



The Impact of Consumer Behavior on Purchasing Decisions: A Case Study of Starbucks Customers at MSU Alam Syah, Malaysia

Aisyah Budiarti^{1*}, Imaan Hamzah¹, Norhidayah Binti Azman¹

¹ Faculty of Business Management and Professional Studies, Management and science University

* aisyah.budiarti@fbmp.msu.edu.my

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ABSTRACT

The advancement of technology has driven economic growth in a positive direction. On the other hand, the impact of technological development has also influenced changes in consumer behavior when making decisions. Therefore, this shift in consumer behavior must be accompanied by effective strategies to maintain market share. This research is designed to examine the relationship between consumer behavior as reflected in the factors influencing decision-making in product selection, assess the extent to which brand trust affects these decisions, and evaluate the impact of word-of-mouth communication techniques on consumer choice in product selection. The researcher found that there is a correlation and influence between consumer purchasing decisions and the factors that affect them. With factors such as psychological, economic, and social aspects, consumers are able to make decisions to purchase Starbucks products. Moreover, the study results also show a significant influence of brand trust, as trust in a product that has been established in society plays a crucial role. The influence of brand trust in Starbucks products has been embedded due to the consistent quality provided by the product, thereby fostering public trust in the Starbucks brand. This research also investigated and proved that there is a positive correlation between consumer purchasing decisions and word-of-mouth, as this variable represents authentic reviews and feedback shared by consumers who have directly experienced the product. Their feedback and experiences generate interest, ultimately leading to a decision to choose Starbucks products.

Keywords — brand image, customers loyalty, word of mouth, decision making

1. Introduction

The acceleration of technology has led to a massive impact on technological developments including communication, computing and connectivity technologies [1]. It has been realized that technological development spurs economic growth, especially in Indonesia [2]. On the other hand, technological developments have changed behavior, structures, practices, values, and beliefs in economic activities, including consumer behavior.

Changes in consumer behavior are the main concentration for companies in order to maintain optimal market share. It relates to customer decision-making in spending their money. Although every consumer has different purchasing standards and practices, a person's

decision-making process is influenced by various elements, details, and traits. Consumer purchases are also influenced by a number of other variables, including social, economic, and psychological variables [3]. These factors are the main focus for every company including Starbucks as the largest coffee shop in the world today (Fig 1).

The rapid development of the coffee shop sector has had a significant impact on consumer lifestyles. Nowadays, coffee shops are not merely places to enjoy coffee, but they have also become hubs for social and professional activities.



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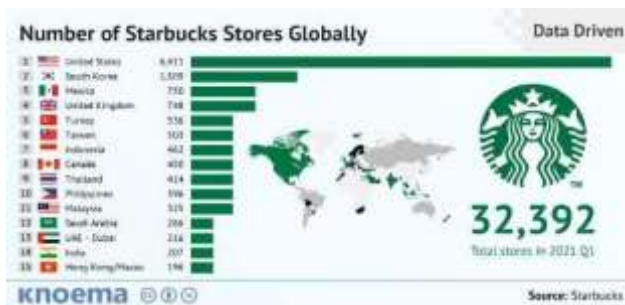


Figure 1. Number of Starbucks Store

In Malaysia, in particular, coffee shops have undergone substantial transformation. In the past, coffee shops were simpler and primarily focused on their core function as places to enjoy beverages. However, with the increasing diversity of consumer demands, coffee shops have now shifted towards more contemporary concepts, offering a comfortable atmosphere for business meetings, gatherings, and family or social get-togethers.

Modern coffee shops in Malaysia often feature thematic concepts, appealing interior designs, and facilities that support activities such as working on laptops or socializing in larger groups. This shift reflects the changing preferences of customers, who seek more than just a coffee-drinking experience, including more personalized services, a cozy environment, and internet accessibility that supports the digital lifestyle.

The problem faced by Starbucks MSU, Shah Alam is that with the increasing competition that is getting sharper, it becomes an interesting phenomenon to know the factors that influence this purchase decision. This further increases the curiosity of researchers to look deeper into the factors that influence consumer decisions in choosing Starbucks coffee [3].

In terms of product purchase, there are several attributes that consumers need to consider when choosing Starbucks coffee shops over local coffee shops. In general, consumers assess the quality of a product [4]. However, this does not seem to be an important thing for consumers who have a high interest in Starbucks products. Brand branding, consumer trust, consistency of product quality, variety of flavors, and brand trust are considered to be factors that consumers consider in purchasing decisions [5].

