

Location, Store Atmosphere, and Price as Determinants of Konnichiwa Coffee Purchase Decisions

Lokasi, Store Atmosfer, dan Harga sebagai Penentu Keputusan Pembelian Kopi Konnichiwa

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Abstract - This study aims to empirically test location, store atmosphere, and price as determinants of purchase decisions for Kopi Konnichiwa. This research is a quantitative study with an associative approach. The data used are primary data collected thru the distribution of questionnaires using non-probability sampling techniques with the convenience sampling method. Data collection was conducted over two days thru google form to customers of Kopi Konnichiwa located at RS Harapan Kita, with a total of 100 respondents. The research variables were measured using several indicators, namely location (5 indicators), store atmosphere (6 indicators), price (4 indicators), and purchase decision (5 indicators). The data analysis technique uses structural equation modeling (SEM) based on partial least square (PLS) with the help of the smart-PLS 4.1 application, including outer model testing, inner model testing, and hypothesis testing. The novelty in this research lies in the context of the study conducted in a hospital environment, which has different consumer characteristics compared to commercial locations in general, thus providing a new perspective in the study of consumer behavior, particularly in the coffee industry. The research results show that location (X_1) has a negative impact on purchase decisions (Y), while store atmosphere (X_2) and price (X_3) have a positive impact as determinants of purchase decisions for Konnichiwa Coffee. The implications of this research for business managers are the need to enhance the visibility and accessibility of the outlet thru the installation of more eye-catching signage, promotions in strategic areas such as the hospital entrance, and collaboration with other tenants within the building. Improving these aspects is expected to enhance the attractiveness and consumer experience in making purchases.

Keywords: Price, Purchase Decision, Location, Store Atmosphere.

Abstrak - Penelitian ini bertujuan untuk menguji secara empiris lokasi, store atmosfer, dan harga sebagai penentu keputusan pembelian Kopi Konnichiwa. Penelitian ini merupakan penelitian kuantitatif dengan pendekatan asosiatif. Data yang digunakan adalah data primer yang dikumpulkan melalui penyebaran kuesioner menggunakan teknik non-probability sampling dengan metode convenience sampling. Pengumpulan data dilakukan selama dua hari melalui google form kepada pelanggan Kopi Konnichiwa yang berlokasi di RS Harapan Kita, dengan jumlah responden sebanyak 100 orang. Variabel penelitian diukur menggunakan beberapa indikator, yaitu lokasi (5 indikator), store atmosphere (6 indikator), harga (4 indikator), dan keputusan pembelian (5 indikator). Teknik analisis data menggunakan structural equation modeling (SEM) berbasis partial least square (PLS) dengan bantuan aplikasi smart-PLS 4.1, meliputi pengujian outer model, inner model, dan uji hipotesis. Kebaruan (novelty) dalam penelitian ini terletak pada konteks penelitian yang dilakukan di lingkungan rumah sakit, yang memiliki karakteristik konsumen berbeda dibandingkan dengan lokasi komersial pada umumnya, sehingga memberikan perspektif baru dalam kajian perilaku konsumen, khususnya pada industri kopi. Hasil penelitian menunjukkan bahwa lokasi (X_1) berpengaruh negatif terhadap keputusan pembelian (Y), sedangkan store atmosphere (X_2) dan harga (X_3) berpengaruh positif sebagai penentu keputusan pembelian Kopi Konnichiwa. Implikasi penelitian ini bagi pengelola usaha adalah perlunya meningkatkan visibilitas dan aksesibilitas gerai melalui pemasangan signage yang lebih mencolok, promosi di area strategis seperti pintu masuk rumah sakit, serta kerja sama dengan tenant lain di dalam gedung. Perbaikan aspek tersebut diharapkan dapat meningkatkan daya tarik dan pengalaman konsumen dalam melakukan pembelian.

Kata Kunci: Harga, Keputusan Pembelian, Lokasi, Store Atmosphere.

INTRODUCTION

Coffee has become one of the most popular beverages in the world and an important part of modern society's lifestyle. Based on data from the International Coffee Organization (ICO), global coffee consumption continues to increase every year. In Indonesia, coffee consumption also experienced

significant growth, from 3.6 million bags in 2019 to 5 million bags in 2020, with a per capita consumption growth rate of 3.7% per year. This figure places Indonesia as one of the countries with the highest coffee consumption levels in the Southeast Asian region. This phenomenon shows that coffee is no longer just an energizing drink, but has also become part of the culture and lifestyle of society, especially among the younger generation and urban communities.

According to the GoodStats survey (2024) on "Coffee Consumption Patterns of Indonesians", out of 1,005 respondents, the majority aged 18-24 years, 66% of people prefer buying ready-made coffee rather than brewing it themselves at home (34%). This indicates a growing preference among the public for practical ready-to-drink coffee products with distinctive flavors. In addition, the public's coffee consumption habits are quite diverse. About 37% of the population consumes two cups of coffee per day, and 38% of them more often drink coffee in the evening, followed by morning (30%), afternoon (21%), and noon (11%). This data indicates that the demand for coffee products tends to be stable throughout the day, making the coffee business a promising business opportunity. Amid the increasingly fierce competition in the coffee industry, Kopi Konnichiwa has emerged as one of the franchise brands that successfully attracts consumer attention.

