

## **Determinants of Consumer Purchase Decisions: An Empirical Analysis of Technology, Culture, Physical Evidence, and Promotion at Coffee Shop Medan**

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### **ABSTRACT**

*This research examines the influence of Technology, Culture, Physical Evidence, and Promotion on consumer Purchase Decisions at Coffee Shop Medan. The business has experienced a sales decline of approximately 30% accompanied by several operational issues, including errors in digital payment systems, unattractive store ambience, and intense promotional competition among coffee shops in Medan. A quantitative method was employed, using multiple linear regression as the primary analytical tool. Findings demonstrate that Technology and Physical Evidence have positive and significant effects on Purchase Decisions, whereas Culture and Promotion show no significant influence. Simultaneously, all variables significantly influence Purchase Decisions. The results suggest that improving technological service quality and enhancing physical ambience are strategic priorities for strengthening consumer purchase behavior.*

**Keywords:** *Technology, Culture, Physical Evidence, Promotion, Purchase Decision*

### **INTRODUCTION**

The coffee shop industry in Indonesia has grown rapidly, driven by shifting lifestyles, digitalization, and the increasing popularity of café culture among young adults and working professionals. In major cities such as Medan, coffee shops have become social interaction hubs, workplaces, and lifestyle representations. This rapid industry expansion has led to intense competition among local coffee brands, requiring each business to optimize its service quality, technology adoption, physical environment, and promotional activities to attract and retain customers.

Coffee Shop Medan is one of the coffee shops operating within this competitive landscape. However, the business has faced several challenges, including:

1. Frequent technology failures in digital payment systems, causing customer inconvenience.
2. The cultural orientation of customers that shifts rapidly and inconsistently.
3. Unappealing physical evidence, such as interior decoration and store layout.
4. Strong promotional competition from rival brands offering aggressive discounts and loyalty programs.

These factors have contributed to a 30% sales decline, as indicated in the initial background of the study. Understanding which factors significantly influence purchase decisions is essential for formulating effective managerial strategies.

Based on these conditions, this research investigates the influence of Technology, Culture, Physical Evidence, and Promotion on Purchase Decisions at Coffee Shop Medan. The

study aims to provide scientific and practical insights for improving service performance and strengthening customer loyalty.

## **LITERATURE REVIEW**

### **Technology and Purchase Decision**

Technology plays a crucial role in modern service industries. In retail and café settings, customers expect seamless digital payments, ordering systems, Wi-Fi connectivity, and online customer service. According to Kotler (2013), advanced technology enhances service quality, reduces transaction time, and increases convenience, thereby influencing consumer behavior.

### **Culture and Purchase Decision**

Culture influences consumer behavior through shared values, beliefs, and lifestyle trends (Laksana, 2014). In the coffee shop context, cultural elements such as social habits (“nongkrong culture”), collective identity, and lifestyle orientation shape consumption patterns. However, cultural impact may vary based on individual preferences and social environments.

### **Physical Evidence and Purchase Decision**

Physical Evidence refers to tangible elements in the service environment, including interior design, lighting, aroma, cleanliness, music, and brand visual identity (Tjiptono, 2017). These elements directly affect perceptions of service quality and emotional responses that influence purchasing behavior.

### **Promotion and Purchase Decision**

Promotion communicates value through discounts, social media campaigns, loyalty programs, and advertising (Kotler & Keller, 2016). Effective promotion increases brand visibility and triggers purchase behavior. However, excessive promotion may reduce brand exclusivity or fail if competitors offer more attractive deals.

### **Purchase Decision**

Purchase Decision refers to the process through which consumers select products based on evaluation of alternatives, perceptions, preferences, and marketing stimuli (Schiffman & Kanuk, 2010). The model includes problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior.

## **METHODS**

A quantitative approach was applied using a descriptive and associative design to analyze variable relationships. The population consisted of customers visiting Coffee Shop Medan. The sampling technique used was accidental sampling, and 90 respondents participated. Based on the research framework, the following hypothesis is formulated in this study:

1. Technology has a partial positive and significant influence on coffee purchasing decisions at Coffee Shop Medan
2. Culture has a partial positive and significant influence on coffee purchasing decisions at Coffee Shop Medan

3. Physical evidence has a partial and significant influence on coffee purchasing decisions at Coffee Shop Medan
4. Promotion has a partial and significant influence on coffee purchasing decisions at Coffee Shop Medan
5. Technology, culture, physical evidence, and promotion have a partial and significant influence on coffee purchasing decisions at Coffee Shop Medan

## RESULTS AND DISCUSSION

### Validity Test & Reliability Test

Uji Validitas Teknologi (X1)

Pertanyaan Butir ke-	Simbol	r <sub>hitung</sub>	r <sub>tabel</sub>	Keterangan
1	X1.1.1	0,457	0,1	Valid
2	X1.1.2	0,116	0,1	Valid
3	X1.2.1	0,426	0,1	Valid
4	X1.2.2	0,451	0,1	Valid
5	X1.2.3	0,438	0,1	Valid
6	X1.3.1	0,180	0,1	Valid
7	X1.4.1	0,455	0,1	Valid
8	X1.5.1	0,213	0,1	Valid

Uji Validitas

Physical Evidence (X3)

Pertanyaan Butir ke-	Simbol	r <sub>hitung</sub>	r <sub>tabel</sub>	Keterangan
1	X3.1.1	0,339	0,1	Valid
2	X3.1.2	0,407	0,1	Valid
3	X3.2.1	0,655	0,1	Valid
4	X3.2.2	0,620	0,1	Valid
5	X3.3.1	0,723	0,1	Valid
6	X3.3.2	0,205	0,1	Valid

