



The Influence of Price, Service Quality, and Electronic Word of Mouth on Purchase Decision at Teman Semeja Coffee

Seno Aji Nanda Utomo¹ Choliq Sabana² Wenti Ayu Sunarjo³

¹ Department of Management, Faculty of Economics and Business, Universitas Pekalongan, Pekalongan, 51111, Indonesia

² Department of Management, Faculty of Economics and Business, Universitas Pekalongan, Pekalongan, 51111, Indonesia

³ Department of Management, Faculty of Economics and Business, Universitas Pekalongan, Pekalongan, 51111, Indonesia

ABSTRACT

Purchasing decisions refer to the process by which consumers select and purchase products based on various factors to meet their needs or desires. This study aims to examine and analyze the influence of Price, Service Quality, and Electronic Word of Mouth on purchasing decisions at Teman Semeja Coffee. The research adopts a correlational approach. The population of this study comprises coffee enthusiasts who purchase products at Teman Semeja Coffee. A sample of 100 respondents was selected using the purposive sampling method, targeting consumers of Teman Semeja Coffee. The primary data for this research were collected through a questionnaire instrument and analyzed using multiple linear regression with the SPSS version 24 software. The findings reveal that: Price has a positive and significant effect on purchasing decisions, with a calculated t-value of 3.139 and a significance level of 0.002. Service Quality also has a positive and significant effect on purchasing decisions, with a calculated t-value of 2.035 and a significance level of 0.045. Electronic Word of Mouth has a strong positive and significant effect on purchasing decisions, with a calculated t-value of 4.136 and a significance level of 0.000. These results highlight the importance of these factors in influencing consumer purchasing decisions at Teman Semeja Coffee.

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* Corresponding Author at Department of Management, Faculty of Economics and Business, Universitas Pekalongan, Jl. Sriwijaya No. 3 Kota Pekalongan, 51111, Indonesia
E-mail address: senoajinanda1712@gmail.com

1. Introduction

A coffee shop is a place designed with an appealing atmosphere, offering a wide range of food and beverage menus, primarily focusing on coffee. The emergence of coffee shops aligns with current trends and lifestyle preferences. The increasing number of similar establishments has created a challenge for business owners to satisfy customers and develop creative and unique ideas to establish a competitive advantage and differentiate themselves from other businesses. This differentiation helps customers distinguish one coffee shop from another.



Teman Semeja Coffee is one such coffee shop that stands out with its building concept inspired by the Dutch colonial era. It caters to customer needs with an extensive menu of food and beverages, including coffee and non-coffee options. This coffee shop is located at Rumah Dinas No.7 PG, Jl. Ringinpitu, Sragi, Kec. Sragi, Kab. Pekalongan. Teman Semeja Coffee is a popular spot frequently visited by a wide demographic, from teenagers to adults, for relaxing and socializing with friends or family. Despite its popularity, the intense competition with other coffee shops has led to fluctuating sales for Teman Semeja Coffee from 2022 to 2023. According to Table 1: Sales Data of Teman Semeja Coffee, the data indicates variability in consumer purchasing decisions, prompting the owner to analyze and devise effective strategies to boost sales performance.

Table 1. Sales Data of Teman Semeja Coffee

Month	Year	Sales (Rp)	Increase/Decrease	Percentage
November	2022	Rp 7.000.000	-	-
December	2022	Rp 8.000.000	Rp 1.000.000	14%
January	2023	Rp 11.000.000	Rp 3.000.000	37%
February	2023	Rp 9.000.000	-Rp 2.000.000	-18%
March	2023	Rp 8.000.000	-Rp 1.000.000	-11%
April	2023	Rp 7.000.000	-Rp 1.000.000	-12%
May	2023	Rp 6.000.000	-Rp 1.000.000	-14%
June	2023	Rp 7.000.000	Rp 1.000.000	16%
July	2023	Rp 5.000.000	-Rp 2.000.000	-28%
Agust	2023	Rp 7.000.000	Rp 2.000.000	30%
September	2023	Rp 6.000.000	-Rp 1.000.000	-14%
Oktober	2023	Rp 4.000.000	-Rp 2.000.000	-33%

Source : Owner Teman Semeja Coffee (2024)

Based on the sales data for one year, from November 2022 to October 2023, Teman Semeja Coffee experienced fluctuations in sales from month to month. The highest increase occurred in January 2023, with a percentage increase of 37%, while the steepest decline was in October 2023, with a percentage decrease of 33%. These fluctuations were caused by unstable consumer purchasing decisions. Addressing these sales variations is crucial for Teman Semeja Coffee to ensure consistent sales growth in the coming months.