Kopi Konnichiwa has over 100 outlets spread across various regions in Indonesia. One of its franchise branches is located in the area of Harapan Kita Heart and Blood Vessel Hospital, West Jakarta. This location is a very strategic area because it is situated within the environment of a national referral hospital that is frequently visited by various groups, ranging from patients, their families, to medical staff. The position of RS Harapan Kita, which is easily accessible from various areas of Jakarta, makes it a hub that connects many communities, thus having a vast market potential for culinary business operators. One of the main challenges for Kopi Konnichiwa is how to maintain its edge amidst the evolving tastes of consumers. Although Kopi Konnichiwa has great potential, this café also faces competition from strong brands like Maxx Coffee and Kopi Kenangan. Maxx Coffee excels in customer experience and menu variety, while Kopi Kenangan is more known for its efficient grab-and-go concept for customers with high mobility.

The presence of these competitors demands that Kopi Konnichiwa continue to innovate and strengthen its brand image to remain relevant in the competitive market. Although various previous studies have examined the influence of location, store atmosphere, and price on purchasing decisions, the research results show inconsistencies, particularly regarding the location variable, which in some studies has a positive effect, but in others is not significant or even negative. Moreover, most studies have been conducted in the context of general cafes, shopping malls, or commercial areas, leaving limited research on consumer behavior in hospital environments, which have unique characteristics such as time constraints, consumers' emotional conditions, and different visit purposes. Therefore, this research presents novelty by examining the influence of location, store atmosphere, and price in the context of coffee shops located in hospital environments. Theoretically, this research contributes to enriching the consumer behavior literature, particularly in understanding the dynamics of purchasing decisions in non-conventional settings. Practically, the results of this research are expected to serve as a basis for consideration for business operators, particularly coffee businesses in healthcare facilities, in designing more effective and contextual marketing strategies.

Unlike previous studies that were generally conducted in cafes located in shopping malls, office areas, or commercial zones, this research examines the influence of location, store atmosphere, and price on purchasing decisions at coffee shops operating in a hospital environment. Consumer characteristics in a hospital environment differ from those in commercial locations because purchasing decisions are influenced by psychological conditions, time constraints, the urgency of visits, and the diversity of visitor profiles, such as patients, patients' families, healthcare workers, and other visitors. Thus, this research offers a new empirical context that is still relatively rarely studied in retail marketing literature, particularly in the coffee shop industry in Indonesia. The scientific contribution of this research lies in the effort to expand the application of consumer behavior theory and the marketing mix by demonstrating how the influence of location, store atmosphere, and price can differ in healthcare environments compared to conventional business environments. In addition to enriching empirical evidence regarding the factors influencing purchasing decisions, this research also provides an explanation for the inconsistencies in

previous studies on the impact of location by testing in contexts with different consumer characteristics and purchasing situations.

Thus, this research is expected to serve as a reference for the development of consumer behavior models in the retail sector operating in public service areas. From a practical perspective, this research provides managerial insights for the managers of Kopi Konnichiwa as well as similar business operators in formulating more contextual marketing strategies. The research results are expected to serve as a basis for determining the most effective strategy priorities, whether thru optimizing location and accessibility aspects, creating a comfortable and calming store atmosphere for hospital visitors, or setting prices that align with consumer purchasing power and value perception. In addition, the findings of this research can serve as a reference in decision-making related to store design, customer experience management, promotion program development, and the development of franchise concepts in healthcare facility areas that have market characteristics different from general commercial locations. Based on the research background that has been outlined, the problem in this study can be formulated as follows. This study aims to analyze whether location has an impact on the purchasing decisions of Konnichiwa Coffee products in the environment of Harapan Kita Hospital. Additionally, this research also examines the influence of store atmosphere in creating consumer experiences that can encourage purchasing decisions. Furthermore, this study aims to determine the extent to which price influences consumer purchasing decisions.

LITERATURE REVIEW

Consumer Behavior

Consumer behavior is a multidisciplinary study that focuses on how individuals or groups make decisions to consume goods and services. Engel, J. F., Blackwell, R. D., & Miniard (2023) consumer behavior involves a dynamic process influenced by various internal and external factors, including environmental influences and psychological conditions, to meet their needs and desires. According to (Putri, D. E., Sinaga, O. S., Dharma, E., Irmayani, N. W. D. & H., 2022), consumer behavior is the process undergone by an individual or organization in searching for, purchasing, using, evaluating, and disposing of products or services after consumption to meet their needs. According to (Kotler, P., & Keller, 2021), consumer behavior is the study of how individuals, groups, and organizations choose, buy, use, and evaluate products or services, ideas, or experiences to satisfy their needs and wants. Consumer behavior can be defined as the study of the interaction between internal and external factors that influence the choices and actions of purchase or consumption made by individuals or groups. This involves a dynamic process where consumers search for, buy, use, evaluate, and dispose of products or services. This process includes experiences, ideas, and interactions with the environment that shape various aspects of consumers' lives. The study of consumer behavior aims to understand how consumers make decisions related to choosing, buying, using, and evaluating products or services in an effort to meet their needs.

Purchase Decision

The purchase decision is a step taken by the buyer to buy a product. Each maker must complete different techniques so that the buyer chooses to purchase the product (Nursiti & Syafarudin, 2023). According to Kotler & Armstrong (2021), the purchase decision is described as part of consumer behavior that involves the process by which individuals, groups, or organizations choose, buy, use, and evaluate products or services to meet their needs and desires. The purchase decision is explained as a process that involves consumers' understanding of their needs and desires regarding a product. In this case, consumers assess various available information sources, set purchase goals, and identify suitable alternatives. The purchase decision also involves an analysis of the benefits and risks that may arise from the purchase of the product (Widyadana et al., 2022). According to Kotler & Armstrong (2021) in Hananto (2021), the purchase decision-making process generally involves several important stages, namely the need recognition stage, need, information search, alternative evaluation, purchase decision, and post-purchase behavior.



