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Analysis of the Influence of Café Atmosphere, Sales Promotion, Service Quality and Merchandise on Interest and Repeat Purchases at Starbucks Café

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A B S T R A C T

The food and beverage industry is experiencing rapid growth, as evidenced by the increasing number of cafes appearing in various locations. The decision of the general public to visit cafes is no longer solely based on the quality of the food and drinks rather, it is influenced by several factors and considerations that contribute to their purchasing interest. These factors include the availability of sales promotions, a pleasant ambiance, high-quality service, and the sale of appealing merchandise products. The purpose of this thesis is to determine the effect of the variables of cafe atmosphere, sales promotion, service quality, merchandise, on interest and repeat purchases at starbucks cafe. The study utilizes the Structural Equation Model (SEM) and the Marketing Mix 7P concept to analyze and describe the data. The result of this research is Cafe atmosphere cannot be proven in this study because the variable cafe atmosphere was removed from the research model. Sales promotion has no positive and significant effect on purchase intention and repeat purchases. Service quality has a positive and significant effect on interest and repeat purchases, merchandise has a positive and significant effect on interest and repeat purchases. Purchase interest has a positive and significant effect on repeat purchases. The simultaneous equation analysis demonstrates the effects of cafe atmosphere, sales promotion, service quality, and merchandise on Starbucks as follows: Y2 = -0.0145X1 + 0.099X3 + 0.262X4 + Z5.

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1. INTRODUCTION

The growth of the food and beverage industry is now increasingly rampant, such as the number of cafes spread in various regions. (Indriany, 2018) Indonesia is one of the most populous countries that has potential to be the target market for many companies. (Wijanarko & Fachrodji, 2020) Public buying interest in visiting cafes is now not only due to the taste of good food and drinks but is influenced by

various factors and considerations in making purchasing interest such as the availability of sales promotions, a comfortable place atmosphere, good service quality, and the sale of attractive merchandise products. According to the survey results of the Association of Indonesian Café and Restaurant Entrepreneurs (Apkrindo) East Java, the growth trend of coffee-based cafes has increased by 16% - 18% every year since 2019 due to the modern lifestyle of urban communities (Widarti, 2019). Reporting from the Surabaya City Investment & One-Stop Integrated Service (DPMPTSP) Office, the condition of the cafe and restaurant industry is now experiencing a 20%-30% increase in profits (DPMPTSP, 2021). Seeing these conditions, the cafe business is now a very promising business field, causing increasingly fierce business competition. This has resulted in the assessment of customer satisfaction is now the benchmark for companies in developing businesses.

Based on the phenomena that have been described and the explanation above, the researchers are interested in conducting further research and pouring it in the form of a thesis scientific paper with the title "Analysis of the Effect of Cafe Atmosphere, Sales Promotion, Service Quality and Merchandise on Consumer Interest and Repeat Purchases at Starbucks Coffee". By using the method used is Structural Equation Modeling (SEM).

2. LITERATURE REVIEW

The chapter focuses on the theories that provide essential support for the implementation of the research. These theories encompass Café atmosphere, Sales Promotion, Service Quality, Merchandise, Structural Equation Model (SEM) and The concept of Marketing Mix 7P. These theories will act as a guiding framework for the researcher during the study's execution. According to Mastriani, A., & Wulandari, S. (2021) Cafe Atmosphere (Store Atmosphere) is creating a well-designed cafe environment can provide a comfortable experience for consumers and attract those who match their preferences. As mentioned by Utami in (Oktasari, 2022), store atmosphere is the combined result of physical elements such as architectural design, layout, lighting, product display, use of color, temperature, music, and aroma. This whole combination will form a perception that is formed in the minds of consumers.

According to Hermawan in (Haryani, 2019), sales promotion is a marketing activity that proposes the added value of a product (to get more than just the existing value of the product) within a certain period of time in order to encourage consumer purchases, sales effectiveness, or encourage efforts made by the sales force. There is a concept that has been put forward by Parasuraman et al., in (Mursyidah, 2021) regarding the five dimensions of service quality. First, tangibles is a dimension of service quality that refers to the provider's site services, the availability of modern equipment, and staff appearance. Second, reliability is a dimension of service quality that refers to the ability of service providers to carry out services reliably and correctly. Third, responsiveness is a service quality dimension that refers to the willingness of service provider staff to help clients and to respond promptly to requirements. Fourth, assurance is a dimension of service quality that refers to the knowledge, courtesy, and trustworthiness of service provider staff. Fifth, empathy is a dimension of service quality that refers to the personal thought and attention that service providers give to their clients. According to Semuel in (Kartika Dewi & Sulisyawati, 2020) such as procurement of merchandise, product completeness, provision of discounts, product layout arrangement.