Efforts to improve sales can include providing comfort and satisfaction to customers while focusing on key factors such as price, service quality, and electronic word of mouth (e-WOM) to encourage customers to visit Teman Semeja Coffee and make purchases.

The researcher is interested in conducting this study because of a research gap, which highlights differing conclusions regarding the influence of price, service quality, and e-WOM on purchasing decisions. For example: The study by Nasution & Lesmana (2018) found that price has a positive and significant effect on purchasing decisions, while Anwar & Satrio (2022) found a negative and significant effect. Afriyani & Batu (2022) concluded that service quality positively and significantly affects purchasing decisions, while Cynthia et al. (2022) found a negative and insignificant effect. Septyansyah & Ferryal (2022) found that e-WOM has a positive and significant effect on purchasing decisions, while Mazwar & Kuleh (2023) found a negative and insignificant effect. The purpose of this research is to examine and analyze whether there is an influence between the variables of price, service quality, and electronic word of mouth on purchasing decisions at Teman Semeja Coffee.



2. Literature Review

Purchase decisions are defined as actions taken by consumers to select a product, whether goods or services, that are perceived as a solution to their needs and desires (Shofiyuddin & Maulidyah, 2022). According to Sunarjo and Ulfakhatun (2023), a purchase decision is a process of integration involving the combination of knowledge to evaluate two or more behavioral alternatives and select one among them.

Price is described as the monetary value assigned to a product or service. In a broader sense, price represents the total value exchanged by customers to obtain the benefits of owning or using a product or service (Kotler & Armstrong, 2018:309).

Service quality refers to the degree of excellence expected and the management of that level of excellence to meet consumer expectations. When the service received or perceived aligns with consumer expectations, the service quality is considered satisfactory. If the service received exceeds consumer expectations, it is classified as an ideal level of service quality (Taruna et al., 2021).

Electronic Word of Mouth (e-WOM) encompasses all information shared with consumers via social media regarding the use or characteristics of a product, whether goods or services, as well as sales-related information. This includes communication between producers and consumers and among consumers themselves (Aprillio & Wulandari, 2018). Based on the title and the aforementioned studies, the conceptual framework is illustrated as follows :

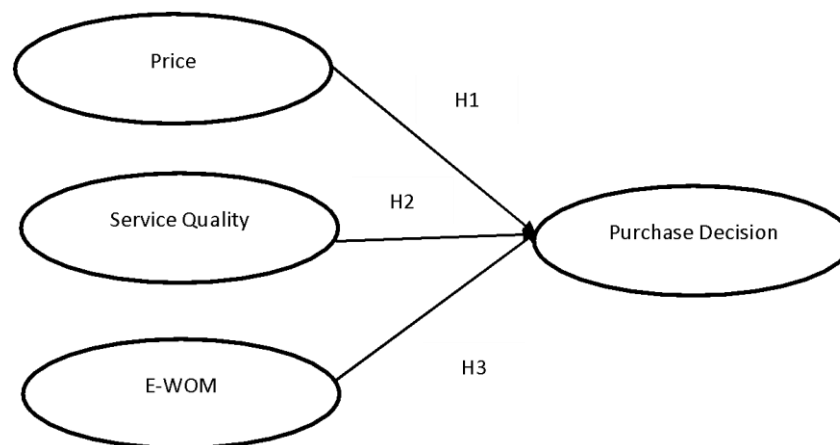


Figure 1. Research Framework

Based on the explanations provided, the hypotheses developed in this study are as follows:

H1: Price has a negative and significant effect on Purchase Decisions.

H2: Service Quality has a positive and significant effect on Purchase Decisions.

