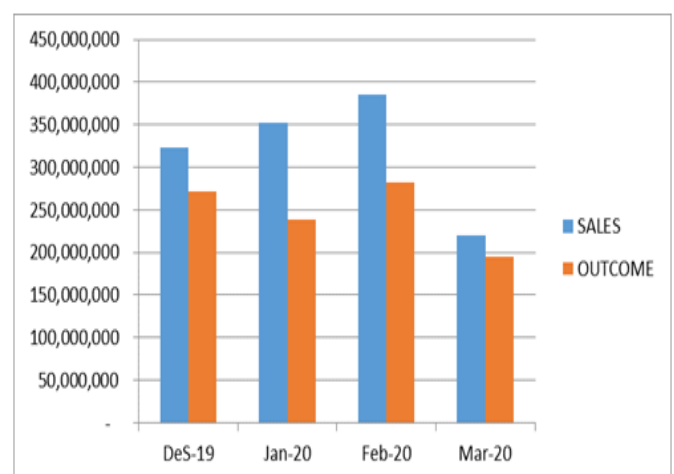


Figure 1 Sales and Operating Cost Outcome Data Period December 2019 to March 2020
Sources of processed data (2020)

In Figure 1.1, it can be seen that sales from December 2019 to February 2020 have increased and in March 2020 decreased. This is due to the implementation of the PSBB and also social distancing throughout Indonesia, especially in Jakarta. The cafe is looking for all the ways to get the right countermeasure in order to maintain its business. From opening partnerships with Grabfood, Gofood, and also other E-commerce to be able to provide extra sales for this business. However, this cooperation has not been able to provide a significant increase, because although cafe products can be delivered, the level of sales and expenditure is almost the same.

The current lifestyle manifestation is the habit of hanging out in cafes for certain groups of people. The existence of people choosing a cafe is certainly an interesting phenomenon and has an impact on social life, especially regarding changes in lifestyle, consumption patterns, and forms of interaction that occur. There are many reasons for someone to spend his time in cafes, apart from consuming food and drinks, the existence of free internet access, and competition among young people to show off on their social media. One of the most basic personal motivators is a lifestyle that is influenced by globalization. The flow of globalization and science affects the way a consumer looks at the choice of product or service used. (Bahtiar, 2012: 21).

II. THEORETICAL REVIEW

According to the American Marketing Association (AMA) in Kotler and Keller (2016: 322) "A brand is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or service of one seller or group of sellers and to differentiate them from those of competitors." with the meaning of a brand is a name, term, sign, symbol, or design or a combination of these, or is interpreted as a tool to identify goods or services sold by a company and the differences with competitors and competitors.

The definition of this brand is reinforced by Walker in Sunyoto (2012: 102) which states that a brand is a name, term, sign, or design or a combination of all that is expected to be able to identify goods or services from a person or group of sellers.

Buyers or consumers have different responses to a company image or brand image. Brand image is influenced by many factors beyond the company's control. Cafe Lampoh Coffee is a company engaged in the culinary sector, the quality of service is one of the important points in doing business. According to Tjiptono (2014: 331), service or service quality is an effort to meet the needs and desires of consumers as well as the accuracy of delivery in meeting consumer expectations. All customers will look for good service to meet their needs, customers who get good service will usually be more generous with the company. And service buyers must race to provide service because good service to a customer will be the company's advertising field. After all, satisfied customers will certainly tell and recommend to others.

Another variable that affects the choice of a cafe is location. According to Lupiyoadi (2013), location is related to how the product is delivered to consumers and where is the strategic location. Location means relating to where the company should be headquartered and carry out operations.

As a company that competes in the field of HOREKA services, Café Lampoh Coffee is required to continue to improve to gain the trust of its consumers. By making improvements to gain the trust of consumers so that consumers can repeatedly make decisions to choose Cafe Lampoh Coffee as their hangout place. This is done to be able to compete and improve services so that consumers do not feel disadvantaged to choose Cafe Lampoh Coffee compared to other cafes. According to Norizan and Abdullah (2006), trust as a determinant of their customer commitment relationship found that trust has a positive influence on relationship commitment. This means that the customer maintains a long-term relationship with the service provider, belief is the driving force for consumer commitment to always make their choice of Cafe Lampoh Coffee.

Nitisusatro (2012) explains that decisions made by consumers regarding a product or service are a process of assessing and receiving brand information, considering how other brands can meet consumer needs, and ultimately deciding which brand to choose. The desire to buy from consumers will arise when they feel interested, want to use, and have the product they see. The decision to buy or not to buy is part of what is inherent in the individual consumer which is called behavior. Behavior or behavior refers to tangible physical actions that others get seen and measured.

III. RESEARCH METHODS

➤ *Type of Research Design*

The type of research used in this research is quantitative research designed to assist decision-makers in determining, evaluating, and selecting a series of actions to be taken in certain situations. The technical analysis used in this research is Structural Equation Modeling (SEM) of LISREL version 9.2 software used in model development and hypothesis testing.

➤ *Research Approach*

This research is quantitative research because this research is presented in the form of numbers. Quantitative research is a research approach that uses numbers a lot, starting from data collection, interpretation of data, and appearance of results. Quantitative data in this study were obtained or collected through a questionnaire.