Consumers basically come to retail companies to find the products they need. Outlets must be able to provide a good image to consumers by arranging as creative as possible products in outlets to make them look attractive and provide products that consumers need and want. This process entails ensuring that the products are procured in the right quantity, price, and timeframe to meet the store's objectives or goals. Merchandise management focuses on activities such as purchasing, handling, and financial aspects. According to Septiana in (Bataha et al., 2020) Purchase Interest is the result of stimuli received after seeing the product, which then arises a sense

of interest in trying the product, and finally the desire to buy it with the aim of owning the product. Interest is one of the psychological factors that has a significant impact on behavior, and is also a source of motivation that influences individuals in the actions they take. Repurchase Intention, which indicates a customer's expectation to repurchase from the company, is a frequently used predictor of actual future customer behavior (Sultan, 2022).

in this study, researchers used data analysis methods, known as Structural Equation Model (SEM) and using a descriptive analysis approach using the 7P marketing mix concept. Structural Equation Modeling (SEM) is a statistical analysis technique that combines several aspects of path analysis and confirmatory factor analysis to estimate several equations simultaneously. SEM is carried out with three models, namely measurement, structural and modification models. The SEM method assists researchers in analyzing relationships built from one/multiple dependent and independent variables. Kotler (Kartika & Fariza, 2022) the marketing mix is a strategy used to achieve organizational goals and satisfy customers. According to Mahmudah and Tiarawati in Journal (Agustina et al., 2020) purchasing are actions taken by individuals, groups or organizations to choose, buy, use and utilize goods, services, ideas, experiences in order to satisfy needs based on information about product excellence. The marketing mix consists of various marketing elements that are controlled by the company to achieve the expected response from the target market. In this study, researchers used independent variables such as cafe atmosphere, sales promotion, service quality, and merchandise.

3. RESEARCH METHOD

This research was conducted at a coffee shop at PT Sari Coffee Indonesia or commonly known as Starbucks Coffee at the cafe branch in Manyar Kertoarjo Surabaya. This research focuses on Starbucks Coffee Manyar Kertoarjo customers in Surabaya. The following flow to solve this problem can be seen in Table 1.

Table 1. Operational Variables

Independent Variables

No	Research Variables	Indicators	Source
1	**Atmosphere Café** (X1) Berman & Evans in journal (Tansala et al., 2019)and (Mahiri, 2020)	a. Toilet Cleaness (X1.1) b. Air Conditioing (X1.2) c. Unpleasent Smell (X1.3) d. Parking Lot (X1.4)	a. Berman & Evans in journal (Tansala et al., 2019) b. Berman & Evans in journal (Tansala et al., 2019) c. Berman & Evans in journal (Tansala et al., 2019) d. (Mahiri, 2020)
2	**Sales Promotion** (X2) Utami in journal Maulana and (Maulana & Mulyana, 2020) and according to Kotler dan Ketller in (Adhitama, 2021)	a. Package price (X2.1) b. Discount (X2.2) c. Loyal customer program (X2.3) e. Gift (X2.3)	a. Utami in (Maulana & Mulyana, 2020) b. Utami in (Maulana & Mulyana, 2020) c. Utami in (Maulana & Mulyana, 2020) d. Kotler dan Ketller in (Adhitama, 2021)
3	**Service Quality** (X3) according to Parasuraman et al., in (Kanina, 2020)	a. Baristas who look neat, clean and professional. (X3.1) b. Friendly and attentive service (X3.2) c. Communication is precise, accurate and clear (X3.3) d. Baristas who deliver service as	a. According to Parasuraman et al., in (Kanina, 2020) b. According to Parasuraman et al., in (Kanina, 2020)

			promised (X3.4)	c. According to Parasuraman et al., in (Kanina, 2020) d. According to Parasuraman et al., in (Kanina, 2020)
4	**Merchandise** (X4) According to Huda in journal (David Ramdansyah et al., 2022)and according to Semuel in (Kartika Dewi & Sulisyawati, 2020)	a. Quality level of goods (X4.1) b. Layout arrangement (X4.2)		a. According to Huda in (David Ramdansyah et al., 2022) b. According to Semuel in (Kartika Dewi & Sulisyawati, 2020)
Dependent Variables				
1	**Interest** (Y1) according to Schiffman and Kanuk in journal (Purnama, 2020)	a. Considering to repurchase the product (Y1.1) b. Interest in settling down (Y1.2) c. Interest in recommending (Y1.3)		a. According to Schiffman and Kanuk in (Purnama, 2020) b. According to Schiffman and Kanuk in (Purnama, 2020) c. According to Schiffman dan Kanuk in (Purnama, 2020)
2	**Repeat Purchases** (Y2) according to (Hakjun Song, 2019)	a. Consumers will visit the Cafe next time (Y2.1) b. Consumers will continue to visit the Cafe (Y2.2) c. Consumers intend to visit the Cafe continuously (Y2.3)		a. According to (Hakjun Song, 2019) b. According to (Hakjun Song, 2019) c. According to (Hakjun Song, 2019)

The following is a conceptual framework for research that will be used as follows :

