Costumers’ Preference at Armor Kopi Leuit

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Abstract

Coffee shops are currently in great demand; thus the numbers of coffee shops show an increase, including in Bandung city. However, the number of customers at Armor Kopi Leuit Coffee Shop has decreased in number. The purposes of this study were to analyze costumers’ preferences for coffee and customers’ preferences for Armor Kopi Leuit coffee shop. The research method used was quantitative descriptive method, while the analytical instrument used was conjoint analysis. Samples were taken by convenience sampling and 100 samples were obtained. The results showed that coffee attributes that is considered the most important by consumers are tastes with strong coffee preferences, while consumer preferences for coffee shops included shop designs that provided closed and open spaces, easily accessible coffee shop locations, barista communication skills in explaining products, and a natural coffee shop atmosphere.

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INTRODUCTION

The dynamics of the times has changed the tendency of society to be consumptive (Umanailo et al., 2018). A simple lifestyle changes into an urban style that is identical with "hanging out" habits (Novitasani, 2014). Likewise to the habit of drinking coffee, this makes one of the causes of instant coffee consumption in Indonesia from 2015-2018 showed a significant increase of an average of 3.09% per year (Ministry of Agriculture, 2018).

West Java is one of the ten provinces with the largest coffee production in Indonesia with a total of 20,732 tons (Directorate General of Plantations, 2019). The
people of West Java are experiencing a change in eating and drinking outside, at shops or restaurants. This causes the coffee shop business in the city of Bandung increasingly mushrooming, so that competition between coffee shops is getting tougher. This can be seen with the increasing number of cafes and restaurants in Bandung (including coffee shops), from 653 in 2014 to 759 in 2015 and experienced a relatively steady increase in 2016-2018 to 795 (Central Bureau of Statistics, 2019).

One of the famous coffee shops in Bandung is the Armor Kopi Leuit. This coffee shop has become one of the tourist destinations in Bandung which is famous for its natural atmosphere. This coffee shop was called the Armor Kopi Tahura. Since it was moving to about 200 m from its original place, it changed its name to the Armor Kopi Leuit. According to an interview with the founder of Armor Kopi, this coffee shop produced its biggest turnover in 2015-2016. However, coffee sales declined by around 30 percent in 2017. In 2017-2019 coffee sales at the Armor Kopi Leuit experienced a relatively steady decline.

Many factors cause coffee sales to decline at Armor Kopi Leuit, one of which comes from external factors such as the emergence of other coffee shops and the development of costumers’ tastes. By selling products according to costumers’ preferences, it is likely that sales at Armor Kopi Leuit will increase.

Therefore, this study aimed to analyze the preferences of coffee consumers at Armor Kopi Leuit so that this coffee shop has better understanding of its customers’ preferences and can develop coffee and shop facilities in accordance with the preferences of consumers to attract them to shop again and increasing the sales.

RESEARCH METHODS

The study was conducted in December 2019 at Armor Kopi Leuit, Bandung, West Java. The research location was chosen purposively as one of the main culinary destinations in Bandung with the advantage of the natural atmosphere provided.

The sample of this study amounted to 100 people based on the minimum sample for conjoint according to Green Srinavasan (1978) in Hartono (2018). The type of sampling used was convenience sampling. The study was conducted on consumers who drink coffee, aged 17 years and over with all levels of education, visiting on weekdays / weekends at 08.00-22.00.

Variables examined in this study included consumer preferences for coffee, namely the taste of coffee and consumer preferences for coffee shops such as barista communication style, atmosphere, location, and design of coffee shops (Table 1).

| Table 1. Operational Variables of Customers’ Preferences |
|--------------------------------------------------------|
| **Variable**               | **Sub-Variable** | **Indicators**                                                                 | **Scale** |
| Customers’ Preferences \( Y_i \) | Coffee taste \( X_{i1} \) | Preferred coffee taste and the level of density | Ordinal |
|                           | Barista Communication Style \( X_{i2} \) | Preferred communication style; whether explains the product in detail or in general. |
|                           | Atmosphere \( X_{i3} \) | Preferred atmosphere; quiet or natural |
|                           | Location \( X_{i4} \) | Preferred location; easily accessible or near the tourist destinations. |
|                           | Store Design \( X_{i5} \) | Preferred store design; indoor, outdoor, or combination of both. |

Source: Primary Data, 2019.
Primary data from the questionnaire were analyzed using conjoint analysis. Conjoint analysis is a multivariate method used to find respondents’ preferences for certain products and services and is important for businesses in terms of evaluating the attributes of new products or services (Cerda et al, 2012).

