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The Impact of Store Atmosphere & Product Variation on Customer Preference: Study at Tjap Djajakarta Café Malang

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Abstract:
Nowadays, cafés are a highly saturated business, especially in Malang City. Due to the high number of café options, customers tend to choose cafés that suit their preferences. Therefore, coffee shop owners must maximize many aspects of their cafés, such as store atmosphere and product variation. These variables are being implemented in Tjap Djajakarta café Malang.
This quantitative research involved distributing questionnaires directly to customer of Tjap Djajakarta café who have made purchase. Purposive sampling was used, and data were analyzed using multiple linear regression (Y = a + b1X1 + b2X2+ e) and hypothesis testing**.**
The findings shows that store atmosphere have partial influence to customer preference while product variation doesn't. Collectively, both variables contribute 37, 8 % influence to customer preference with 62, 2% is influenced by other variables.
The study concluded that only store atmosphere variable that significantly influence customer preference. Tjap Djajakarta café is suggested to explore more variation in their menu especially main course. Furthermore, Tjap Djajakarta also suggested to enhance the product aesthetic especially for coffee product by performing latte art.

Keywords: Store Atmosphere, Product Variation, Customer Preference, Café

1. Introduction

Nowdays Malang City is overflowed with Coffee shop. Reported by Kumparan (2019) Head of Indonesian Cafe and Restaurant Entrepreneurs Association (Akprindo) Malang, Indra Setiyadi stated that number of coffee shop in Malang City has been exceeding more than 1000 stores. As a consequence of this reality, entrepreneurs that have coffee shop businesses must increase their innovation and strategy aggressively to survive in this harsh business competitive environment.

In this era there is apparent shift in consumer behavior of coffee shop. A customer not only visit a coffee shop to just enjoy favorite cup of coffee instead they tend to look for comfortable place to study, work, and socialization. These kind of tendencies will drive the customer interest to certain coffee shop based on their preference. In the psychology literature in Abdullah et.al. (2023), preferences can be regarded as an individual's attitude towards a set of objects, typically reflected in an explicit decision-making process.

Tjap Djajakarta Café is well aware of their customer preference especially majority of the customer is college students who need comfortable place to study. To support their customer preference of comfortable place to study Tjap Djakarta also pay close attention to store atmosphere. According to Purwadi et al., (2020) the atmosphere refers to the physical characteristics of the shop that are used to develop images and to attract customers.

In general Tjap Djajakarta is a humble coffee shop that bring up "Old Batavian" as store concept. This concept are shown in numbers of Batavian ornament as store decoration. Furthermore, to enhance atmospheric attraction of the store Tjap Djakarta also provide plenty of sitting area which are divided into indoor and outdoor area. However, based on field observation space in general interior of Tjap Djajakarta is

quite small and often become uncomfortable when the indoor area is crowded with customer. In spite of that, the phenomenon that occur is customer still preferred to come to Tjap Djajakarta.

This phenomenon is in contrary with previous study that stated an attractive and comfortable store atmosphere will influence the behaviour of approaching consumers. Conversely, a store atmosphere that is less attractive and uncomfortable will affect consumer avoidance behaviour (Oktavia and Indriyani, 2022 in Aulia et.al.2023) The closest possible explanation to this phenomenon is there are other elements or variables that drive the customer preference to still come to Tjap Djajakarta such as product variation.

There are numbers of previous study about store atmosphere, product variation, and the influence on customer behaviour in business especially coffee shop. Study by Pratiwi and Yasa, (2019) in Alleway Coffee, Bali, indicates that there is a positive and significant effect between store atmospheres on purchasing decisions. Study by Candra et al., (2023) in Parewa coffee, Padang, indicates that product diversity or product variation has a significant impact on Parewa Coffee's customer satisfaction. There are various other studies that discus similar topic however, research that focuses on the correlation and direct influence between store atmosphere and product variation on customer preferences is still limited. Therefore there is a research gap in these topics that need to be filled.