Figure 1. Stages of the Purchasing Decision-Making Process

Location

According to Kotler & Armstrong (2014) in KH Wahdah (2022), location is the place where business activities are conducted, which includes various company activities to make the produced or sold products accessible and available to the target market. According to Tjiptono in Wulandari (2024), location is the place where the company operates or where the company conducts activities to produce goods and services, emphasizing the economic aspect. The selection of the right business location will greatly support the development of the business. According to Swastha and Irawan (2021), a strategic business location can increase the likelihood of consumers making purchases because it is easily accessible, clearly visible, and provides comfortable access. This shows that the more strategic and accessible a location is, the greater the opportunity for consumers to make purchases at that place.

Store Atmosphere

Store atmosphere is the ambiance that can be felt by consumers regarding the appearance of the store, thus attracting consumers' desire to visit the store. According to Purwaningsih (2013) in Isnadiyah (2023), store atmosphere is a very important physical characteristic for every retail business. It plays a role in creating a comfortable atmosphere according to consumer desires, making consumers want to stay longer in the cafe, and indirectly encouraging them to make purchases. According to Levy & Weitz in Isnadiyah (2023), store atmosphere refers to the design of the environment such as visual communication, lighting, color, music, and aroma to simulate customer perception and emotional responses, ultimately influencing their purchasing behavior.

Price

Price is an important factor in marketing strategy that influences consumer purchasing decisions. According to (Kotler, P., & Keller, 2021), price is defined as the amount of money that customers pay to obtain goods or services. In a coffee shop, pricing must consider product quality, operational costs, and the perceived value in the minds of consumers. Kotler and Armstrong (2012) in Nursiti & Aprillia Giovanna (2022) As a consideration when purchasing a product, consumers usually compare the price of a product with the price of competitors' products. Price is not just a number, but also reflects the image and positioning of the coffee shop. According to Fandy Tjiptono in Noviherni & Ispanji Surya Dewantoro (2024), price is one of the main determining factors in purchasing decisions because it is directly related to the perceived value received by consumers. When consumers assess that the offered price aligns with the benefits and quality received, the likelihood of making a purchase will increase. Conversely, a price that is considered disproportionate can decrease purchase interest.

Framework

The Influence of Location on Purchase Decisions

Swastha and Irawan in Saota et al. (2021) state that a strategic business location can attract customers. This means that the presence of a business in an appropriate environment according to the current field of business encourages consumer attraction to make purchases. In addition to that, a strategic location makes consumer purchasing decisions clearer because consumers will think that buying from a distant place will certainly incur higher costs. The results of previous research conducted by Hidayat (2021) indicate that location significantly affects purchasing decisions. This is in line with the research conducted by Oktavianingsih & Rusham (2022), which concluded that location significantly affects consumer purchasing decisions. However, this contradicts the research conducted by Cynthia et al. (2022), which found that the location variable does not significantly affect purchasing decisions.

The influence of store atmosphere on purchasing decisions

Rahman & Farhani (2024) Store atmosphere or store atmosphere plays an important role in creating an engaging shopping experience and influencing purchasing decisions. Factors such as lighting, music, decoration, and physical comfort inside the store can create an atmosphere that supports consumers in making purchases. A pleasant atmosphere can enhance satisfaction and encourage consumers to make repeat purchases. The results of previous research conducted by Majid & Wulansari (2024) indicate that store atmosphere has a significant impact on purchasing decisions. However, this contradicts the research conducted by Budiono & Siregar (2023), which found that the store atmosphere variable does not have a significant effect on purchasing decisions.

The Influence of Price on Purchase Decisions

Price is one of the factors that can influence purchasing decisions. According to Kotler and Armstrong in Ferdian & Rita Eka Setianingsih (2023), Price is the amount of money paid for a product/service, or the amount of value that consumers exchange in order to obtain the benefits of owning or using the goods or services. It can be concluded that the more the price aligns with the benefits, the higher the purchase decision. As per the results of previous research conducted by Faradilla (2024), where price significantly influences purchasing decisions. This is in line with the research conducted by Agnes Ayu Arianda et al. (2024), which concluded that price has a positive and significant effect on purchasing decisions. However, this contradicts the research conducted by Harris Fadillah (2023), which found that the price variable does not have a significant effect on purchasing decisions.

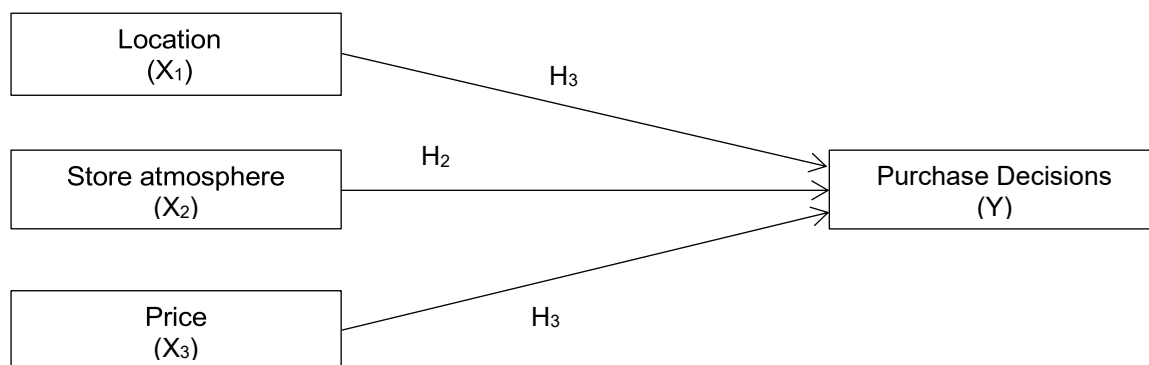


Figure 2. Frimework

Here are the hypotheses proposed in this study:

H₁: Location affects the purchase decision of Konnichiwa Coffee.