In conjoint analysis, respondents are confronted with a set of stimuli that are designed in advance and reduced using orthogonal design in SPSS version 19. Then the respondent is asked to sort the stimuli from the one he likes most to the least. The results of the questionnaire filled out by respondents are analyzed using SPSS version 19. The attributes and the level of attributes used were as follows (Table 2). Determination of attributes and the level of attributes was determined by conducting prior research through interviews with customers at Armor Kopi Leuit about what influences their preferences for coffee and coffee shops as well as prior research on customers’ preferences for coffee and coffee shops.

| Attributes                  | Level of Attributes                  |
|-----------------------------|--------------------------------------|
| Coffee taste                | 1. Dense/strong                      |
|                             | 2. Less strong                       |
| Barista Communication Style | 1. Explaining in general             |
|                             | 2. In-depth explanations              |
| Atmosphere                  | 1. Quiet                             |
|                             | 2. Natural                           |
| Location                    | 1. Near tourism destinations          |
|                             | 2. Easily accessible                  |
| Store design                | 1. Indoor                            |
|                             | 2. Outdoor                           |
|                             | 3. Indoor and outdoor                 |

Source: Primary Data, 2019

RESULT AND DISCUSSION

Customers’ Characteristics

The majorities of customers at Armor Kopi Leuit were male, aged 17-25 years, single, residing outside of Bandung (because Armor Kopi Leuit is located in the tourism area), high school education level, and work as students. Recently, coffee is not only popular to adults but also young people. In fact, more youngsters drink coffee than older people. (Solikatun et al, 2015). Most consumers earn less than IDR 2,600,000.

Validity Test Results

In the conjoint analysis, validity testing is carried out by looking at the Pearson and Kendall’s Tau correlation values. Guidelines for validity testing are as follows: H₀ = 0: there is no strong correlation between the estimated and actual variables H₁ ≠ 0: there is a strong correlation between estimation and actual variables

In this study, Pearson’s R and Kendall’s Tau correlation tests amounted to 0.981 and 0.929, meaning that this number was approaching one or above 0.5, which means there was a strong relationship between estimation and actual variables or
there was a high predictive accuracy in this conjoint process. Because H0 is rejected, it means the data is valid.

**Utility Analysis of Each Factor**

One of the objectives of conjoint analysis is to find out the utility value of each level of the factor being tested. By knowing the utility value, respondents’ preferences can also be known, both individually and in aggregate, in evaluating their interest in factors at Armor Kopi Leuit. Sales were specific to each individual. Customers’ preferences could be seen from the higher utility value on each attribute.

Table 3. Attribute Utility Value and Attribute Level

| Attributes                  | Attributes’ Relative Interest | Attribute Level          | Utility Estimate | Std. Error |
|-----------------------------|-------------------------------|--------------------------|------------------|------------|
| Coffee taste                | 36.950                        | Dense/strong             | 0.653            | 0.105      |
|                             |                               | Less strong              | -0.653           | 0.105      |
| Barista communication style | 14.927                        | Explaining in general    | -0.080           | 0.105      |
|                             |                               | In-depth explanation     | 0.080            | 0.105      |
| Atmosphere                  | 12.288                        | Quiet                    | -0.027           | 0.105      |
|                             |                               | Natural                  | 0.027            | 0.105      |
| Location                    | 17.051                        | Easily accessible        | 0.245            | 0.105      |
|                             |                               | Near tourism destinations | -0.245           | 0.105      |
| Store Design                | 18.783                        | Indoor                   | 0.335            | 0.126      |
|                             |                               | Outdoor                  | 0.669            | 0.252      |
|                             |                               | Indoor and outdoor       | 1.004            | 0.379      |
| (Constant)                  |                               |                          | 3.915            | 0.244      |

Source: Primary data (2019)

**Customers’ Preference for Coffee**

According to Assael (1992) in Wardhani et al (2015), customers’ preferences are favorites, choices, or something that is preferred by customers. The product attribute at Armor Kopi Leuit is taste. This is in line with Hanafiah et al (2018), Hartono (2018), and Naibaho (2016) which stated that taste influences consumer preferences. Table 3 shows that taste attributes have the greatest utility value. More details are described below:

**Coffee Tastes**

Taste is one of the attributes that coffee consumers consider when deciding on a purchase. This is because consideration of taste for a product is an indicator for someone to like the product or not. For most people, taste is the most important attribute and affects them in consuming products compared to other attributes.

The taste of coffee that had been chosen by consumers at Armor Kopi Leuit was coffee with strong taste. This can be seen in Table 3 from the estimated value of positive strong coffee taste (0.653) higher than the value of negative less strong coffee (0.653). Strong coffee means that the coffee has more dominant flavor than the mixers (water, milk, creamer).

The coffee taste attribute is the most important attribute by coffee consumers at Armor Kopi Leuit compared to other attributes. This can be seen from the high relative importance value of attributes at 36,950 which is the greatest relative importance value of attributes compared to other attributes (Table 3). According to
Muzdalifah (2012) and Soetiarso (2010), a taste for a product can be an indicator for someone to like or dislike a product.