2. Literature Review

2.1 Store Atmosphere (X1)

Store atmosphere is an atmosphere that refers to the physical characteristics of the store's exterior and interior, which shape the image and bring in customers (Tansala et al., 2018 in Pratiwi and Yasa, 2019).The measurement of variable (X1) store atmosphere is using indicator from Dharma and Kusumadewi (2018) in Pratiwi and Yasa (2019) that stated the indicator of store atmosphere consist of:

1) Cleanness
2) Layout
3) Music
4) Lighting
5) Temperature

2.2 Product Variation (X2)

According to (Pamuji and Sutedjo, 2023) Product diversity or product variety is a collection of various products and goods offered from marketers to consumers.The measurement of variable (X2) product variation is using indicator from Wicaksono and Sutanto (2022) that stated the indicator of product variation consist of:

1) Size
2) Price
3) Appearance
4) Taste

2.3 Customer Preference (Y)

Customer preference can be defined as person's choice of whether they like or dislike the product they consume. Consumer preferences are also the values that consumers pay attention to when making a choice Arifani, (2019) in Yawan et.al. (2023).The measurement of variable (Y) customer preference is using indicator taken from Tjiptono (2008) that stated the indicator of product variation consist of:

1) The frequency of purchase
2) Willingness to recommend product to others
3) Refused to use another product
4) Affordable cost
5) Will not be attracted to other products

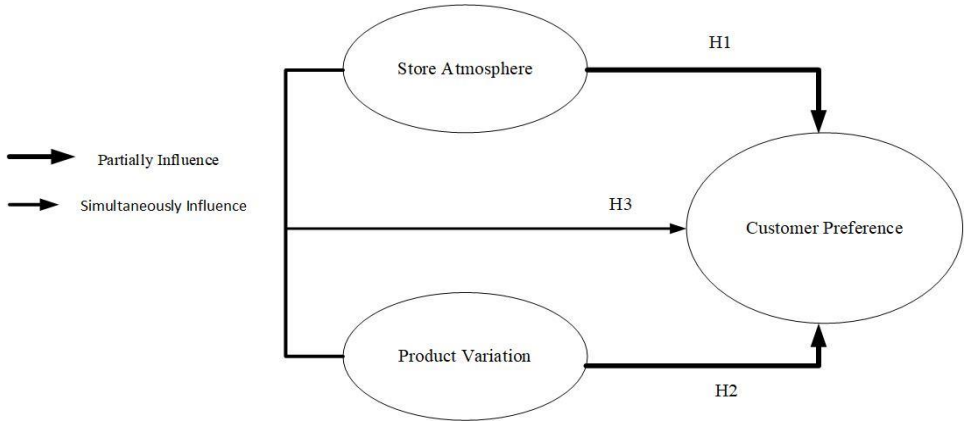

Figure 1 : Conceptual Framework

Based on the theoretical and conceptual research studies that have been stated previously, the hypothesis in this research is as follows:
*H*1: Store atmosphere has positive impact on customer preference.
*H*2: Product variation has positive impact on customer preference.
*H*3: Store atmosphere and product variation simultaneously have positive impact on customer preference.

3. Research Method

Data Analysis Technique

The research method uses purposive sampling with criteria customer who have made purchase more than twice. Multiple linear regression and hypothesis test being used as data analysis method. Overall data processing using SPSS for windows.

4. Result and Discussion

4.1 Validity and Reliability Test

Validity testing is the process of ensuring that a measuring tool or instrument actually measures what it is intended to measure. Question item is considered to be valid if r count > r table (0.1654) and significance is <0.05.

Table 1 : Validity Test

Variable	Item	r Count	r Table	Significance	Result
Store Atmosphere (X1)	X1.1	0,606	0,1654	0,000	Valid
	X1.2	0,566	0,1654	0,000	Valid
	X1.3	0,623	0,1654	0,000	Valid
	X1.4	0,496	0,1654	0,000	Valid
	X1.5	0,577	0,1654	0,000	Valid
	X1.6	0,564	0,1654	0,000	Valid
	X1.7	0,683	0,1654	0,000	Valid
	X1.8	0,472	0,1654	0,000	Valid
	X1.9	0,530	0,1654	0,000	Valid
Product Variation (X2)	X2.1	0,584	0,1654	0,000	Valid
	X2.2	0,655	0,1654	0,000	Valid
	X2.3	0,717	0,1654	0,000	Valid
	X2.4	0,671	0,1654	0,000	Valid
	X2.5	0,722	0,1654	0,000	Valid
	X2.6	0,729	0,1654	0,000	Valid
	X2.7	0,673	0,1654	0,000	Valid
	X2.8	0,683	0,1654	0,000	Valid
Customer Preference (Y)	Y.1	0,736	0,1654	0,000	Valid
	Y.2	0,648	0,1654	0,000	Valid
	Y.3	0,466	0,1654	0,000	Valid
	Y.4	0,606	0,1654	0,000	Valid
	Y.5	0,792	0,1654	0,000	Valid
	Y.6	0,766	0,1654	0.000	Valid
	Y.7	0,615	0,1654	0,000	Valid
	Y.8	0.676	0,1654	0,000	Valid