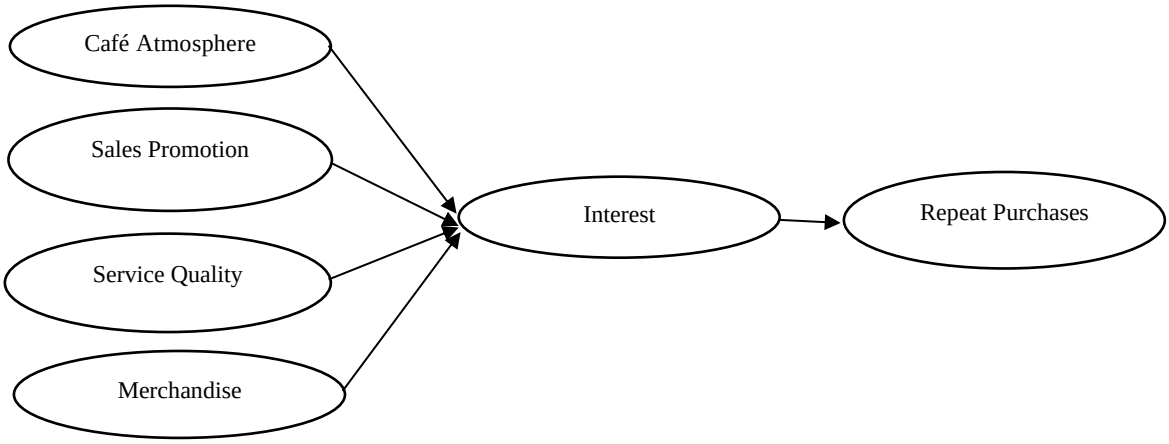

Figure 1. Research conceptual framework

4. RESULT AND DISCUSSION

This research is using SEM Method for the analysis method and improvement reccomendations using the concept of marketing mix 7P:

4.1 Creation of Path Diagram

The path diagram for analyzing the effect of cafe atmosphere, sales promotion, service quality and merchandise on buying interest and repeat purchases at Starbucks can be seen in

Fig. 2.

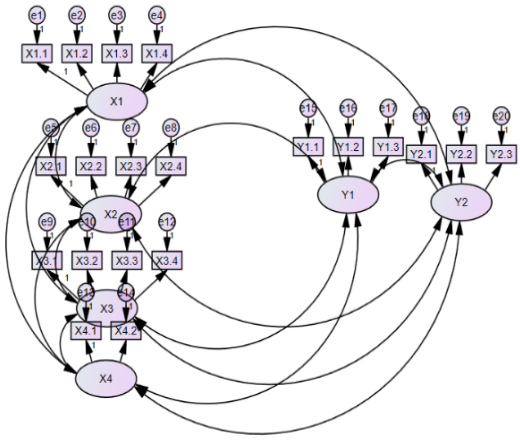

Fig. 2. Model of Cafe Atmosphere, Sales Promotion, Service Quality and Merchandise on Purchase Intention and Repeat Purchases at Starbucks
(Source : processed data, 2023)

4.2 Questionnaire Distribution

From this distribution, 100 respondents were obtained. Where these 100 respondents are sufficient for the maximum likelihood (ML) technique.

4.3 Data Collection

This research data is obtained from distributing questionnaires using a Likert scale. Determination of the number of respondents is based on on the minimum sample size of the maximum likelihood (ML) technique ranging between 100 - 200.

4.3.1 Distribution Frequency

The analysis process will run easily if the researcher divide the answers into three ranges. on the category and frequency distribution of each indicator seen in Table 2.

Table 2. Gender percentage

Gender	Number of frequencies	Percentage(%)
Male	32	32%
Female	68	68%
Total	100	100%

Table 3. Age percentage

Age	number of frequencies	Percentage(%)
18 - 25 years old	69	69%
26 – 35 years old	28	28%
< 35 years old	3	3%
Total	**100**	**100%**

Table 4. Category and range

Range	**Category**
1 - 2,33	Not good
2,34 - 3,67	Good
3,68 - 5	Very Good

Table 5. Range indicators

	Not Good (1-2,33)	Good (2,34-3,67)	Very Good (3,68-5)	Frek.	Percentage
X1.1	2	18	80	100	100%
X1.2	4	8	88	100	100%
X1.3	4	8	88	100	100%
X1.4	1	4	95	100	100%
X2.1	11	11	78	100	100%
X2.2	8	19	73	100	100%
X2.3	5	18	77	100	100%
X2.4	8	18	74	100	100%
X3.1	1	6	93	100	100%
X3.2	1	7	92	100	100%
X3.3	1	6	93	100	100%
X3.4	6	8	86	100	100%
X4.1	5	7	88	100	100%
X4.2	2	10	88	100	100%
Y1.1	1	14	85	100	100%
Y1.2	3	6	91	100	100%
Y1.3	2	3	95	100	100%
Y2.1	6	4	90	100	100%
Y2.2	9	11	80	100	100%
Y2.3	8	7	85	100	100%

Then from the table above, it is converted into a pie chart consisting of indicators along with the frequency value and percentage.