H3: Electronic Word of Mouth has a positive and significant effect on Purchase Decisions

3. Method, Data, and Analysis

This study uses a quantitative approach, which involves utilizing numerical data to present or explain phenomena. The research type employed is correlational research, as this study focuses on examining the effect of independent variables on the dependent variable through data collection in numerical form, which is then analyzed using statistical methods (Sunarjo & Ulfakhatun, 2023). The object of this study is Teman Semeja Coffee.

The population in this study consists of consumers who enjoy coffee and purchase products at Teman Semeja Coffee, with an unidentified (unlimited) number of individuals. The sample size used



was 100 respondents, calculated using the Lemeshow formula. The sampling method employed is purposive sampling with the following criteria: consumers who have visited and made purchases at Teman Semeja Coffee and respondents who are at least 17 years old.

The data collected was obtained through the distribution of a questionnaire consisting of questions with a Likert scale ranging from 1 to 5, where the categories include strongly disagree, disagree, neutral, agree, and strongly agree. The data were analyzed using multiple linear regression through SPSS software.

4. Result and Discussion

4.1 Validity Test

The validity test of the data was conducted using the Product Moment (Pearson Correlation) method by calculating the correlation between the scores of each item and the total score of each construct. If the significance value (sig) is < 0.05 , the question is considered valid. A questionnaire is considered valid if the calculated correlation coefficient (r) is positive and greater than the critical value (r -table), indicating that the item or variable is valid. Conversely, if the calculated correlation coefficient (r) is negative and smaller than the critical value (r -table), the item or variable is considered invalid. Below are the results of the validity tests for the variables of Price, Service Quality, Electronic Word of Mouth, and Purchase Decision:

Table 2. Validity Test

No.	Variable	Question	Condition	r calculated	r table	Conclusion
1	Price (X1)	X1.1	$< 0,05$	0,774	0,195	Valid
2		X1.2	$< 0,05$	0,718	0,195	Valid
3		X1.3	$< 0,05$	0,543	0,195	Valid
4		X1.4	$< 0,05$	0,643	0,195	Valid
5		X1.5	$< 0,05$	0,782	0,195	Valid
6	Service Quality (X2)	X2.1	$< 0,05$	0,895	0,195	Valid
7		X2.2	$< 0,05$	0,873	0,195	Valid
8		X2.3	$< 0,05$	0,743	0,195	Valid
9		X2.4	$< 0,05$	0,794	0,195	Valid
10		X2.5	$< 0,05$	0,726	0,195	Valid
11		X2.6	$< 0,05$	0,650	0,195	Valid
12	Electronic Word Of Mouth (X3)	X3.1	$< 0,05$	0,771	0,195	Valid
13		X3.2	$< 0,05$	0,746	0,195	Valid
14		X3.3	$< 0,05$	0,839	0,195	Valid
15		X3.4	$< 0,05$	0,831	0,195	Valid
16	Purchase Decision (Y)	Y.1	$< 0,05$	0,784	0,195	Valid
17		Y.2	$< 0,05$	0,780	0,195	Valid
18		Y.3	$< 0,05$	0,817	0,195	Valid
19		Y.4	$< 0,05$	0,485	0,195	Valid
20		Y.5	$< 0,05$	0,527	0,195	Valid

Source: Data processed (2024)

Based on Table 2. Validity Test, it is known that the calculated r value is greater than the table r value (0.195). From these results, it can be concluded that all the questions are valid.

4.2 Reliability Test

Reliability is a tool used to measure a questionnaire, which serves as an indicator of a variable or construct. A questionnaire is considered reliable or dependable if a respondent's answers to the statements in the questionnaire, when repeated over time with the same group, result in



consistent and stable data (Ghozali, 2013). Reliability is measured by the Cronbach Alpha (α) coefficient, and a value greater than 0.60 is considered reliable. The results of the reliability test for the variables of Price, Service Quality, Electronic Word of Mouth, and Purchase Decision can be seen in the table below:

Table 3. Reliability Test

Variable	Cronbach's Alpha	Standar Alpha	Conclusion
Price (X1)	0,731	> 0,6	Reliabel
Service Quality (X2)	0,868	>0,6	Reliabel
<i>Electronic Word Of Mouth</i> (X3)	0,800	>0,6	Reliabel
Purchase Decision (Y)	0,701	>0,6	Reliabel

Source: Data processed (2024)

Based on Table 3. Reliability Test, it is known that the variables of Price, Service Quality, Electronic Word of Mouth, and Purchase Decision are considered reliable because the Cronbach's alpha values are above the standard alpha value of 0.6.