**Customers’ Preference to the Coffee Shop**

Armor Kopi Leuit consumers’ preferences for coffee shops are based on store design, location, barista communication style, and the atmosphere of the coffee shop. Store design, service (including barista communication), atmosphere, and location are factors that influence consumer preferences at Armor Kopi Leuit. This is in line with the study of Hanafiah et al (2019) which also mentioned that the location and knowledge of waiters and baristas about products are attributes that influence the preferences of coffee consumers. The same thing was said by Hartono (2018) and Riza (2016).

**Store Design**

Customers at Armor Kopi Leuit preferred store designs that provide indoor and outdoor spaces with a higher estimated utility value positive (1,004) compared to only indoor or only outdoor (Table 3). The availability of indoor and outdoor places makes customers to worry less because they have more alternative places, especially when it rains.

The second most important attribute for customers at Armor Kopi Leuit is store design. This can be seen in the relative importance value of attributes from the conjoint result that is equal to 18,783, which is higher than the relative importance value of location attributes (17,051), barista communication (14,927), and atmosphere (12,288) (Table 3). This is in line with research by Hanafiah et al (2019) which revealed that store design & display is one of the factors that influence customers’ preferences in the Armor Kopi Leuit.

**Location**

The location attribute is one of the considerations in determining the coffee shop that the respondent wishes to visit. The preferred location for respondents is easily accessible, compared to near tourism areas with an estimated positive utility value (0.245) which is higher than negative (0.245) (Table 3). The easily accessible location is generally marked by adequate roads and can be reached by public transportation. This is in line with Hartono’s research (2018) which concluded that location is one of the important attributes in a coffee shop.

The third attribute that is considered important for coffee consumers at Armor Kopi Leuit is location. This can be seen from the relative importance value of 17,051 which is higher than the communication attributes of barista (14,927) and atmosphere (12,288) (Table 3).

**Barista Communication Style**

Barista communication is a way for baristas to explain about the coffee they serve. Based on Table 3, barista communication favored by respondents is to explain the product in detail compared to explaining the product in general with a positive utility estimation value (0.080) higher than negative (0.080). Explaining the product in detail means that the barista explains coffee in depth, for example mentioning the taste in coffee beans that not necessarily everyone can feel like citrus and floral.
While explaining the product in general means the product is explained in general, for example, sour or bitter taste. This means that the majority of customers at Armor Leuit Coffee have a high curiosity about the coffee they buy.

Barista communication is the fourth attribute that is considered important for customers at Armor Kopi Leuit. This can be seen from the relative importance value of 14,927 which is higher than the atmosphere attribute (12,288) (Table 3). This is in line with research by Hanafiah et al (2019) which stated that service is one of the factors that influence customers’ preferences for Armor Leuit Coffee. Therefore, to meet customer satisfaction, good service is required in accordance with customers’ expectations.

Atmosphere

The atmosphere is one of the considerations in determining a visit to a coffee shop. The atmosphere that is preferred by customers at Armor Kopi Leuit is natural atmosphere, compared to quiet atmosphere with estimated utility values positive (0.027) and negative (0.027) (Table 16). Natural atmosphere is an atmosphere that is identical with plants, cool air, and the sounds of animals such as birds singing and crickets. The natural atmosphere is already difficult to find in urban areas. This is in line with the research of Farasa et al (2015) that the atmosphere of a cafe affects the customers’ length of stay.

The atmosphere is the fifth or last attribute that is considered important by customers at Armor Kopi Leuit. This can be seen from the relative importance value of 12,288 attributes (Table 3). This value is the smallest value compared to other attributes.

CONCLUSION

Consumer preferences for coffee at Armor Kopi Leuit show that customers prefer coffee with strong coffee flavor. Whereas customers’ preferences for coffee shop at Armor Kopi Leuit show that customers like store designs that provide indoor and outdoor spaces, easily accessible coffee shop locations, barista communications that explain the product in depth, and the natural atmosphere. The attributes that are considered most important by consumers are the taste of coffee, then store design, location, barista communication style, and lastly the atmosphere of the coffee shop.

RECOMMENDATION

Armor Kopi Leuit should pay more attention to the taste of coffee as it is the most important attribute implied by customers. It can be done by providing a variety of coffees with strong taste other than manual brew, for example espresso, americano, long black, cappuccino, or latte. Therefore, Armor Kopi Leuit should decide to use a coffee machine. Armor Kopi Leuit should also pay attention to the condition of the store design at Armor Kopi Leuit by expanding the indoor area at Armor Kopi Leuit so that consumers can take shelter if it rains.

For further research, a comparison can be made between coffees at Armor Kopi Leuit with coffees in other coffee shops, so that the differences in customers’ preferences at Armor Kopi Leuit and in other coffee shops can be known. From the results of this research, other production and marketing strategies that are more appropriate should be applied at Armor Kopi Leuit.
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