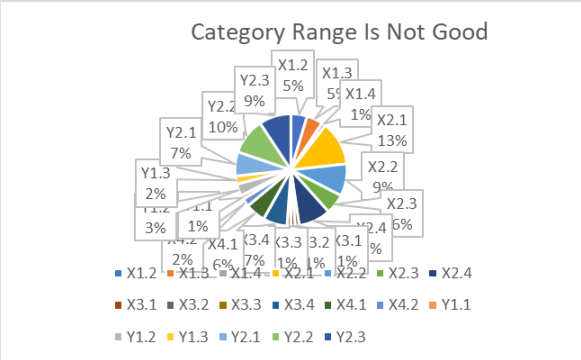

Fig. 3. Category range is not good
(Source: primary data processed,2023)

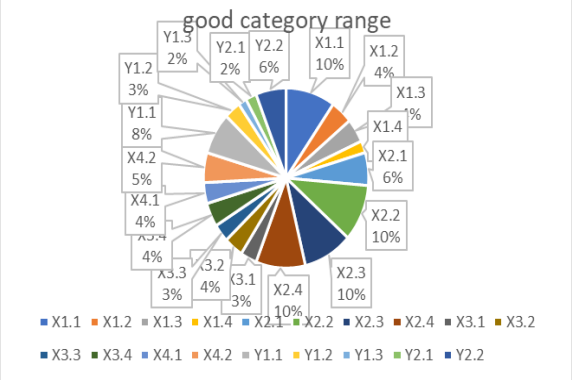

Fig. 4. Good category range
(Source: primary data processed,2023)

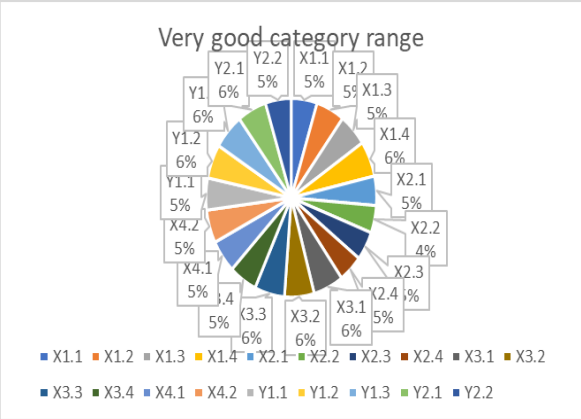

Fig. 5. Very good category range
(Source: primary data processed, 2023)

4.4 Selecting SEM Matrices and Estimation

In Structural equation modeling, when the data collected is already the minimum limit of the maximum likelihood (ML) technique, the next step is to select the matrix and estimation. the next step is to choose the matrix and estimation.

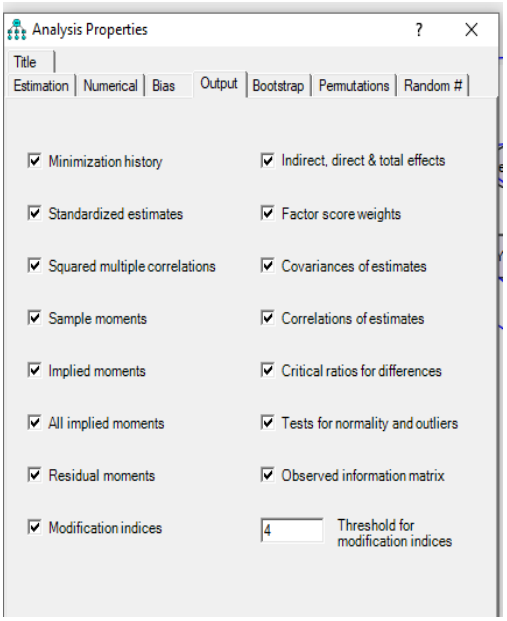

Fig. 6. Matrix selection and estimation

4.5 Measurement Model Equation

4.5.1 Suitability Test Goodness Of Fit

After that, a comprehensive test is conducted to measure the goodness of fit of the SEM model. This test can be done using various criteria with different cutoff values for each criterion.

Table 6. Goodness of Fit Value and Cut off Value
(Source : primary data processed, 2023)

Criteria	Model Test Result	Critical Value	Description
X^2 Chi Square	448,567	Litlle (*),	Not good
Probabilitas	0,000	≥ 0,05	Not good
CMIN/DF	2,894	≤ 2,00	Not good
RMSEA	0,138	≤ 0,08	Not good
GFI	0,709	≥ 0,90	Marginal
AGFI	0,606	≥ 0,90	Not good
TLI	0,687	≥ 0,95	Not good
CFI	0,745	≥ 0,95	Marginal

Based on Table 6, it can be seen that most of the criteria have fulfill the measure of goodness of the model. This indicates that the SEM model model is acceptable. For the measurement model can be seen in Fig. 7.

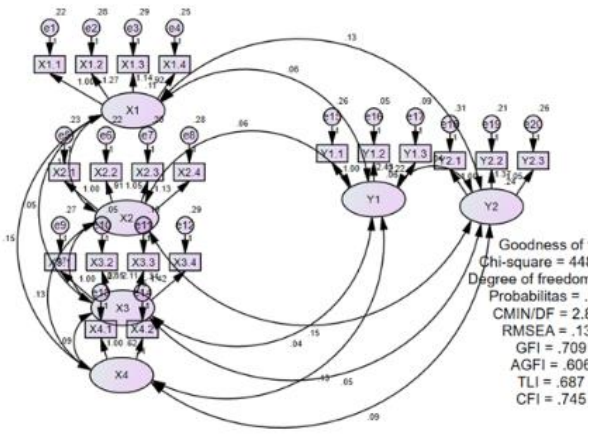

Fig. 7. Measurement model
(Source : primary data processed, 2023)

4.5.2 Indicator Validity Testing in SEM Models

The validity of the measurement model developed in the study can be determined by ensuring that each estimated indicator has the validity to measure the dimensions of the concept being tested. If each indicator has a C.R > 2SE value, it can be concluded that the indicator is valid (Waluyo and Rachman, 2020).