4.3 Normality Test

In the normality test, the Kolmogorov-Smirnov test is used, with a significance level of 5%. The decision rule for the normality test is based on the asymp.sig (2-tailed) probability: if asymp.sig (2-tailed) > 0.05, the data is considered to have a normal distribution. Conversely, if asymp.sig (2-tailed) < 0.05, the data is considered to have a non-normal distribution (Ghozali, 2013). Below are the results of the Kolmogorov-Smirnov test for the variables of Price, Service Quality, Electronic Word of Mouth, and Purchase Decision:

**Table 4. Results of Normality Test
One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.73535626
Most Extreme Differences	Absolute	.110
	Positive	.109
	Negative	-.110
Test Statistic		1.097
Asymp. Sig. (2-tailed)		.180

a. Test distribution is Normal.

b. Calculated from data.

Based on Table 4. Results of the Kolmogorov-Smirnov Normality Test, the significance value is 0.180, which is greater than 0.05. Therefore, it can be concluded that the data used in this study follows a normal distribution.

4.4 Multicollinearity Test

The purpose of the multicollinearity test is to determine whether there is a multicollinearity problem (the symptom of multicollinearity) among the independent variables. According to Ghozali (2013), a regression model is considered free from multicollinearity if it has a VIF (Variance Inflation Factor) value smaller than 10 and close to 1. Below are the results of the multicollinearity test for the variables of Price, Service Quality, Electronic Word of Mouth, and Purchase Decision:

Table 5. Results of Multicollinearity Test



Tabel 5. Multicollinearity Test

Model		Coefficients ^a	
		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	X1	.393	2.543
	X2	.446	2.244
	X3	.619	1.615

a. Dependent Variable: Total_Y

Source : Data processed (2024)

Based on Table 5. Results of the Multicollinearity Test, it is known that the tolerance values for all variables are greater than 0.10, and the VIF values are less than 10. Therefore, it can be concluded that there is no multicollinearity among the independent variables in this study.

4.5 Heteroscedasticity Test

The purpose of the heteroscedasticity test is to examine whether there is unequal variance in the residuals within the regression model. The heteroscedasticity test is conducted using the Spearman Rank Correlation test, which correlates the absolute residuals from the regression results with all independent variables. If the significance value from the output is 0.05, it indicates that the regression equation does not exhibit heteroscedasticity (Ghozali, 2013). Below are the results of the heteroscedasticity test for the variables of Price, Service Quality, Electronic Word of Mouth, and Purchase Decision:

Table 6. Results of Heteroscedasticity Test

			X1	X2	X3	Unstandardized Residual
Spearman's rho	X1	Correlation Coefficient	1.000	.718**	.610**	.143
		Sig. (2-tailed)	.	.000	.000	.156
		N	100	100	100	100
	X2	Correlation Coefficient	.718**	1.000	.538**	.093
		Sig. (2-tailed)	.000	.	.000	.359
		N	100	100	100	100
	X3	Correlation Coefficient	.610**	.538**	1.000	.155
		Sig. (2-tailed)	.000	.000	.	.123
		N	100	100	100	100
	Unstandardized Residual	Correlation Coefficient	.143	.093	.155	1.000
		Sig. (2-tailed)	.156	.359	.123	.
		N	100	100	100	100

Source : Data processed (2024)

Based on Table 6. Results of the Heteroscedasticity Test, it is known that the significance values for each variable are greater than 0.05. Therefore, it can be concluded that there is no heteroscedasticity in the data used in this study.

4.6 Model Fit Test (F Test)

According to Ghozali (2013), determining the Goodness of Fit or Model Fit Test (F Test) indicates that a model used in research is considered appropriate and can be utilized for further analysis if the significance value (F) is less than 0.05 (<0.05). Conversely, the model is deemed



inappropriate and unsuitable for further analysis if the significance value (F) is greater than 0.05 (>0.05). Below are the results of the model fit test for the variables Price, Service Quality, Electronic Word of Mouth, and Purchase Decision:

Table 7. Model Fit Test (F Test)

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	413.825	3	137.942	44.418	.000 ^b
	Residual	298.135	96	3.106		
	Total	711.960	99			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X2, X1

Source : Data processed (2024)

Based on the results of the model fit test from the table above, it is evident that the calculated F significance value is 0.000, which is smaller than 0.05 ($0.000 < 0.05$). Therefore, it can be concluded that the multiple linear regression model is appropriate for use in this study.