2. Method

2.1. Research Design

In research method, quantitative methods were used. Quantitative data was obtained from distributing questionnaires to consumers at Starbucks MCU. Then, the data was analyzed using IBM SPSS Statistics software. The data collection method based on the collection time researchers chose the cross section technique because it was considered more effective, fast, cheap, and efficient.

2.2. Instruments and Data Collection Method

The sampling technique used in this study is the non-probability sampling technique with primary data collected. Respondents will be directly approached to complete the provided Google Form link. This subject is used as a cluster for research, and consumer responses will be recorded in the Google Form. To ensure that all questions classified in the Google Form are answered by respondents, a required function has been implemented. This strategy is applied to prevent any omissions, ensuring that all presented questions are answered and can be analyzed.

2.3. Population and Sampling

The respondents selected for this study were visitors to MSU Starbucks coffee in Shah Alam. The population consists of permanent or temporary MSU students, MSU lecturers, MSU employees, and other customers, totaling around 182 visitors per day. With 5 working days per week and 22 working days per month, the estimated population is 182 visitors per day \times 22 days = 4,004 visitors per month. Thus, the total number of respondents is approximately 4,004.

According to [6] table of sampling techniques, the appropriate sample size is 355 respondents, which represents the minimum number of questionnaires that should be distributed. The target population refers to the group of individuals selected for the research. In this study, the target population consists of Starbucks MSU consumers, primarily MSU students, employees, and other visitors. The age range of the study subjects is 17 years and above.

2.4. Measurement of Variable

In constructing the questionnaire to align with the variables previously discussed, the research scale is measured using a five-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree" (1-5). This scale is used to assess the level of customer decision-making in selecting MSU Starbucks as their product choice. To ensure a broad range of responses, the measurement items were tested using the five-point Likert scale, anchored by Strongly Disagree and Strongly Agree [7], [8] The "neutral" option on a five-point Likert scale can provide respondents with an easy way to answer without much thought [9].

3. Discussion

This chapter presents three data analyses conducted using IBM SPSS Version 28.0, namely reliability testing, correlation analysis, and regression analysis. Initially, the demographic details of the respondents are outlined, followed by tables summarizing the results for each analysis. The outcomes of these analyses demonstrate the relationships between the variables under study, providing insights relevant to the research objectives. A total of 355 responses were successfully collected from the population of Starbucks customers at MSU, Shah Alam.

3.1. Demographic

The basic demographic profiles of Starbucks customers at MSU Shah Alam were analyzed using frequency analysis to illustrate variables such as gender, age range, nationality, ethnicity, education level, marital status, income, and residence location in Malaysia. This section presents the results of the frequency and percentage for each category, outlining the respondents' profiles. Data was collected using a questionnaire method, achieving a 100% response rate.

Table 1. Basic demographic profiles of Starbucks customers at MSU Shah Alam

Indicator	Most Frequent	Percentage (%)
Gender (Female)	191	53,8
Age (21-30)	253	71,3
Nationality (Malaysian)	255	71,8
Ethnicity (Malays)	209	58,9
Religion (Islam)	277	63,9
Marital Status (Single)	257	72,4
Status in Employment (Student)	222	62,5
Education level (Degree)	180	50,7
Monthly Income (< RM 1500)	161	45,5
Location (Selangor)	188	53

Source: Primary Data, 2024

Demographically, Starbucks customers at MSU Shah Alam are dominated by females with an average age of 21-30. Some of them are students with income < RM 1500. This demographic situation is indeed a reflection of the target market targeted by Starbucks, namely by offering its superior product in the form of coffee to students aged 18-24 years old [10].

3.2. Data Analysis

3.2.1. Reliability Test

Table 2. Reliability Test Result

Variable	No. of Item	Reliability
Influence Factors	14	0.886
Brand Trust	9	0.877
Word of Mouth	9	0.889
Consumer Purchase Decision	5	0.873

Source: Processed primary data, 2024

Reliability refers to the consistency or dependability of measurements across time, questionnaire items, or between observers/raters [11] Cronbach's alpha is a reliability coefficient that measures the degree to which the items in a set are positively correlated with each other. It is calculated based on the average intercorrelations



among items that assess the same concept. The closer Cronbach's alpha is to 1, the greater the internal consistency reliability of the scale. Cronbach's alpha can be interpreted using the following guidelines: " $\geq .9$ - Excellent, $\geq .8$ - Good, $\geq .7$ - Acceptable, $\geq .6$ - Questionable, $\geq .5$ - Poor, and $\leq .5$ - Unacceptable" [12].