H₂: Store atmosphere affects the purchase decision of Konnichiwa Coffee.

H₃: Price affects the purchase decision of Konnichiwa Coffee.

RESEARCH METHOD

Population and Sample

This research is a quantitative study with an explanatory approach, which aims to explain the causal relationship between independent variables (location, store atmosphere, and price) and the dependent variable (purchase decision). This approach is used to test the hypotheses formulated thru statistical analysis based on Structural Equation Modeling (SEM) with Partial Least Square (PLS).

Population

According to Sugiyono (2019) in Fitriani (2022), the population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to be studied and then concluded. In this study, the population consists of all customers who have ever shopped at Kopi Konnichiwa RS. Harapan Kita, West Jakarta.

Sample

In this study, the researcher used a non-probability sampling technique specifically known as convenience sampling. Convenience sampling is a sampling method where respondents have

made at least one purchase. This method selects subjects who are the easiest to reach as the research sample. Convenience sampling allows for the collection of information from population members who are easily accessible at a suitable time and place (Sekaran et al., 2013). According to Sugiyono (2008) in Erlina (2022), a good sample ranges from 30 to 500 respondents. In this study, the sample to be taken consists of 100 respondents.

Variable Operations

Operasional variabel dalam penelitian ini terdiri dari variabel independen dan dependen sebagai berikut:

Table 1 Operational Variables of the Research

Research Variable	Dimension	Indicator
Purchase decision (Y)	Introduction to needs	1. Consumer fulfillment
		2. Product appeal
		3. Fulfillment of customer desires
	Information search	1. Commercial influence on social media
		2. Getting to know the product before making a purchase
		3. Suggestions from those in your vicinity
	Evaluasi alternatif	1. Alternative goods
		2. Faith in products
		3. Buyer response
	Purchase decision	1. Product selection
		2. Alignment with customer desires
Lokasi (X1)	Access	1. Level of satisfaction with the purchased product
		2. Post-purchase behavior
	Visibility	1. Easily accessible location
		1. Strategic location
	Traffic	2. The place can be clearly seen from a normal viewing distance
		1. The number of people coming and going
	Parking lot	2. Free from congestion and traffic jams
		1. Spacious, comfortable, and safe parking
	Expansion	1. A spacious place for business expansion
		1. Location safe from competitors
Store atmosphere (X2)	Exterior	1. The store sign that is visible
		2. Good outdoor store lighting
		3. Good window positioning
	General interior	1. Safe store floor
		2. Interesting interior colors
		3. Good lighting in the store
		4. The pleasant aroma inside the store
		5. Good music arrangement
		6. Store furnishings like comfortable tables and chairs
		7. Good temperature control
		8. Neat appearance of employees
		9. Clearly visible price tags
		10. A clean store
	Store layout	1. Allocation of space for consumer activities such as clean restrooms
		2. The exact location of the payment counter
	Interior displays	1. Store display that matches the theme being carried
Harga (X3)	Price affordability	1. The offered price is competitive
		2. The offered price is still affordable.
	The alignment of price with product quality	1. The price set is in accordance with the quality of the product offered.
	Price and benefit suitability	1. The price is in line with the benefits offered.
	The price is in accordance with the ability or purchasing power	1. The price set is as informed.

Source: Data processed by author.

Table 2. Details of Respondent Selection

No.	Date	Number of Respondents
1	January 30, 2025	50
2	January 31, 2025	50
Total respondents obtained		100

Source: Data processed by author.

Data Analysis Techniques

Data analysis is an activity conducted after collecting data from all respondents or other data sources. This analysis process includes grouping data based on variables and types of respondents, summarizing data from all respondent variables, presenting data for each interviewed variable, and testing the proposed hypothesis, including performing calculations (Sugiyono, 2017). In this analysis method, the collected data is first processed for analysis, so it can serve as the basis for the discussion.

FINDINGS AND DISCUSSION

Findings

Descriptive Statistics Test

Descriptive statistical tests in this study include: characteristic analysis consisting of age, gender, and occupation provided by the respondents. Below is an explanation of the characteristic analysis.

Tabel 3. Karakteristik Responden Berdasarkan Umur

Age	Frequency	Percentage (%)
17-27 years	74	74%
28-38 years	19	19%
39-49 years	4	4%
> 50 years	3	3%
Total	100	100%

Source: Data processed by author.

Based on the table above, out of 100 respondents, the majority were aged 17-27 years, totaling 74 people (74%), aged 28-38 years, totaling 19 people (19%), aged 39-49 years, totaling 4 people (4%), and aged over 50 years, totaling 3 people (3%).

Table 4. Characteristics of Respondents Based on Gender

Gender	Frequency	Percentage (%)
Man	37	37%
Woman	63	63%
Total	100	100%

Source: Data processed by author.

Based on the table above, out of 100 respondents, the majority were male, totaling 37 people (37%), while females numbered 63 people (63%).

Table 5. Characteristics of Respondents Based on Occupation

Employment	Frequency	Percentage (%)
Student/University Student	47	47%
Employee	31	31%
Civil Servant	5	5%
Housewife	4	4%
Others	13	13%
Total	100	100%

Source: Data processed by author.

Based on the table above, out of 100 respondents, the majority are students/university students with 47 people (47%), private employees with 31 people (31%), civil servants with 5 people (5%), housewives with 4 people (4%), and others with 13 people (13%).

Based on the table 6 above, out of 100 respondents, the majority have made purchases 1-5 times, which is 54 people (54%), 6-10 times, which is 24 people (24%), 11-15 times, which is 10 people (10%), and more than 16 times, which is 12 people (12%).