4.7 Multiple Linear Regression Analysis

Multiple linear regression analysis is used to test, measure, and determine the magnitude of the influence of independent variables on the dependent variable. The following are the results of the multiple linear regression analysis for the variables Price, Service Quality, Electronic Word of Mouth, and Purchase Decision:

Table 8. Multiple Linear Regression Analysis

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1	(Constant)	3.817	1.425		2.679	.009
	X1	.327	.104	.331	3.139	.002
	X2	.153	.075	.201	2.035	.045
	X3	.360	.087	.347	4.136	.000

a. Dependent Variable: Y

Source : Data processed (2024)

Based on Table 8, the multiple linear regression model used in this study can be formulated as follows:

$$Y = 3.817 + 0.327X_1 + 0.153X_2 + 0.360X_3$$

4.8 Hypothesis Testing (t-Test)

The t-test aims to examine the partial or individual influence of independent variables on the dependent variable. If the significance value is < 0.05 , H_0 is rejected and H_a is accepted, meaning there is an influence of the independent variable (X) on the dependent variable (Y). Conversely, if the significance value is > 0.05 , H_0 is accepted, and H_a is rejected, indicating no influence of the independent variable (X) on the dependent variable (Y) (Riyanto & Hatmawan, 2020:141).

The following are the results of the hypothesis testing (t-Test) for the variables Price, Service Quality, Electronic Word of Mouth, and Purchase Decision:

Table 9. Results of Hypothesis Testing (t-Test)



Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.817	1.425		2.679	.009
1 X1	.327	.104	.331	3.139	.002
X2	.153	.075	.201	2.035	.045
X3	.360	.087	.347	4.136	.000

a. Dependent Variable: Y

Sumber : Data processed (2024)

Based on Table 9, the partial hypothesis testing (t-Test) reveals the following:

1. The Influence of Price (X_1) on Purchase Decision (Y)

The t-value for the price variable (X_1) is 3.139, with a significance value of 0.002. Since the t-value (3.139) > t-table (1.984) and the significance value (0.002) < 0.05, H_1 is accepted. This indicates a positive and significant relationship between the price variable and purchase decision.

2. The Influence of Service Quality (X_2) on Purchase Decision (Y)

The t-value for the service quality variable (X_2) is 2.035, with a significance value of 0.045. Since the t-value (2.035) > t-table (1.984) and the significance value (0.045) < 0.05, H_2 is accepted. This indicates a positive and significant relationship between the service quality variable and purchase decision.

3. The Influence of Electronic Word of Mouth (X_3) on Purchase Decision (Y)

The t-value for the electronic word of mouth variable (X_3) is 4.136, with a significance value of 0.000. Since the t-value (4.136) > t-table (1.984) and the significance value (0.000) < 0.05, H_3 is accepted. This indicates a positive and significant relationship between the electronic word of mouth variable and purchase decision.

5. Conclusion and Suggestion

Price (X_1) has a positive and significant effect on purchase decisions at Teman Semeja Coffee. This indicates that the prices offered by Teman Semeja Coffee align with consumer expectations. The determination of an appropriate and competitive price will significantly influence consumers to make purchases at Teman Semeja Coffee.

Service Quality (X_2) has a positive and significant effect on purchase decisions at Teman Semeja Coffee. This indicates that the service quality provided by Teman Semeja Coffee employees meets consumer expectations, which makes consumers feel satisfied and comfortable. An improvement in service quality will encourage consumers to make purchases and increase sales at Teman Semeja Coffee.

Electronic Word of Mouth (X_3) has a positive and significant effect on purchase decisions at Teman Semeja Coffee. This indicates that when consumers are satisfied, they will spread positive information and leave favorable reviews or comments about Teman Semeja Coffee on social media. This, in turn, will encourage other consumers to make purchases and increase sales at Teman Semeja Coffee.

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