Uji Validitas Keputusan Pembelian (Y)

Pertanyaan Butir ke-	Simbol	r <sub>hitung</sub>	r <sub>tabel</sub>	Keterangan
1	Y.1.1	0,483	0,1	Valid
2	Y.1.2	0,308	0,1	Valid
3	Y.2.1	0,212	0,1	Valid
4	Y.2.2	0,344	0,1	Valid
5	Y.3.1	0,440	0,1	Valid
6	Y.3.2	0,470	0,1	Valid
7	Y.4.1	0,280	0,1	Valid
8	Y.4.2	0,156	0,1	Valid

Uji Validitas

Budaya (X2)

Pertanyaan Butir ke-	Simbol	r <sub>hitung</sub>	r <sub>tabel</sub>	Keterangan
1	X2.1.1	0,449	0,1	Valid
2	X2.1.2	0,193	0,1	Valid
3	X2.2.1	0,362	0,1	Valid
4	X2.2.2	0,315	0,1	Valid
5	X2.3.1	0,157	0,1	Valid
6	X2.3.2	0,553	0,1	Valid
7	X2.4.1	0,132	0,1	Valid
8	X2.5.1	0,105	0,1	Valid
9	X2.5.2	0,191	0,1	Valid

Uji Validitas Promosi (X4)

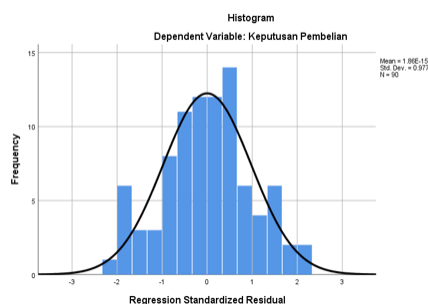
Pertanyaan Butir ke-	Simbol	r <sub>hitung</sub>	r <sub>tabel</sub>	Keterangan
1	X4.1.1	0,302	0,1	Valid
2	X4.1.2	0,227	0,1	Valid
3	X4.2.1	0,391	0,1	Valid
4	X4.2.2	0,520	0,1	Valid
5	X4.3.1	0,429	0,1	Valid
6	X4.3.2	0,127	0,1	Valid
7	X4.4.1	0,448	0,1	Valid
8	X4.4.2	0,448	0,1	Valid

Uji Reliabilitas

#### Reliability Statistics

Cronbach's Alpha	N of Items
.705	36

## Classical Assumption Tests



Uji Kolmogorov-Smirnov  
One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
N	90
Normal Parameters <sup>a,b</sup>	
Mean	.0000000
Std. Deviation	1.48517628
Most Extreme Differences	
Absolute	.053
Positive	.049
Negative	-.053
Test Statistic	.053
Asymp. Sig. (2-tailed)	.200

a. Test distribution is Normal.

b. Calculated from data.

### Partial Test (t-test)

**Hasil Uji-t  
Coefficients<sup>a</sup>**

Model	T	Sig.
1 (Constant)	1.081	.283
Teknologi	6.141	.000
Budaya	.134	.894
Physical Evidence	3.381	.001
Promosi	.946	.346

a. Dependent Variable: Keputusan Pembelian

- **Technology → Purchase Decision**  
Significant (t = 6.141; Sig = 0.000).
- **Culture → Purchase Decision**  
Not significant (t = 0.134; Sig = 0.894).
- **Physical Evidence → Purchase Decision**  
Significant (t = 3.381; Sig = 0.001).
- **Promotion → Purchase Decision**  
Not significant (t = 0.946; Sig = 0.346).

### Simultaneous Test (F-test)

All variables simultaneously influence Purchase Decision (F = 25.643; Sig = 0.000).

**Hasil Uji-F  
ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	316.331	4	79.083	25.643	.000 <sup>b</sup>
	Residual	274.478	89	3.084		
	Total	590.809	93			

a. Dependent Variable: Keputusan Pembelian

b. Predictors: (Constant), Promosi, Physical Evidence, Budaya, Teknologi

### Coefficient of Determination (R<sup>2</sup>)

The independent variables contributed significantly to predicting purchase decisions, indicating a strong model fit.

**Hasil Uji Determinasi (R<sup>2</sup>)  
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.732 <sup>a</sup>	.535	.515	1.75614

a. Predictors: (Constant), Promosi, Physical Evidence, Budaya, Teknologi

b. Dependent Variable: Keputusan Pembelian

## DISCUSSION

The findings show that Technology and Physical Evidence are the dominant determinants of consumer purchase decisions in the coffee shop industry. Customers value fast,

accurate, and secure digital transactions. Failures in technology can create negative customer impressions. Furthermore, the physical environment lighting, interior aesthetics, and ambience plays a major role in emotional responses that influence consumption choices.

On the other hand, Culture and Promotion do not significantly affect purchase decisions at Coffee Shop Medan. Cultural motivations alone are insufficient, likely due to shifting lifestyle trends and individual preferences. Similarly, competitive promotional activities from other coffee shops may overshadow the impact of promotional activities carried out by Coffee Shop

## CONCLUSION

1. Technology has a positive and significant influence on purchase decisions.
2. Culture has positif and no significant influence on purchase decisions.
3. Physical Evidence has a positive and significant influence on purchase decisions.
4. Promotion has positive and no significant influence on purchase decisions.
5. Together, the four variables significantly influence purchase decisions.

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