Table 2 presents the Cronbach's alpha values for three independent variables and one dependent variable. Specifically, the Cronbach's alpha for the 14-item Influencing Factors questionnaire was .886. The 9-item Brand Trust and Word-of-Mouth scales showed correlations with Cronbach's alpha values of .877 and .889, respectively. Additionally, the 5-item Consumer Purchase Decision (CPD) questionnaire yielded a Cronbach's alpha of .873. These results indicate a high level of internal consistency for all the measures used in the study, as all values fall within the "Good" range according to the established guidelines.

3.2.2. Correlation

Table 3. Correlation Test Result

Variables	Influence Factors	Brand trust	WoM	Result
CPD				
Pearson Correlation	0.717	0.813	0.817	Strong Positive

Source: Processed primary data, 2024

Pearson's product-moment correlation coefficient, commonly known as Pearson's, is applied to evaluate the strength and direction of a linear relationship between two continuous variables. Bivariate correlation was employed to examine and quantify this linear association between two continuous variables [11]. The findings indicated that Influencing Factors are linked to Consumer Purchase Decisions. This suggests that the consistency of these factors can play a role in guiding consumers when deciding on a product purchase, taking various relevant factors into account.

The findings indicated that Brand Trust plays a role in influencing Consumer Purchase Decisions (CPD). This highlights that having a well-established Brand Trust can significantly impact product selection, as consumers may be

swayed by the brand's reputation, even if their decision is solely based on the familiarity of the brand name within the public sphere. Such recognition can affect a consumer's choice of product.

Similarly, the results showed that Word-of-Mouth influences Consumer Purchase Decisions (CPD). The correlation results suggest that promoting a product through Word-of-Mouth can have a considerable effect on consumer decisions. This is because Word-of-Mouth typically involves feedback or reviews shared by individuals who have already used the product, influencing others in their purchasing choices

3.2.3. Regression Analysis

Table 4. Regression Analysis Result

Correlation	R-square	Result
CPD >> IF	0.514	Accepted and Correlated
CPD >> BT	0.661	Accepted and Correlated
CPD >> WOM	0.668	Accepted and Correlated

Source: Processed primary data, 2024

First linear regression was conducted to examine whether Consumer Purchase Decisions (CPD) can bring impact the utilization of Influencing Factors as a result of 51.4% with a strong relationship. The second was conducted to examine whether Consumer Purchase Decisions (CPD) can bring impact the utilization of Brand Trust as a result of 66.1% with a strong relationship. And the third was conducted to examine whether Consumer Purchase Decisions (CPD) can bring impact the utilization of Word-of-Mouth as a result of 66.8% with a strong relationship.

3.3. Limitation

In most research activities, many researchers encounter certain limitations throughout the research process. These limitations can be both anticipated and unexpected, differing from one researcher to another depending on the specific project. In this

case, the limitation arises from the small population size, as the behavior being studied focuses solely on one Starbucks location, which is at MSU Shah Alam Starbucks. Additionally, time constraints were a significant challenge in this research. The research timeline coincided with the start of Ramadan, during which Starbucks experienced a reduction in customers. Since the research site is a food and beverage establishment, and the majority of the Muslim population fasts from morning to evening, the number of Starbucks customers was lower than usual. Moreover, time limitations posed a concern during the data collection phase due to the short timeframe before the study's deadline. As a result of the limited time, the sample size was relatively small and may not fully represent the broader population of Starbucks consumers.

To address these limitations, future research should aim to increase the sample size to better represent the broader consumer behavior in purchasing Starbucks products, enabling more accurate generalizations about the factors influencing those habits. Allocating more time for data collection is essential to ensure a more comprehensive sampling of respondents and, if possible, to avoid conducting research during Ramadan. It is also recommended that future studies expand the scope by including multiple Starbucks locations, rather than focusing on a single store. For example, the research could cover Starbucks outlets across the Selangor region or even throughout Malaysia, allowing for a broader and more meaningful analysis of consumer behavior across different locations.

4. Conclusion

The primary objective of this study is to analyze consumer behavior in selecting a product based on key influencing factors, including Brand Trust and Word-of-Mouth. The findings indicate a significant correlation and impact between consumer purchasing decisions and these influencing factors. Psychological, economic, and social factors play a pivotal role in shaping consumers' decisions to purchase Starbucks products.

Furthermore, the study reveals a substantial influence of Brand Trust on consumer

decisions. Building trust in a product within a community is challenging, but Starbucks has successfully achieved this through consistent product quality, thereby fostering consumer confidence in its offerings. The stability of Starbucks' quality has reinforced public trust in the brand.

Additionally, the study demonstrates a positive relationship between consumer purchasing decisions and Word-of-Mouth. This variable reflects genuine customer reviews based on their satisfaction, where they share feedback and personal experiences. These word-of-mouth recommendations generate interest and ultimately influence others to choose Starbucks products.

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