Table 6. Characteristics of Respondents Based on Purchase Quantity

Purchase Amount	Frequency	Percentage (%)
1-5 times	54	54%
6-10 times	24	24%
11-15 times	10	10%
> 16 times	12	12%
Total	100	100%

Source: Data processed by author.

Convergent Validity Testing

Convergent validity is an important aspect in ensuring that the measurement tool used to measure reflective constructs is valid and reliable. The results shown in this validity test include the loading factor or outer loading, and average variance extracted (AVE). The loading factor is the initial stage in the validity test, with the criterion that it must be more than 0.70 for the indicator to be considered valid. If the indicator is not valid, it must be removed from the model (J. F. Hair et al., 2022). In this study, the loading factor analysis is explained thru images based on the data processing results above.

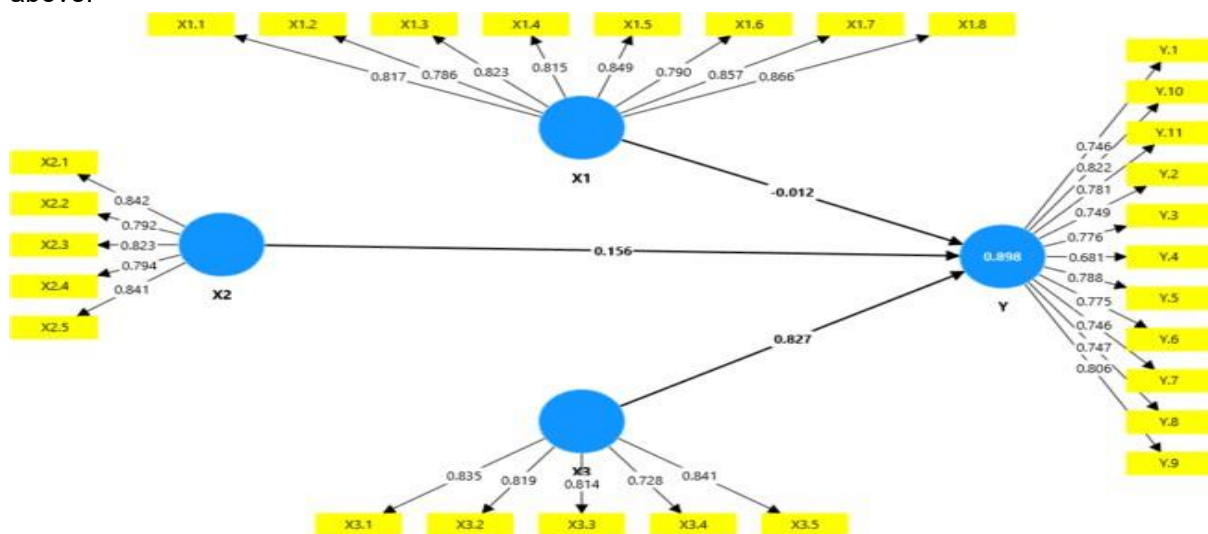


Figure 3. Loading Factor before Elimination

Based on the data analysis results, there is one statement in the questionnaire that is invalid based on the loading factor validity test. The invalid question is Y.4. This statement shows a loading factor value below 0.70 for its indicator.

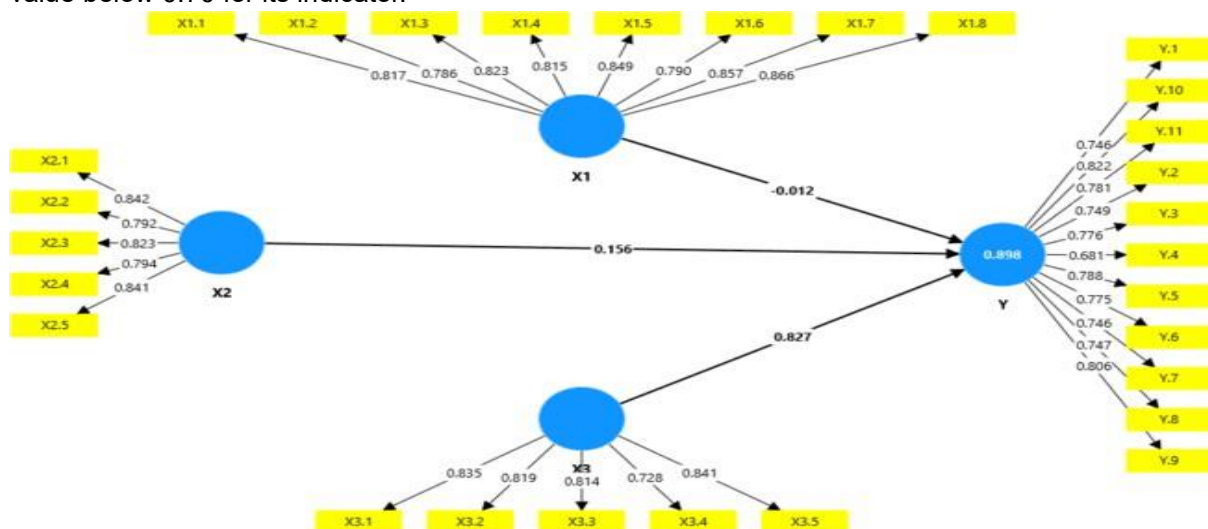


Figure 4. Loading Factor after Elimination

The final result of the outer loading in the validity test shows that all indicators are valid because they are above 0.70. The previously invalid indicators have been removed or deleted.

