

# The Influence of External Factors on the Success of Coffee Bean Cafes in Medan

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## ABSTRACT

The impact of outside factors on the success of the Coffee Bean Café in Medan is the subject of this study. Additionally, information was gathered by sending out questionnaires to thirty respondents. Multiple linear regression is the model utilised, while SPSS version 19 is employed for processing. The analysis using the t test's results reveals that the dependent variable, the success of the Coffee Bean Café (Y), is partially or simultaneously impacted positively and significantly by two independent variables: the family environment (X1), friendship environment (X2), and impulse buying (X3). Price reductions and other unresearched factors account for 25% of the Biji Kopi café's performance in sustaining its company, according to the analysis utilising the coefficient of determination.

**Keywords:** Coffee Bean Café, Multiple Linear Regression, SPSS

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## 1. INTRODUCTION

Outside of Java, Medan City is regarded as the largest urban area. Recent years have seen a significant expansion of Medan's economy, led by a variety of commercial sectors. The restaurant and café industry is one that is expanding. In the city of Medan, one popular kind of café is the coffee bean café [1]. It appears that the quantity of coffee bean cafes keeps rising annually. These cafes are in fierce competition with one another for patronage and loyalty. A coffee shop's ability to succeed is influenced by more than just internal elements like management and marketing [2]. On the other hand, outside variables that are beyond a company's control also matter. A coffee bean cafe's strategy and operational performance are influenced by external elements such as governmental restrictions, technological advancements, social and cultural aspects of society, and economic and technological conditions. The purpose of this study is to evaluate how much these outside variables have an impact on how successful Medan City's coffee bean cafes are. It is envisaged that the study's findings will help policymakers and café industry participants develop sensible plans for handling the fluctuations of the outside world. in order for Medan's coffee shop industry to keep expanding and boosting the local economy [3][4].

In Indonesia, coffee history dates back to 1696. At that time, coffee from Malabar, India, was being brought to Java by the Dutch on behalf of the VOC (Vereenigde Oostindische Compagnie). Arabica was the first coffee to be brought in. Batavia was the site of unsuccessful Dutch coffee plantations that were destroyed by floods and earthquakes. They persevered and returned with fresh seeds[5]. The Dutch opened new fields in Sumatra, Sulawesi, Bali, Timor, and other Dutch East Indies islands, which are now known as Indonesia, due to the rapid rise of farming. Coffee emerged as the VOC's primary commodity in the 1700s. The Dutch East Indies (Indonesia) saw a sharp increase in coffee bean sales, surpassing Mocha, Yemen's exports to a number of European nations. At the time, the Netherlands also controlled a monopoly on the global coffee market. The island of Java was home to one of the world's major coffee-producing hubs at the time. The term "cup of Java" or "Java cup" is then more widely used to refer to a cup of coffee. History and Jenis-kopi can be found at <https://www.sasamecoffee.com/kopipedia/>. Coffee manufacturers are competing to be able to increase the quality of the coffee they offer because of the



significant prospective demand for coffee, which has made it a priority for the coffee that will be sold. This is a lucrative business opportunity because there are so many coffee shops and cafes across the nation. However, in order to fully realise its potential, the government must support its efforts by creating laws and regulations, supporting sales, and offering training [6]. This coffee [7][8]. Due to the needs of the "5.0" era [9], which calls for digitalization in all disciplines [10], a greater role for human resources is required [11], along with an increase in technological skills [2, 3, 4].



Figure 1. Coffee beans' journey from the garden to the cafe

### 1.1. Family Environment

Dalyono (2015) defines the family as the mother, father, and children, as well as the family that resides in the home, and this family component has a significant impact on the learning achievement of the child [15]. The success of an education is influenced by a child's level of education, income, parental attention, guidance, harmony, and proximity. The father, mother, children, and other family members make up the smallest social group in society: the family environment. Children's development and growth are greatly influenced by their family environment, particularly by their parents. Parents can indirectly affect their children's interest in selecting a career path, including starting their own business, by acting as directors for their future. Sartain states in Purwanto (2011) that any external factors that affect human behaviour, development, or life processes fall under the category of environment, with the exception of genes, which can also be thought of as creating an environment (or supplying) for other genes [16]. According to Slameto (2013), a child's personality is mostly shaped by their family environment, which is their first social group [17]. Family values and conventions will be ingrained, which will eventually alter the child's behaviour as their personality and aspirations for the future develop. Several indices of the family environment have been identified by Slameto (2013) and utilised for this study, including:

- 1) Upbringing by parents;
- 2) The connections among relatives
- 3) The atmosphere at home;
- 4) The state of the economy; and
- 5) The cultural backdrop.

### 1.2. Friendship Circle

Friendship, according to Santrock (2013), is between children of the same age or maturity level. Friendships offer a means of comparison shopping and information sharing about the world beyond the home. Slavin (2017) defines the peer environment as social interactions among individuals who have the same age and socioeconomic background. Members give peer groups excellent grades for providing friendship, entertainment, ideas, and moral guidance. According to Barber et al. in Slavin (2017), studies on peer friendships have also focused on cliques and intimate friendships, which provide a space for teenagers to connect. Cliques are comparatively small, intimate groups that are characterised by the friendships, activities, and shared interests of their members. According to Alma (2013), social friends, the family environment, and people with whom they can talk about anything—

including business ideas, challenges they are facing, and solutions to those problems—all serve as sources of encouragement for aspiring entrepreneurs. Ideas can always be found from friends (Daryanto, 2013). Santrock (2013) identified the following measures to gauge peers' impact on interest in entrepreneurship:

- 1) Acquiring social skills
- 2) Offering expertise, experience, and abilities
- 3) Showing love and encouraging support
- 4) Finding inspiration