Based on table validity test result above the entire item of variable store atmosphere (X1), product variation (X2), and customer preference (Y) is considered valid.

Table 2 : Reliability Test Result

Variable	Cronbach's Alpha	Number of Items	Standard	Result
Store Atmosphere (X1)	0,735	9	0,70	Reliable
Product Variation (X2)	0,767	8	0,70	Reliable
Customer Preference (Y)	0,764	8	0,70	Reliable

Reliability testing is a process for assessing the extent to which a measurement instrument provides consistent and stable results over time. 0.70. An instrument can be said to be reliable if it has a Cronbach's Alpha value > 0.70. Based on table above the entire variable is considered reliable.

4.2 Classic Assumption Test

4.2.1 Normality Test

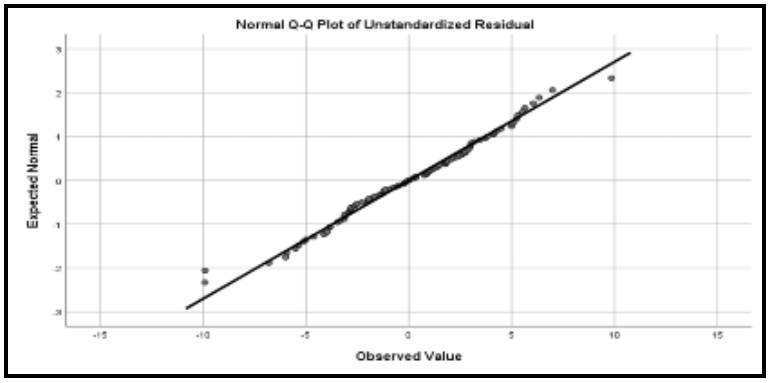

Figure 2 : Normality Test Result

The Normality Test can be seen using graphic analysis by looking at the distribution of data (points) on the diagonal axis of the graph or by looking at the histogram of the residuals. If the data spreads around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern, then the regression model meets the normality assumption.

4.2.2. Heteroscedaticity Test

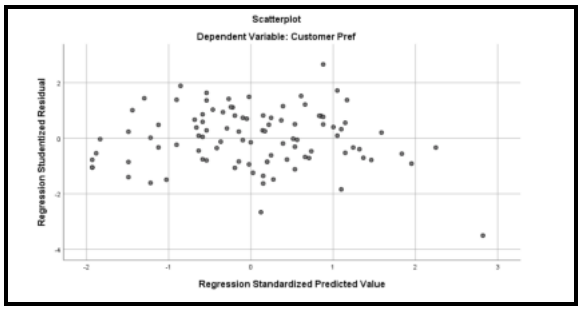

Figure 3 : Heteroscedaticity Test Result

Heteroscedasticity test aims to test whether in the regression model there is inequality of variance from the residuals of one observation to another observation. Detection of whether there is heteroscedasticity can be done by looking at whether there is a certain pattern in the scatterplot graph between SRESID and ZPRED.

Based on the results of the scatterplot graph above, it can be seen that the points are spread above and below the number 0 in coordinate (0, 2) and (0, -2). Moreover, there is no clear pattern, therefore heteroscedasticity does not occur or it can be said that the assumptions are fulfilled.