➤ *Population and Research Sample*

The sampling technique used is the sampling technique used is Convenience Sampling. Regarding the minimum sample size with SEM analysis, according to Hair (2010: 361) said that if the analyzed model there are 5 (five) constructs or less, where each construct is measured at least by 3 (three) indicators, then a minimum sample size of 100 respondents.

The minimum sample size that can be accepted is based on the research design used, namely the descriptive method, at least 10% of the population, for a relatively small population of at least 20% of the population, the correlational descriptive method is at least 30 subjects, the ex post facto method is at least 15 subjects per group.

The number of research samples above is 100 people, of which 100 people have met the minimum limit of SEM

analysis, because according to Sugiyono (2012: 33) that the minimum sample that must be achieved to use the SEM method is 100 samples, depending on the number of parameters estimated then the number indicator multiplied by 5. In this study, there are 36 indicators so that $33 \times 5 = 165$, so the sample in this study was 180 respondents, the results and data analysis obtained will be more accurate. The sample criteria in this study are consumers who often hang out at the cafe.

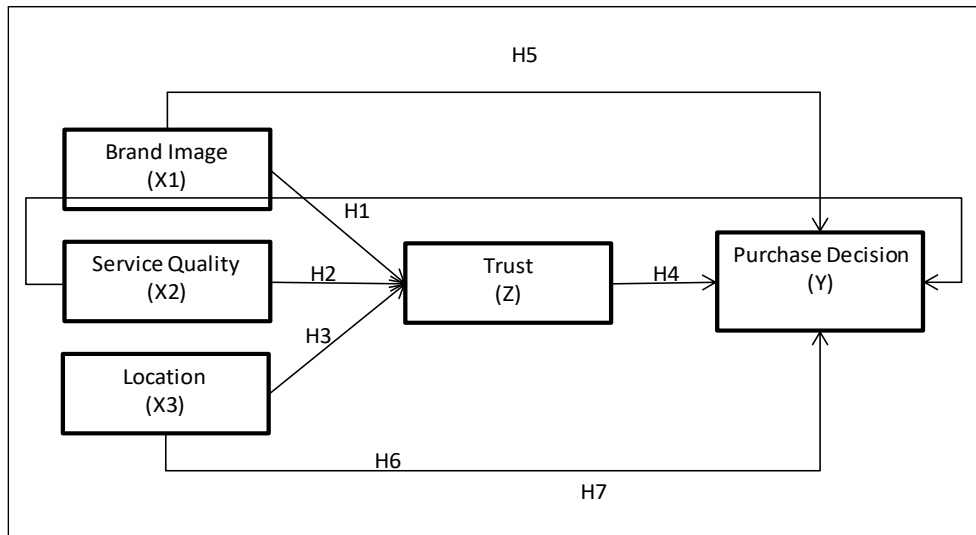


Figure 1. Research Framework

Source: Primary Data, 2020

- X₁ = Brand Image
- X₂ = Service Quality
- X₃ = Location
- Z = Trust (Intervening)
- Y = Purchase Decision

IV. RESEARCH RESULTS AND DISCUSSION

➤ Data Analysis Results

This study uses LISREL9.2 analysis. The theoretical model described in the path diagram will be analyzed based on the data obtained. External Model Measurement is

examining the relationship between indicators and latent variables. The combination of structural model testing and measurement allows the researcher to test measurement error as an integral part of LISREL9.2 and perform factor analysis along with hypothesis testing. Evaluation of the Measurement Model in Table 2.

Table 2 Hypothesis test

Relations Between Constructs	Estimates	T-Values	Remarks
Brand Image -> Trust	0,33	2,26	Significant Positive Effect
Service Quality -> Trustworthiness	0,30	2,43	Significant Positive Effect
Location -> Trust	0,30	3,71	Significant Positive Effect
Trust -> Purchase Decision	0,41	4,40	Significant Positive Effect

➤ *There is a significant influence on Brand Image (X1) on Trust (Z)*

Based on table 4.13, it is known that the value of t-Values = 2.26 > 1.96. The coefficient value is positive, which is 0.33, which means that the Brand Image variable (X1) has a positive effect on the Trust variable (Z) by 33%. Thus the H1 hypothesis in this study which states that "Brand Image (X1) has a significant effect on Trust (Z) is accepted.

➤ *There is a significant effect of Service Quality (X2) on Trust (Z)*

Based on table 2, it is known that the value of t-Values = 2.43 which is greater than t = 1.96. The coefficient value is positive, which is 0.30, which means that the Service Quality variable (X2) has a positive effect on the Trust variable (Z) by 30.0%. Thus the H2 hypothesis in this study which states that "Service Quality (X2) has a significant effect on Trust (Z)" is accepted.

➤ *There is a significant influence of location (X3) on Trust (Z)*

Based on table 4.13, it is known that the value of t-Values = 3.71 > 1.96. The coefficient value is positive, which is 0.30, which means that the location variable (X3) has a positive effect on the trust variable (Z) by 30%. Thus the hypothesis H3 in this study which states that "Location (X3) has a significant effect on Trust (Z)" is accepted.