### 1.3. Impulse Buying

Impulse buying is the result of a strong, unexpected, and unplanned desire to make a direct purchase without weighing the associated dangers. Impulsive buying is the act of making a quick, impulsive purchase. Utami (2010) claims that "impulse buying" happens when customers have an intense need to acquire something rapidly. Every choice has a rationale that informs the purchase choice. Motives for purchasing might be viewed as opportunity, passion, requirements, or desires. Motives are forces that grow to satisfy new demands. This behaviour is shaped or influenced by an individual's perception. Sellers are able to infer from consumers' perceptions of their buying motivations—both rational and emotional—why they make purchases. One type of limited shopping solution is impulse buying, which refers to decisions made by customers on the spur of the moment after viewing goods. Weitz and Levy (2012) According to purchasing theory, the following categories of unplanned

- 1) A purchase made on pure impulse (also known as pure impulse buying) differs from customary buying behaviour. This category is referred to as novelty/escape purchasing. Suggestion impulse purchases—i.e., purchases spurred on by recommendations—occur when customers articulate requirements but lack the necessary information to see a need for the product.
- 2) The urge to remember (previous experience) When customers view the goods, they either recall that additional inventory needs to be added in order to purchase more or that they already own it and don't need to purchase it.
- 3) Planned impulse (impulsive buys made in response to specific sales circumstances) Until the conditions of sale are seen and understood, this transaction process is followed. For instance, limited-time sales, promotions, and a number of products at discounts.

Impulse buying is consumer behaviour that makes purchases spontaneously without prior planning. Several factors cause people to buy something outside of their plans, namely:

- 1) Want to try a new product or brand?
  - 2) Influence of previously seen advertisements
  - 3) Attractive presentation and packaging of goods
  - 4) Seduction of the sales promotion girl or salesman
- In relation to consumer behaviour, products can fall into two categories:
- a. High-category products (high involvement), products that require special attention and consideration before purchasing, for example: houses, cars, motorbikes, laptops, and cellphones. When buying this type of product, consumers usually consider and plan beforehand.
  - b. Products in the low category (low involvement): before buying the product, you don't need to pay special attention, for example, chocolate or candy. When consumers buy this product, they usually do not plan it or consider it specifically. (low involvement), which encourages people to do impulse buying. It can be described that impulse buying is an activity where consumers plan before entering the shop.

### 1.4. Impulse Buying

The five steps of the customer purchasing decision-making process include problem detection, information search, alternative appraisal, purchase choice, and post-purchase behaviour, according to Kotler (Pane, 2018) [18]. Not all consumers go through the entire five-stage purchasing process. They might have overlooked a step or several. There are several purchase behaviours that customers use while making decisions about what to buy. Kotler (Pane, 2011) distinguishes four categories of consumer buying behaviour according to the level of buyer involvement and the degree of variation between different brands. The following are the four categories of purchasing behaviour: purchasing habits, purchasing behaviour that seeks diversity, purchasing behaviour that decreases nonconformity, and complex purchasing behaviour [19] [20].

## 2. RESEARCH METHODOLOGY

### 2.1 Data Collection Techniques

Data collection techniques are a systematic and objective way to obtain or collect information, whether oral or written. The data collection techniques used this time are questionnaires and interviews.

## 2.2 Data Analysis Methods

Data processing and interpretation are other names for data analysis. According to Rusiadi et al. (2013), data analysis is the process of examining, classifying, organising, analysing, and confirming data in order to give a phenomenon academic, scientific, and social significance. Descriptive analysis, a data processing method that provides a detailed description of the characteristics and an explanation of the research data, is the data analysis model employed in this study. In this study, descriptive analysis is employed to examine the attributes of participants who may be future users of the findings. measurement of data from a descriptive analysis employing both ordinal and nominal data.

## 3. RESEARCH RESULTS

The author's research findings indicate that the family environment variable has a noteworthy and partially favourable impact on the success of Café Biji Kopi. As a result, the theory applied in this research and the research's outcomes are directly correlated. Additionally, the author's research indicates that the friendship environment variable has a considerable and partially beneficial impact on Café Biji Kopi's entrepreneurial success. As a result, the theory applied in this research and the research's outcomes are directly correlated. Additionally, there is a noteworthy and somewhat positive correlation between the impulse buying variable and Café Biji Kopi's entrepreneurial success. The owner of Café Biji Kopi could benefit from adding additional menu options for both coffee concoctions and food menus, as suggested by the research results, to make their establishment stand out from the competition.

## 4. CONCLUSION

The purpose of this study is to examine how outside variables affect Medan City's coffee bean café industry's profitability. The economic climate, corporate competition, legal restrictions, the social and cultural fabric of society, and technological advancements are some of the external influences mentioned. Drawing from the findings of studies including questionnaires and in-person discussions with proprietors and patrons of coffee shops in Medan, the following conclusions can be drawn: The state of the economy positively affects coffee bean cafes' sales turnover. Strong economic growth in Medan stimulates consumer spending on coffee-related goods. Coffee shops compete fiercely with one another, which drives innovation in products, higher standards for services, and cost-effectiveness in order to draw customers. To better encourage the expansion of coffee bean cafés in Medan, city government rules pertaining to company premises and food and beverage standards need to be amended. The growth of the coffee bean café industry is aided by the liking of coffee among the Medan people. The integration of digital technology in cafés, such as social media, websites, and cash registers, raises consumer awareness and brand loyalty. The study's recommendations include using digital technologies to reach a wider range of customers and enhancing legislation to better support Medan City's restaurant and cafe industries. The small sample and respondent count of the café serve as a study restriction. A larger-scale study can be done in the future.

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