

THE ROLE OF BRAND IMAGE IN MEDIATING THE EFFECT OF PHYSICAL EVIDENCE AND PROMOTION ON PURCHASE DECISIONS (A STUDY OF COFFEE SHOPS IN KINTAMANI)

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Abstract

The rapid growth of micro, small, and medium enterprises (MSMEs) in the culinary sector, particularly coffee shops in tourism areas, has intensified competition and encouraged businesses to focus on marketing strategies that influence consumer purchase decisions. This study aims to analyze the effect of physical evidence and promotion on purchase decisions, as well as to examine the mediating role of brand image in coffee shops located in Kintamani, Bali. A quantitative approach was employed using a survey method. Data were collected from 140 respondents who had purchased products directly at coffee shops in Kintamani within the last six months. The sampling technique used was purposive sampling. Data analysis was conducted using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0. The results indicate that physical evidence and promotion have a positive and significant effect on purchase decisions. Furthermore, both physical evidence and promotion positively influence brand image. Brand image also has a significant positive effect on purchase decisions and partially mediates the relationship between physical evidence and promotion on purchase decisions. These findings highlight the importance of creating an attractive physical environment and effective promotional strategies to strengthen brand image and encourage consumer purchase decisions in coffee shops.

Keywords: Physical evidence, promotion, brand image, purchase decision, coffee shop

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in Indonesia's economy by creating employment opportunities and contributing to economic growth. In tourism areas such as Kintamani, Bangli Regency, the development of coffee shops has increased significantly, driven by the unique natural landscape and growing lifestyle trends among consumers. Coffee shops are no longer viewed merely as places to consume beverages, but also as social spaces that offer experiences through ambience, design, and service. In this competitive environment, physical evidence such as interior design, cleanliness, facilities, and the surrounding environment becomes a crucial factor influencing consumers' perceptions (Alnisyalma, 2021; Ashari & Jamiat, 2024; Sara et al., 2017). In addition, promotional activities through social media and direct interaction with consumers are essential in attracting and retaining customers (Efendi & Aminah, 2023; Baihaqqy, 2023). However, previous studies show inconsistent results regarding the direct influence of these factors on purchase decisions, indicating the presence of a research gap (Alnisyalma, 2021; Dewi & Sutanto, 2018). Brand image is believed to play an

important mediating role in strengthening the relationship between marketing stimuli and consumer purchase decisions (Armayani & Jatra, 2019; Angeline et al., 2023; Suryantari & Respati, 2022). Therefore, this study investigates the role of brand image in mediating the effect of physical evidence and promotion on purchase decisions in coffee shops in Kintamani.

2. METHODOLOGY

This study used a quantitative research design with a causal approach. The population consisted of consumers who had made purchases at coffee shops in Kintamani. A total of 140 respondents were selected using purposive sampling based on specific criteria: aged at least 18 years, domiciled in Bali, had purchased directly at a coffee shop in Kintamani within the last six months, and actively used social media. Data were collected using a structured questionnaire measured with a five-point Likert scale. The variables examined included physical evidence and promotion as independent variables, brand image as a mediating variable, and purchase decision as the dependent variable. Data analysis was conducted using PLS-SEM, which involved testing the outer model for validity and reliability and the inner model for hypothesis testing.

3. FINDINGS AND DISCUSSION

This section presents the results of data analysis and discusses the findings in relation to the proposed hypotheses. The analysis was conducted using Partial Least Squares–Structural Equation Modeling (PLS-SEM) to examine the relationships among physical evidence, promotion, brand image, and purchase decision. The discussion integrates empirical findings with relevant theories and previous studies.