Table 7. Research Variable Loading Factor Results

Konstruk	Dimension	Indicator	Question Code	Outer Loading	Explanation
Purchase Decision	Overview of the Issue	Awareness of needs	Y.1	0,746	Valid
		Product appeal	Y.2	0,749	Valid
		Fulfillment of consumer purchasing desires	Y.3	0,776	Valid
	Information Search	Commercial influence on social media	Y.4	0,681	Not valid
		Getting to know the product before making a purchase	Y.5	0,788	Valid
		Recommendation from people around	Y.6	0,775	Valid
	Evaluation of alternatives	Alternative goods	Y.7	0,746	Valid
		Belief in goods	Y.8	0,747	Valid
		Buyer response	Y.9	0,806	Valid
	Purchase decision	Product selection	Y.10	0,822	Valid
		Alignment with customer desires	Y.11	0,781	Valid
Lokasi	Access	Location easily accessible to buyers	X1.1	0,817	Valid
	Visibility	Strategic location	X1.2	0,786	Valid
		The place is clearly visible from a normal viewing distance	X1.3	0,823	Valid
	Traffic	The number of people coming and going	X1.4	0,815	Valid
		Free from congestion and traffic jams	X1.5	0,849	Valid
	Parking lot	Spacious, comfortable, and safe parking	X1.6	0,790	Valid
	Expansion	A spacious place for business expansion	X1.7	0,857	Valid
	Competition	Location safe from competitors	X1.8	0,866	Valid
Store Atmosphere	Exterior	Employees with neat appearances create a positive external impression	X2.1	0,842	Valid
	Store layout	Esthetic and comfortable furnishings and furniture	X2.2	0,792	Valid
	General Interior	Music	X3.3	0,823	Valid
		Aroma	X2.4	0,794	Valid
	Interior Displays	Lighting and store display colors	X2.5	0,841	Valid
Harga	Affordability	Affordable price	X3.1	0,835	Valid
	The alignment of price with the quality of products/services	The price is in line with the quality of the product and materials	X3.2	0,819	Valid
		Competitive price	X3.3	0,814	Valid
	Price and benefit suitability	The price is commensurate with the taste of the drink.	X3.4	0,728	Valid
	The price is in line with affordability or competitiveness.	Price becomes the main consideration for buying	X3.5	0,841	Valid

Source: Data processed by smart-PLS 4.1 2024.

The final results of the outer loading in the validity test show that all indicators are valid because they are above 0.70. The indicators that were previously invalid have been removed or deleted. AVE squares the average loading of the construct indicators. Therefore, AVE is the sum of the

squared loadings divided by the number of indicators (Sholihin & Ratmono, 2021). In other words, an AVE value exceeding 0.5 indicates that convergent validity is considered adequate. In other words, more than 50% of the variance from the indicators can be explained by the relevant construct.

Table 8. Convergent Validity Test AVE

Variable	Average Variance Extracted (AVE)	Details
Purchase decision	0,682	Valid
Location	0,670	Valid
Store atmosphere	0,654	Valid
Price	0,603	Valid

Source: Data processed by smart-PLS 4.1 2024.

All AVE values are above 0.5, which means each construct in the model has good convergent validity. This indicates that the indicators used can effectively explain the measured construct.

Discriminant Validity

The approach to discriminant validity can be conducted in two ways, namely thru the Fornell-Larcker criterion and Cross Loadings (Sholihin & Ratmono, 2021). The Fornell-Larcker criterion is the square root of AVE (diagonal) value from each construct, which must be greater than the correlation between that construct and other constructs (value below the diagonal) (Sholihin & Ratmono, 2021). Here are the Fornell-Larcker criterion results from this study.:

Table 9. Fornell-Larcker Values

	X ₁	X ₂	X ₃	Y
X ₁	0,826			
X ₂	0,773	0,819		
X ₃	0,731	0,797	0,946	
Y	0,718	0,803	0,809	0,776

Source: Data processed by smart-PLS 4.1 2024.

Table 10. Cross Loading

	X ₁	X ₂	X ₃	Y
X _{1.1}	0.816	0.700	0.647	0.634
X _{1.2}	0.788	0.642	0.548	0.536
X _{1.3}	0.823	0.644	0.574	0.581
X _{1.4}	0.814	0.661	0.666	0.633
X _{1.5}	0.849	0.607	0.556	0.549
X _{1.6}	0.791	0.538	0.558	0.564
X _{1.7}	0.857	0.655	0.584	0.570
X _{1.8}	0.865	0.648	0.667	0.652
X _{2.1}	0.666	0.841	0.645	0.648
X _{2.2}	0.509	0.792	0.652	0.672
X _{2.3}	0.662	0.823	0.650	0.647
X _{2.4}	0.620	0.796	0.660	0.617
X _{2.5}	0.706	0.841	0.657	0.700
X _{3.1}	0.608	0.638	0.833	0.817
X _{3.2}	0.623	0.696	0.821	0.794
X _{3.3}	0.520	0.678	0.812	0.761
X _{3.4}	0.579	0.521	0.731	0.669
X _{3.5}	0.623	0.678	0.840	0.774
Y ₁	0.510	0.567	0.657	0.753
Y ₁₀	0.608	0.638	0.833	0.817
Y ₁₁	0.623	0.696	0.821	0.794
Y ₂	0.543	0.612	0.743	0.754
Y ₃	0.547	0.640	0.710	0.781
Y ₅	0.588	0.651	0.715	0.782
Y ₆	0.503	0.685	0.741	0.772
Y ₇	0.556	0.569	0.649	0.754

Source: Data processed by smart-PLS 4.1 2024.

The analysis results show that the AVE root value of each construct (the number on the diagonal) is greater than the correlation between that construct and other constructs (the number below the diagonal). This indicates that each construct in the model has good discriminant validity. Good discriminant validity is shown by higher factor loading values on the measured construct compared to other constructs. Conversely, if the loading on other constructs is higher than on the measured construct, this indicates a problem with discriminant validity (Sholihin & Ratmono, 2021).