Table 7. Validity testing
(Source : primary data processed 2023)

	S.E	C.R	2.SE	Valid Statement
X1.1 <--- X1				
X1.2 <--- X1	0.240	5.280	0.480	Valid
X1.3 <--- X1	0.227	5.031	0.454	Valid
X1.4 <--- X1	0.203	4.528	0.406	Valid
X2.1 <--- X2				
X2.2 <--- X2	0.161	5.643	0.322	Valid
X2.3 <--- X2	0.179	5.886	0.358	Valid
X2.4 <--- X2	0.195	5.809	0.390	Valid
X3.1 <--- X3				
X3.2 <--- X3	0.585	2.772	1.170	Valid
X3.3 <--- X3	0.777	2.963	1.554	Valid
X3.4 <--- X3	0.706	2.941	1.412	Valid
X4.1 <--- X4				
X4.2 <--- X4	0.122	5.078	0.244	Valid
Y1.1 <--- Y1				
Y1.2 <--- Y1	0.527	4.603	1.054	Valid
Y1.3 <--- Y1	0.495	4.471	0.990	Valid
Y2.1 <--- Y2				
Y2.2 <--- Y2	0.215	6.386	0.430	Valid
Y2.3 <--- Y2	0.199	5.298	0.398	Valid

In summary when viewed from the Critical Ratio (CR) value on each indicator, an indicator is said to be valid if the CR value> 2 SE.indicator is said to be valid if the CR value> 2 SE. In addition, when viewed from the P-Value value, an indicator is said to be valid if the P-Value value <0.05.

4.5.3 significance test

A variable can be considered a significant dimension of the latent variable formed if the C.R (Critical Ratio) value is greater than the ttable value (Waluyo and Rachman, 2020). At a significance level of 0.05 with a degree of freedom (df) of 20 (total number of indicators), the ttable value obtained is 1.725. Thus, with reference to Table 7. it can be concluded that all indicators show a sufficient level of significance.

4.5.4 Realibility Test

Table 8. below shows that in the reliability test, the results obtained are all reliable where the results of the construct reliability is more than ≥0.70

Table 8. Reliability test

	Café Atmosphere	Sales Promotion	Service Quality	Merchandise	Interest	Repeat Purchase
Reliability construct	0.758	0.836	0.838	0.777	0.873	0.857
Description	Reliabel	Reliabel	Reliabel	Reliabel	Reliabel	Reliabel

(Source : primary data processed, 2023)

4.5.5 Correlation Test

The correlation test aims to test whether there is a correlation between two variables .

Table 9. Correlation test
(Source : primary data processed, 2023)

	Estimate
X1 <-> X2	1.082
X1 <-> X3	.707
X1 <-> X4	.789
X1 <-> Y1	.695
X1 <-> Y2	.777
X2 <-> X3	.782
X2 <-> X4	.567
X2 <-> Y1	.579
X2 <-> Y2	.749
X3 <-> X4	.713
X3 <-> Y1	.739
X3 <-> Y2	.449
X4 <-> Y1	.936
X4 <-> Y2	.326
Y1 <-> Y2	.361

In Table 9, it can be concluded that the variables X1 (Cafe atmosphere) and X2 (Sales promotion) have a significant correlation so it is necessary to remove one of the variables. Expenditures are made on the cafe atmosphere (X1), resulting in a correlation value between exogenous variables that is smaller than before.

The correlation results can be seen in table 9.

4.5.6 Model Fit Test Goodness of Fit Test after X1 is Removed

Model fit test goodness of fit test on the model after X1 is excluded, the summary results are as in Table 10.

Table 10. Model fit test goodness of fit test after X1 is removed (Source : primary data processed, 2023)

Criteria	Model Test Result	Critical Value	Description
X^2Chi Square	296,172	little (*),	Good
Probabilitas	0,000	≥ 0,05	Not Good
CMIN/DF	3,151	≤ 2,00	Not Good
RMSEA	0,147	≤ 0,08	Not Good
GFI	0,749	≥ 0,90	Marginal
AGFI	0,637	≥ 0,90	Not Good
TLI	0,714	≥ 0,95	Not Good
CFI	0,776	≥ 0,95	Marginal

Table. above can be seen that from the results of the model test compared to the critical value there are criteria that are not good. For a picture of the measurement model in the new model, namely by deleting X1, it can be seen in Figure 8.

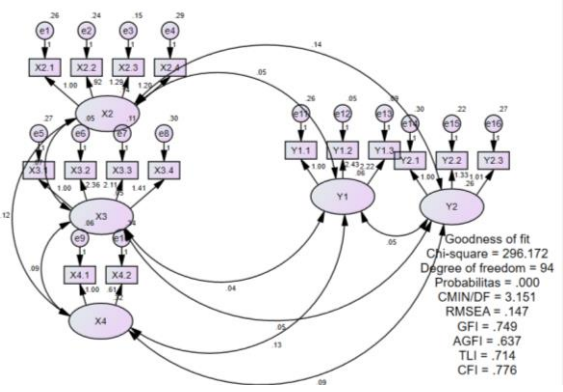

Fig. 8. Measurement model after X1 removed (Source : processed data, 2023)

4.5.6.1 Validity Test After X1 is Removed

Table 11. below shows the results which can be concluded that all indicators in the new model have a C.R>2SE value so that all indicators are declared valid.