3.1 Respondent Characteristics and Descriptive Analysis

This study involved 140 respondents who had purchased products directly at coffee shops in Kintamani within the last six months. The majority of respondents were aged between 18–30 years, indicating that coffee shops in Kintamani are predominantly visited by young consumers. Most respondents actively use social media, particularly Instagram and TikTok, which supports the relevance of promotion variables in this study. Descriptive analysis shows that respondents generally perceive the physical evidence of coffee shops in Kintamani positively. Elements such as interior design, cleanliness, scenery, and supporting facilities were rated favorably. Promotional activities, especially through social media and direct interaction with staff, were also perceived as effective. Brand image received high scores, indicating that coffee shops in Kintamani are viewed as attractive, unique, and memorable destinations. Purchase decision indicators also showed positive responses, suggesting a strong intention to buy and revisit.

3.2 Measurement Model Evaluation

The measurement model was evaluated through validity and reliability testing. Convergent validity was assessed using outer loading values, where all indicators showed loadings above the acceptable threshold of 0.70. Average Variance Extracted (AVE) values for all constructs exceeded 0.50, indicating good convergent validity. Reliability testing was conducted using Cronbach's Alpha and Composite Reliability. All constructs demonstrated values above 0.70, confirming that the measurement instruments were reliable. These results indicate that the indicators used in this study are valid and reliable in measuring physical evidence, promotion, brand image, and purchase decision.

3.3 Structural Model and Hypothesis Testing

The structural model analysis shows that physical evidence has a positive and significant effect on purchase decision. This finding suggests that an attractive physical environment, comfortable atmosphere, and adequate facilities encourage consumers to make purchasing decisions at coffee shops in Kintamani. Promotion also has a positive and significant effect on purchase decision. Effective promotional strategies, particularly through social media and personal communication, increase consumer awareness and interest, leading to higher purchasing decisions. Furthermore, physical evidence and promotion both have a positive and significant effect on brand image. This indicates that tangible aspects of the coffee shop and consistent promotional activities help shape a favorable image in the minds of consumers. Brand image itself has a positive and significant effect on purchase decision. Consumers who perceive a coffee shop as having a strong and positive brand image are more likely to make purchases and recommend the coffee shop to others.

3.4 The Mediating Role of Brand Image

The mediation analysis reveals that brand image partially mediates the relationship between physical evidence and purchase decision, as well as between promotion and purchase decision. This means that physical evidence and promotion influence purchase decisions both directly and indirectly through brand image. These findings indicate that while physical evidence and promotion can directly stimulate purchasing behavior, their impact becomes stronger when they successfully build a positive brand image. This result supports previous studies that emphasize the strategic role of brand image as a mediator in consumer decision-making processes.

3.5 Discussion of Findings

The results of this study align with consumer behavior theory, which states that consumers evaluate both tangible and intangible aspects before making purchasing decisions. In the context of coffee shops in Kintamani, physical evidence such as design, ambience, and natural scenery plays a crucial role in creating memorable experiences. Promotion, especially through digital platforms, is effective in communicating value and attracting consumers. When combined with strong physical

evidence, promotion enhances brand image, which in turn strengthens purchase decisions. These findings highlight the importance of integrating physical environment management and promotional strategies to build a competitive advantage in the coffee shop industry.

4. CONCLUSION

This study concludes that physical evidence and promotion have a positive and significant effect on purchase decisions at coffee shops in Kintamani. An attractive physical environment, including design, ambience, cleanliness, and supporting facilities, encourages consumers to make purchasing decisions. Likewise, effective promotional activities, particularly through social media and direct communication, play an important role in influencing consumer behavior. Furthermore, physical evidence and promotion are proven to have a positive and significant influence on brand image. A strong brand image enhances consumer trust and perceptions, which in turn positively affects purchase decisions. The results also confirm that brand image partially mediates the relationship between physical evidence and promotion on purchase decisions. This indicates that marketing efforts become more effective when they are able to build and strengthen a positive brand image. The findings of this study provide managerial implications for coffee shop owners in Kintamani to focus on improving physical environments and implementing consistent promotional strategies in order to strengthen brand image and increase consumer purchase decisions. Future research is recommended to include additional variables and broader research settings to enrich the understanding of consumer behavior in the culinary and tourism industries.

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