From the data above, the following conclusion can be drawn:

- 1) Indicators $X_{1.1}$ to $X_{1.8}$ have high loadings on X_1 (ranging from 0.788 to 0.865), and these loadings are higher compared to their loadings on X_2 , X_3 , and Y . This indicates good discriminant validity for X_1 .
- 2) Indicators $X_{2.1}$ to $X_{2.5}$ have high loadings on X_2 (ranging from 0.792 to 0.841), and these loadings are higher compared to their loadings on X_1 , X_3 , and Y . This indicates good discriminant validity for X_2 .
- 3) Indicators $X_{3.1}$ to $X_{3.5}$ have high loadings on X_3 (ranging from 0.731 to 0.840), and these loadings are higher compared to their loadings on X_1 , X_2 , and Y . This indicates good discriminant validity for X_3 .
- 4) Indicators $Y_{.1}$ to $Y_{.9}$ have high loadings on Y (ranging from 0.748 to 0.817), and these loadings are higher compared to their loadings on X_1 , X_2 , and X_3 . This indicates good discriminant validity for Y .

The cross loadings table shows that all indicators have the highest loading on their respective constructs compared to other constructs. This indicates good discriminant validity for constructs X_1 , X_2 , X_3 , and Y in the analyzed model.

Reliability

Reliability testing is a statistical method used to measure the consistency and stability of a measuring instrument. Reliability testing is conducted in two ways, namely Cronbach's Alpha and Composite Reliability (CR). A construct is considered reliable if the Composite Reliability or Cronbach's Alpha value is above 0.70 (Ghozali & Latan, 2015) in (Dewi et al., 2022). In the context of research, reliable data means data that is consistent, trustworthy, and can be used for research.

Table 11. Reliability Test

Variable	Cronbach's Alpha	Composite Reliability	Details
Purchase decision	0.927	0.938	Reliabel
Location	0.933	0.945	Reliabel
Store atmosphere	0.877	0.910	Reliabel
Price	0.867	0.904	Reliabel

Source: Data processed by smart-PLS 4.1 2024.

Based on the results of the data analysis, the following values were obtained:

1. Cronbach's Alpha value = 0.927, Composite Reliability = 0.938, which are high, indicate that the Purchase Decision variable has good internal reliability. This means that the items within this variable are consistent in measuring the same concept.
2. Cronbach's Alpha value = 0.933, Composite Reliability = 0.945, which are high, indicate that the Location variable has good internal reliability. This means that the items within this variable are consistent in measuring the same concept.
3. Cronbach's Alpha value = 0.877, Composite Reliability = 0.910, which are high, indicate that the Store Atmosphere variable has good internal reliability. This means that the items in this variable are consistent in measuring the same concept.
4. Cronbach's Alpha value = 0.867, Composite Reliability = 0.904, which are high, indicate that the Price variable has good internal reliability. This means that the items within this variable are consistent in measuring the same concept.

Measurement Model Test or Outer Model

R-Square

R-square values of 0.75, 0.50, and 0.25 can be concluded as strong, moderate, and weak models (J. Hair et al., 2017) in (Yuhana & Utomo, 2024).

Table 12. Model R-Square Evaluation

	R Square	Adjusted
Purchase decision	0.902	0.899

Source: Data processed by smart-PLS 4.1 2024.

The R-Square (R^2) value of 0.902 indicates that 90.2% of the changes in the endogenous construct can be influenced by the exogenous constructs in this model. Meanwhile, the Adjusted R-Square (Adjusted R^2) value of 0.899 adjusts the R^2 value by considering the number of exogenous constructs. This Adjusted R^2 shows that after adjustment, approximately 89.9% of the changes in the endogenous construct can still be influenced by the exogenous constructs. The small decrease from R^2 to Adjusted R^2 (only 0.003 or 0.3%) indicates that the addition of exogenous constructs is not excessive and each exogenous construct provides a significant contribution. this model is very strong and efficient in explaining changes in the endogenous construct. This model is not overfitted, meaning the number of exogenous constructs used is appropriate and relevant.

F-Square

The F-Square test shows whether all the independent variables in the model have a joint effect on the dependent variable.

Table 13 Model F-Square Evaluation

	F-Square
Location → purchase decision	0,000
Store atmosphere → purchase decision	0,052
Price → purchase decision	2,373

Source: Data processed by smart-PLS 4.1 2024.

From the table above, it can be concluded that: 1) 0.000 from the location has a small effect on the purchase decision; 2) 0.052 of the store atmosphere has a significant effect on purchasing decisions; 3) 2,373 of the price has a significant effect on the buyer's decision.

Hypothesis Testing

To understand the significant influence between variables by examining the parameter coefficient values and t-statistic significance using the bootstrapping method.

Table 14. Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standar Deviation (STDEV)	T Statistic (O/STDEV)	P Values
Location → purchase decision	0,002	0,003	0,064	0,029	0,977
Store atmosphere → purchase decision	0,134	0,139	0,063	2,114	0,035
Price → purchase decision	0,838	0,834	0,061	13,672	0,000

Source: Data processed by smart-PLS 4.1 2024.

Based on the results of the hypothesis testing, it is known that each variable is in line with the hypothesis, including:

1. The influence of Location (X_1) on purchase decision has a t-statistic of $0.029 < 1.96$ and a p-value of $0.977 > 0.05$. This indicates that location does not have a significant effect on purchase decision.
2. The influence of store atmosphere (X_2) on purchase decisions has a t-statistic of $2.114 > 1.96$ and a p-value of $0.035 < 0.05$. This indicates that store atmosphere has a positive and significant effect on purchase decisions.
3. The influence of price (X_3) on purchase decision has a t-statistic of $13.672 > 1.96$ and a p-value of $0.000 < 0.05$. This indicates that price has a positive and highly significant effect on purchase decision.