Table 11. Validity test after X1 is removed (Source : processed data, 2023)

	S.E	C.R	2.SE	Valid Statement
X2.1 <---X2				
X2.2 <---X2	0.191	4.807	0.382	valid
X2.3 <---X2	0.253	5.088	0.506	valid
X2.4 <---X2	0.249	4.828	0.498	valid
X3.1 <--- X3				
X3.2 <--- X3	0.604	3.904	1.208	valid
X3.3 <--- X3	0.557	3.795	1.114	valid
X3.4 <--- X3	0.428	3.301	0.856	valid
X4.1 <--- X4				
X4.2 <--- X4	0.126	4.841	0.252	valid
Y1.1 <--- Y1				
Y1.2 <--- Y1	0.529	4.593	1.058	valid
Y1.3 <--- Y1	0.498	4.461	0.996	valid
Y2.1 <--- Y2				
Y2.2 <--- Y2	0.208	6.371	0.416	valid
Y2.3 <--- Y2	0.187	5.401	0.374	valid

4.5.61 Regression Test After X1 Removed

Constructs are considered reliable if the construct reliability value on each variable is ≥0.70.

Table 12. Reliability test after X1 is removed (Source : processed data, 2023)

	Café Atmosphere	Sales Promotion	Service Quality	Merchandise	Interest
Reliability konstruk	0.829	0.840	0.779	0.873	0.858
Description	Reliabel	Reliabel	Reliabel	Reliabel	Reliabel

4.5.6.2 Correlation Test After X1 Removed

The correlation matrix has a common and certain range, namely Table 13. below shows that the value of the correlation coefficient (r) between exogenous variables is smaller than the correlation coefficient (r) between exogenous variables is smaller than Table 13. so that for structural model measurement and model modification using a model without including X1.

Table 13. Correlation test after X1 is removed (Source : processed data, 2023)

	Estimate
X2.1 ← X2	.600
X2.2 ← X2	.582
X2.3← X2	.781
X2.4 ← X2	.644
X3.1← X2	.398
X3.2 ← X2	.929
X3.3 ← X2	.827
X3.4 ← X2	.506
X4.1 ← X2	.913
X4.2 ← X2	.512
Y1.1 ← X2	.437
Y1.2 ← X2	.941
Y1.3 ← X2	.881

Y2.1 ← X2	.679
Y2.2 ← X2	.820
Y2.3 ← X2	.704
X2.1 ← X2	.600
X2.2 ← X2	.582
X2.3 ← X2	.781

The conclusion obtained from the table above, that the influence between the variables of Service Quality (X3) with Merchandise (X4), Service Quality (X3) with Purchase Intention (Y1), Service Quality (X3) with Repeat Purchases (Y2), Merchandise (X4) with Repeat Purchase (Y2), Merchandise (X4) with Purchase Intention (Y1), Café Atmosphere (X1) with Merchandise (X4), Purchase Interest (Y1) with Repeat Purchase (Y2), and Café Atmosphere (X1) with Purchase Interest (Y1) have a positive and significant relationship. In testing the model after X1 was removed, it was found that the correlation value between exogenous variables was not high so there was no indication of multicollinearity.

4.6 Structural Equation Model

4.6.2.1 Model Fit Test Goodness of Fit Test

Tests were conducted using parameters at critical values.

Table 14. Goodness of fit value and cut off value
(Source : processed data, 2023)

Criteria	Model Test Result	Critical Value	Description
X^2Chi Square	418,112	Little (*),	Not Good
Probabilitas	0,000	≥ 0,05	Not Good
CMIN/DF	4,181	≤ 2,00	Not Good
RMSEA	0,179	≤ 0,08	Not Good
GFI	0,685	≥ 0,90	Not Good
AGFI	0,572	≥ 0,90	Not Good
TLI	0,577	≥ 0,95	Not Good
CFI	0,647	≥ 0,95	Not Good

Table 14. above can be seen that from the results of the model test compared to the critical value, several indicators are obtained that are not good, namely X2 Chi-square, Probability, RMSEA, GFI, AGFI, TLI, CFI and CMIN / DF, have indicators that are not good and GFI which has a marginal indicator. So it is necessary to modify the model. For the measurement model image can be seen in the following figure.