➤ *There is a significant influence of trust (Z) on the Electoral Decision (Y)*

Based on table 4.13, it is known that the value of t-Values = 4.4 which is greater than t = 1.96. The coefficient value is positive, namely 0.41, which means that the trust variable (Z) has a positive effect on the Election Decision variable (Y) by 41.0%. Thus the hypothesis H4 in this study which states that "Trust (Z) has a significant effect on the Electoral Decision (Y)" is accepted.

➤ *Indirect Effect Analysis*

Table3Direct and Indirect Effect

Relations Between Constructs		Estimates	T-Values	Remarks
Direct	Brand Image -> Purchase Decision	0,28	2,33	Significant Positive Effect
	Service Quality -> Purchase Decision	0,21	2,06	Significant Positive Effect
	Location -> Purchase Decision	0,16	2,30	Significant Positive Effect
	Trust -> Purchase Decision	0,41	4,40	Significant Positive Effect
Indirect	Brand Image -> Trust -> Purchase Decision	0,13	2,06	Significant Positive Effect
	Service Quality -> Trust -> Purchase Decision	0,12	2,13	Significant Positive Effect
	Location -> Trust -> Purchase Decision	0,12	2,84	Significant Positive Effect

The research hypothesis (H1) states that brand image has a positive and significant effect directly on trust. The results of the SEM test show that the t-value of 2.26 is greater than 1.96, and the estimate value is 0.33 or 33.0% of its effect on trust. The results of this study also confirm the research results of Wibowo (2017), Brand Image has a significant effect on trust. In other words, if the Brand Image has increased, it will affect the increase in Trust.

Based on these empirical facts and supported by the results of previous studies, it can be concluded that the research hypothesis (H1) can be accepted that Brand Image has a positive and significant effect directly on trust.

➤ *The Effect of Service Quality on Trust (Z) Directly*

The research hypothesis (H2) states that service quality has a positive and significant effect directly on trust. The results of the SEM test showed that the t-value of 2.41 is greater than 1.96, and the estimate value of 0.30 or 30.0% had an effect on trust. The results of this study also confirm the results of research by Bahareh, (2014) Service quality has a positive influence on trust so as to conclude purchasing decisions. Based on these empirical facts and supported by the results of previous studies, it can be concluded that the research hypothesis (H2) can be accepted that Service Quality has a positive and significant effect directly on trust.

➤ *Effect of Location on Trust (Z) Directly*

The research hypothesis (H3) states that location has a positive and significant effect directly on trust. The SEM test results show that the t-value of 3.71 is greater than 1.96, and the estimate value is 0.30 or 30.0% of its effect on trust.

The results of this study also confirm the results of research from Asral & Djumarno (2017), location has a significant effect on trust and according to Neupane (2015) location has a significant effect on trust. This shows the importance of location in a product. In other words, if the location has increased, it will affect the increase in trust. Based on these empirical facts and supported by the results of previous studies, it can be concluded that the research hypothesis (H3) can be accepted that location has a positive and significant effect directly on trust. Based on these empirical facts and supported by the results of previous studies, it can be concluded that the research hypothesis (H3) can be accepted that location has a positive and significant effect directly on trust.

➤ *The Effect of Trust (Z) on Electoral Decisions (Y)*

The research hypothesis (H4) states that trust has a positive and significant direct effect on the Electoral Decision. The results of testing with SEM showed that the t-value 4.4 was greater than 1.96, and the estimate value was 0.41 or 41.0% which had an effect on the selection decision.

The results of this study also confirm the results of research from Ulya (2016), trust has a positive effect on Election Decisions and according to Hidayat (2016), trust has a positive effect on consumer selection decisions. Based on these empirical facts and supported by the results of previous studies, it can be concluded that the research hypothesis (H5) can be accepted that trust has a positive and significant effect directly on the Election Decision.

V. CONCLUSION

First, The brand image variable has a positive and significant effect on trust. Managerial Implications that must be done by actively participating in the digital world.

Secondly, Service Quality variable has a positive and significant effect on trust. Managerial Implications that must be done Improve service quality by reducing the number of complaints from consumers

Third, Location variable has a positive and significant effect on trust. Managerial The implication that must be done is to improve the interior design according to the times and the location is easily accessible to consumers.

Fourth, Trust variable has a positive and significant effect on purchasing decisions. Managerial The implication that must be done is to always maintain product quality in order to remain consistent.

Fifth, The brand image variable directly has a positive and significant effect on purchasing decisions. Managerial The implication that must be done is to increase brand awareness through interactive marketing.

Sixth, for Indirectly effect, the brand image has a smaller positive effect on purchasing decisions through trust. We recommend that café lampoh focus directly on enhancing the brand image.

Seventh, The Service Quality variable directly affects the Purchasing Decision. While, Indirectly, it has an effect, it shows that Café Lampoh should improve the quality of service by providing better service to consumers.

Ninth, The location variable directly has a positive and significant effect on purchasing decisions. The Last, indirectly of the managerial implications that must be done is to expand by improving better spatial planning.

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