Discussion

The Influence of Location on Purchase Decisions

The analysis results show that the location variable has no influence and is not significant on purchase decisions. The p-value of 0.977 is greater than the significance level of 0.05, and the t-statistic value of 0.029 is smaller than the t-table value of 1.96. Therefore, hypothesis 1 is rejected.

The results of the research on Konnichiwa Coffee concluded that the location factor does not influence the purchasing decision. The indicator "location free from density and congestion" that dominates shows that customers are more likely to visit stores located in busy areas. Thus, a location that is too quiet, even if strategic, can become an obstacle to sales growth. This is also in line with the research conducted by Cynthia et al. (2022), which found that the location variable does not significantly affect purchasing decisions. Evaluation of the second indicator "strategic location" thru bootstrapping analysis shows room for improvement. Although this factor does not have a significant impact on purchasing decisions, the company needs to consider improving the visibility and accessibility of the store within the building to attract more customers. Strategies such as installing more eye-catching signage, promotions in the entrance area, and collaborating with other tenants in the building can be viable alternatives to consider.

The Influence of Store Atmosphere on Purchase Decisions

The analysis results show that the store atmosphere variable has a positive and significant effect on purchase decisions. The p-value of 0.035 is smaller than the significance level of 0.05, and the t-statistic value of 2.114 is greater than the t-table value of 1.96. Therefore, hypothesis 2 is accepted. The evaluation of Kopi Konnichiwa revealed that the comfort of the store's atmosphere, including interior design, lighting, coffee aroma, and cleanliness, significantly contributes to attracting customers. These findings are reinforced by the dominance of the fifth indicator, namely "lighting and store display colors," which play a role in creating a comfortable and esthetic atmosphere. Proper lighting and attractive color combinations not only enhance customer comfort but also strengthen the brand's visual identity, encouraging customers to stay longer and make purchases. This research is also in line with the findings of Majid & Wulansari (2024), which show that store atmosphere significantly influences purchasing decisions. Therefore, improving the aspects of lighting and store display colors can be an effective strategy to enhance the appeal and customer experience at the store.

The Influence of Price on Purchase Decisions

Based on the analysis results, the price variable has a positive and highly significant effect on the purchasing decision. The P-Value of 0.000 is smaller than the significance level of 0.05, and the t-statistic value of 13.672 is greater than the t-table value of 1.96. Thus, hypothesis 3 is accepted. This is because Konnichiwa Coffee offers prices that are commensurate with the quality of the products provided, thereby contributing to customers' purchasing decisions. In addition, the most dominant indicator is the third indicator, which is "The alignment of price with the quality of the products/services offered".

The findings of this study contribute to the consumer behavior literature by providing empirical evidence that the determinants of purchase decisions differ across business contexts. Specifically, while location has traditionally been regarded as a key determinant in commercial coffee shop settings, this study demonstrates that, within hospital environments, store atmosphere and price play a more significant role in influencing consumers' purchase decisions. These findings extend the application of consumer behavior theory by highlighting the importance of contextual factors in shaping purchasing behavior within non-conventional retail environments.

CONCLUSION

Based on the research findings, it can be concluded that location does not significantly influence the purchasing decision of Konnichiwa Coffee in the environment of Harapan Kita Hospital. This finding indicates that consumers no longer consider location as the main factor in making a purchase. The ease of access to information, the development of digital services, and the increasing consumer attention to product quality and the visiting experience have caused the role of location to become relatively less dominant in influencing purchasing decisions. On the other hand, store atmosphere has a positive and significant impact on purchasing decisions. A comfortable store atmosphere, supported by interior design, lighting, cleanliness, layout, and other visual elements, can create a pleasant visiting experience, thereby increasing consumer interest in making a purchase. In addition, price has a positive and highly significant impact on purchasing decisions and is the variable with the strongest influence

compared to other variables. These results indicate that consumers perceive the price offered by Kopi Konnichiwa as commensurate with the quality of the products and services received (value for money). Overall, the purchasing decisions of Konnichiwa Coffee consumers are more influenced by internal store factors, namely store atmosphere and price, compared to external factors such as location. Therefore, management is advised to maintain a competitive pricing strategy, continuously improve the quality of the store atmosphere, and strengthen store promotions and visibility to enhance competitiveness and attract more consumers. This research has several limitations. First, the research was conducted only at one Kopi Konnichiwa outlet located within the Harapan Kita Hospital complex, so the research results cannot yet be generalized to all Kopi Konnichiwa outlets or other coffee shops located in areas with different characteristics. Second, the research only uses three independent variables, namely location, store atmosphere, and price, so there are still other factors that could potentially influence purchasing decisions, such as product quality, service quality, promotions, brand image, customer satisfaction, digital service quality, and social media influence. Third, the research uses a quantitative approach with a cross-sectional design, so it is not yet able to capture changes in consumer behavior over time. Based on these limitations, future research is recommended to expand the research subjects to several branches of Kopi Konnichiwa or other coffee shop brands so that the research results have a better level of generalization. Subsequent research can also add other variables, such as product quality, service quality, brand image, digital promotion, customer loyalty, or customer satisfaction as mediating or moderating variables to obtain a more comprehensive model. Additionally, the use of mixed methods or longitudinal research is also recommended to provide a deeper understanding of consumer behavior and the factors influencing purchasing decisions in the coffee shop industry.

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