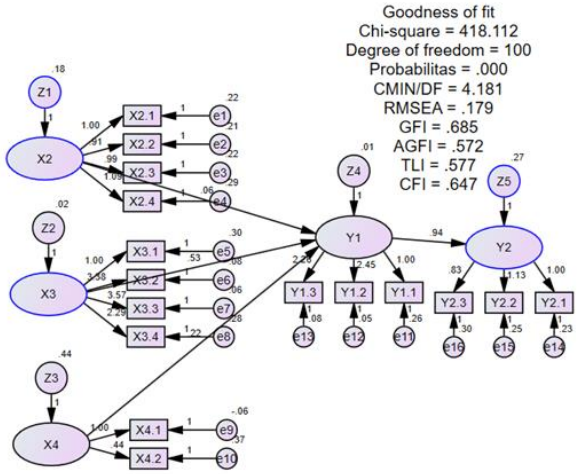

Fig. 9. Structural equation model
(Source : processed data, 2023)

4.6.3 Modification Model

4.6.3.1 Model Fit Test Goodness of Fit Test

Testing is done using parameters at critical values, while the output of confirmatory factor analysis.

Table 15. Model fit test goodness of fit modification model
(Source : processed data, 2023)

Criteria	Model Test Result	Critical Value	Description
X^2Chi Square	98,123	Little (*),	Good
Probabilitas	0,045	≥ 0,05	Good
CMIN/DF	1,291	≤ 2,00	Good
RMSEA	0,054	≤ 0,08	Good
GFI	0,904	≥ 0,90	Good
AGFI	0,828	≥ 0,90	Marginal
TLI	0,961	≥ 0,95	Good
CFI	0,975	≥ 0,95	Good

The table above shows that there are values of the modified model in the modification model output. These results show that all indicators have met the criteria because all are of good value and there are two indicators of marginal value (close to good), so the model can be said to be fit. The modified model image can be seen in the figure

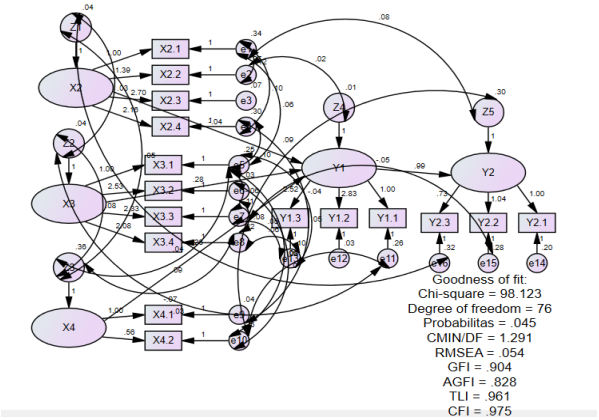

Fig. 10. Modification model
(Source : processed data, 2023)

4.6.3.2 Validity Test

Each indicator is said to be valid if it has C.R> 2SE, in this study all variables and indicators show valid.

Table 16. Validity test
(Source : processed data, 2023)

	S.E	C.R	2.SE	Valid Statement
Y1 <--- X2	0.101	-0.412	0.202	Not Valid
Y1 <--- X3	0.132	2.136	0.264	Valid
Y1 <--- X4	0.078	3.315	0.156	Valid
Y2 <--- Y1	0.406	2.451	0.812	Valid
X2.1 <--- X2				
X2.2 <--- X2	0.388	3.591	0.776	Valid
X2.3 <--- X2	0.869	3.109	1.738	Valid
X2.4 <--- X2	0.629	3.434	1.258	Valid
X3.1 <--- X3				
X3.2 <--- X3	0.614	4.113	1.228	Valid
X3.3 <--- X3	0.626	3.723	1.252	Valid
X3.4 <--- X3	0.544	3.818	1.088	Valid
X4.1 <--- X4				
X4.2 <--- X4	0.11	5.128	0.220	Valid
Y1.1 <--- Y1				
Y1.2 <--- Y1	0.708	4.001	1.416	Valid

4.6.3.3 Reliability Test

Constructs are considered reliable if the construct reliability value for each variable is ≥0.70.

Table 17. Reliability test
(Source : processed data, 2023)

	Sales Promotion	Service Quality	Merchandise	Interest	Repeat Purchase
Reliability konstruk	0.770	0.873	0.788	0.858	0.844
Description	Reliabel	Reliabel	Reliabel	Reliabel	Reliabel

4.6.3.4 Significance Test

The t-table at the 0.05 level with df = 20 (number of all indicators) obtained a t value of 1.725, so it can be concluded that the indicators are significantly a dimension of the latent variable formed.

4.6.3.4 Interpretation Model

In this study, model modification has been carried out on the model that has been developed. If the model estimation results show an appropriate residual value, then the model modification process can be stopped when the residual value is in the range -2.58 ≤ residual ≤ 2.58 (Waluyo and Rachman, 2020). The results of the model in this study show that the resulting residual value is in the optimal range, namely 2.58 ≤ residual ≤ 2.58.

4.7 Simultaneous Equation

The simultaneous equation of the model developed in this study is as follows: (where the assumption of Z1 to Z4=0)

- Y1 = f (X)
- Y1 = f(X2) + f(X3) + f(X4) + Z4
- Y1 = -0,040X2 + 0,276X3 + 0,725X4+ Z4
- Y2 = ff(Y1)
- Y2 = 0,362 (-0,040X2) + 0,362 (0,276X3) + 0,362 (0,725X4) + Z5
- Y2 = -0,0145X1 + 0,099X3 + 0,262X4 + Z5

4.8 Hypothesis test

If the C.R value is smaller than the t-table value (1.746), then H0 is accepted and if the C.R value is greater than the t-table value (1.746), then H0 is rejected.