4.2.3 Multicollinearity Test

Table 3 : Multicollinearity Test

Model	Multicollinearity Statistic		Result
	Tolerance	VIF	
Store Atmosphere	0,587	1,704	Absent of Multicollinearity
Product Variation	0,587	1,704	Absent of Multicollinearity

The multicollinearity test aims to test whether the regression model finds a correlation between independent variables. A good regression model should not have correlation between independent variables. Based on preceding table it can be concluded there are no multicollinearity symptoms in each model store atmosphere and product variation.

4.3 Multiple Linear Regression

Table 4 : Multiple Linear Regression Result

Model	Unstandardized Coefficients	
	B	Std. Error
Constant	4.823	1.658
Store Atmosphere (X1)	0,652	0, 125
Product Variation (X2)	0,143	0,120

Based on table above multiple linear regression can be analyzed using linear regression equation as follows:

$$Y = a + b1X1 + b2X2 + e$$

$$Y = 4{,}823 + 0{,}652X1 + 0{,}143X2 + e$$

From multiple linear regression, it can be concluded that independence variable that provide greater influence to dependent variable is store atmosphere (X1) with coefficient value reach 0,652 compare to product variation (X2) 0,143

4.4 Hypothesis Test

4.4.1 Partial Test (t test)

The partial test is used to determine the effect of each independent variable on the dependent variable. There are particular condition where the impact of each independent variable to dependent variable can be explained which are:

1. If $tcount > ttable$ and $tsig \leq (\alpha = 0.05)$, then $H0$ is rejected, Ha is accepted. This shows that the independent variable tested has a partial impact on the dependent variable.
2. If $tcount < ttable$ or $tsig \geq (\alpha = 0.05)$, then $H0$ accepted Ha is rejected. This shows that there are no partial impact of independent variable on dependent variable.

Table 5 : Partial Test Result

Model	t count	t tabel	Sig.	Result
Store Atmosphere (X1)	5.200	1,661	0,000	Influence
Product Variation (X2)	1.195	1,661	0,235	Not influence

Based on t test result above, partial hypothesis of variable store atmosphere (X1) and product variation (X2) are:

1. H1: variable store atmosphere partially influencing customer preference this can be shown in comparison $tcount > ttable$: (5.200 > 1,661) with sig. <0,05 which mean H1 is accepted. Therefore, it can be concluded that variable store atmosphere (X1) that tested have partial impact to customer preference in Tjap Djajakarta café.
2. H2: variable product variation partially not influencing customer preference this can be seen in comparison $tcount < ttable$ (1.195< 1,661) with sig. >0, 05 which mean H2 is rejected. Therefore, it can be concluded that variable product variation (X2) does not have partial impact on customer preference in Tjap Djajakarta café.

4.4.2 Simulant Test (F test)

The model feasibility test (F Statistical Test) shows whether all the independent variables included in the research model have a joint influence on the dependent variable. The testing criteria in the F test are as follows:

1. If $Fcount > Ftable$ and F sig. ≤ (a=0. 05) means H0 rejected and Ha is accepted hence variable independent (X1 and X2) simultaneously influencing dependent variable (Y)
2. If $Fcount < Ftable$ or f sig. ≥ (a=0. 05) means H0 accepted and Ha is rejected hence variable independent (X) simultaneously not influencing dependent variable (Y)

Table 6 : Partial Test Result

F count	F table	Sig.	Significance rate	Result
31.063	3,09	0,000	0,05	Significantly influence

Based on F table above the result explain that:

H3: Variable independent (X) is simultaneously influencing variable dependent (Y) this can be shown by comparison $Fcount > Ftable$ 31.063 > 309 and sig. < 0, 05. Therefore, it can be concluded that variable store atmosphere (X1) and product variation (X2) simultaneously have positive impact on customer preference in Tjap Djajakarta café.

5. Conclusion

1. H1: store atmosphere have significant impact on customer preference which value of $tcount > ttable$ (5.200 > 1,661) with sig. <0,05 that means H1 is accepted.
2. H2: product variation does not have significant impact on customer preference which value of $tcount < ttable$ (1.195< 1,661) with sig. >0, 05 which mean H2 is rejected.
3. H3: store atmosphere and product variation simultaneously have significant impact on customer preference which value of $Fcount > Ftable$ 31.063 > 309 and sig. < 0, 05 that means H3 is accepted.

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