Hypothesis 1

H0 : Café atmosphere has no significant effect on purchase intention

H1 : The café atmosphere has a significant effect on buying interest

The results of testing this 1st hypothesis cannot be proven, because the variable (X1) is removed.

Hypothesis 2

H0 : Sales promotion has no significant effect on purchase intention

H1 : Sales promotion has a significant effect on purchase intention

In the table of hypothesis testing results, it is found that there is an effect of Sales Promotion

on purchase intention with a C.R value of -0.412 and a t-table value of 1.746 (t-count < t-table). Therefore, in this hypothesis, H0 is accepted, the regression coefficient value for the effect of sales promotion is -0.040, which indicates that the two variables have a negative and insignificant effect.

Hypothesis 3

H0 : Service quality has no significant effect on purchase intention

H1 : Service quality has a significant effect on buying interest

The results of hypothesis can be seen that the effect of service quality on buying interest is obtained a C.R value of 2.136 an t-table of 1.746 (t-count> t-table). So that in this hypothesis H1 is accepted, namely service quality has a significant effect on buying interest. The effect of service quality has a regression coefficient of 0.276,

4th Hypothesis

H0 : Merchandise has no significant effect on purchase intention

H1 : Merchandise has a significant effect on buying interest

the effect of merchandise on buying interest is obtained C.R value of 3.315 and t-table of 1.746 (t-count> t-table). effect of merchandise has a regression coefficient of 0.725, which means that these two variables have a positive and significant influence.

Hypothesis 5

H0 : Purchase interest has no significant effect on repeat purchases

H1 : Purchase interest has a significant effect on repeat purchases

The results of hypothesis testing show that there is a significant influence between purchase intention and repeat purchase. In the table, a C.R value of 2.451 was found, which is greater than the t-table value of 1.746 (t-count > t-table). Therefore, the alternative hypothesis (H1) is accepted,. The regression coefficient for the effect of purchase intention is 0.362, indicating that both variables have a positive and significant influence.

4.9 Proposed improvements

The following are proposed 7P Marketing Mix improvements for the variables of cafe atmosphere, merchandise, service quality, and sales promotion: (1) Product. Starbucks needs to customize the products offered to have high quality, including maintaining product hygiene and conducting quality checks to avoid physical defects. In addition, Starbucks should choose business partners or suppliers that can provide products with consistent quality. Product layout also needs to be considered by applying appropriate SOPs, such as create a cozy atmosphere, and considering decorative elements such as plants or other visual accents to attract customers, (2) Price. Adjust prices to be competitive according to the ambience and services offered. Can use appropriate pricing strategies, such as providing differential discounts based on certain hours and offering special prices, (3) Place.Considering easy access and adequate parking. Need to pay attention to customer needs related to parking lots that can provide sufficient parking areas for cars and motorbikes and can establish cooperation with parking areas around the café, (4) Promotion. Using social media and websites to promote the cafe's atmosphere by creating content such as highlighting its uniqueness or specialty. Organizing special events at the café, such as live music performances, community gatherings, or workshops relevant to the café concept, (5) People. Train staff well to provide friendly, efficient and professional service to customers. Ensure that staff understand the concept and values of your cafe so that they can provide the right information to customers and create a consistent experience, (6) Process. Evaluate and improve service processes to be efficient and in line with set quality standards. Pay attention to customer waiting times, ordering systems, food and beverage delivery, and payment processes to ensure a seamless customer experience, (7) Physical Evidence. Ensure that the interior of the cafe reflects the desired ambience, including decorations, lighting, furniture, and an attractive layout. Use consistent visual branding on promotional materials, such as menus, brochures, or cafe merchandise.

5. CONCLUSION

The results of research on the analysis of the effect of cafe atmosphere, sales promotion, service quality and merchandise on interest and repeat purchases at starbucks manyar kertoarjo that have been analyzed, obtained the conclusion that the cafe atmosphere cannot be proven in this study because the variable. The

cafe atmosphere (X1) was removed from the research model. Sales promotion has no positive and significant. Service quality has a positive and significant effect on interest and repeat purchases, namely service quality has a significant effect on buying interest. Variable merchandise has a positive and significant effect on interest. Purchase interest has a positive and significant effect on repeat purchases. The highest percentage of the variable Service Quality as seen in the Table 4. Get a percentage of 93% in very good category range, and the variable merchandise Get a percentage of 88% in very good category range it means that there is a strong and consistent relationship between the variables, where changes in one are positively correlated with changes in the other. The simultaneous equation analyzes the effect of cafe atmosphere, sales promotion, service quality and merchandise on starbucks of Y2 = -0.0145X1 + 0.099X3 + 0.262X4 + Z5. Proposed improvements that can be conveyed to Starbucks through the 7p marketing mix concept related to research analyzing the effect of cafe atmosphere, sales promotion, service quality and merchandise on interest and repeat purchases must consider customer expectations by paying more attention to the atmosphere, promotions, services and merchandise in order to better compete with competitors as well as maintain and improve comfort so that buying interest and repeat purchases for customers can increase. Researchers who want to conduct research with the same theme are expected to further develop additional methods such as the SWOT method to get more in-depth strategy analysis results.

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