

AN EMPIRICAL ANALYSIS OF LOCAL COFFEE BRAND CONSUMPTION IN MALAYSIA

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Abstract: *The consumption of international coffee and local coffee brands has become increasingly popular in Malaysia, especially among adolescents and the millennial generation. Thus, coffee consumption in Malaysia has grown and flourished in tandem with the needs and demands of the consumers. Hence, the diverse factors influencing consumers towards coffee consumption are relatively significant and considered a major concern in marketing and behavioural studies. Therefore, this study aims to determine the factors influencing the consumption and re-consumption of local coffee brands among Malaysian university students. Quantitatively, this study surveyed 234 respondents by using non-probability sampling which involved all university students in Malaysia. The result reveals that both price and perceived quality have a significant effect on the consumption and re-consumption of the local coffee brand in Malaysia. Based on the result, it is recommended that the owner of the local coffee brand maintain a high product quality through rigorous quality control and effective staff training, while also adopting value-based pricing strategies and offering promotions to remain competitive. Additionally, the owner should emphasize the coffee's superior quality through targeted marketing campaigns, improve customer experience with excellent service and a welcoming ambience, and engage customers with events and menu diversification. Moreover, this will provide a competitive advantage to their business as consumer trends and behaviours are constantly transformed according to different generations and setting environments.*

Keywords: *Coffee, Consumption, Local Brand, Re-consumption, Theory of Planned Behaviour*

Introduction

Like tea, there has been an outstanding surge in the demand for coffee which is considered one of the most popular beverages in the world today. Some of the major coffee-producing countries, such as Brazil, Vietnam, Colombia, and Ethiopia, continue to have a substantial impact on global coffee production and trade. It has been estimated that over the period 2019-2020, around 164,487 (60 kg) bags of coffee were consumed globally (International Coffee Organization, 2020). According to BLLNR Singapore (2020), coffee is considered the second-bestselling product globally after petroleum products.

The introduction of global coffee chains and the adoption of the coffee culture among the overseas educated has led to an increase in coffee consumption in Malaysia. The record shows that coffee consumption has grown by 73%: from 344,783 bags of coffee beans in 2020 and finished up 597,064 in 2021. This means Malaysia consumed an extra 252,281 bags of coffee beans, with each bag weighing 60kg. Due to this spike, has led Malaysia to be ranked third among 58 countries in the region for the highest growth in coffee consumption in 2021 (International Coffee Organization, 2021). Figure 1 shows that Malaysia is Asia Pacific's 3rd growth driver in coffee consumption.

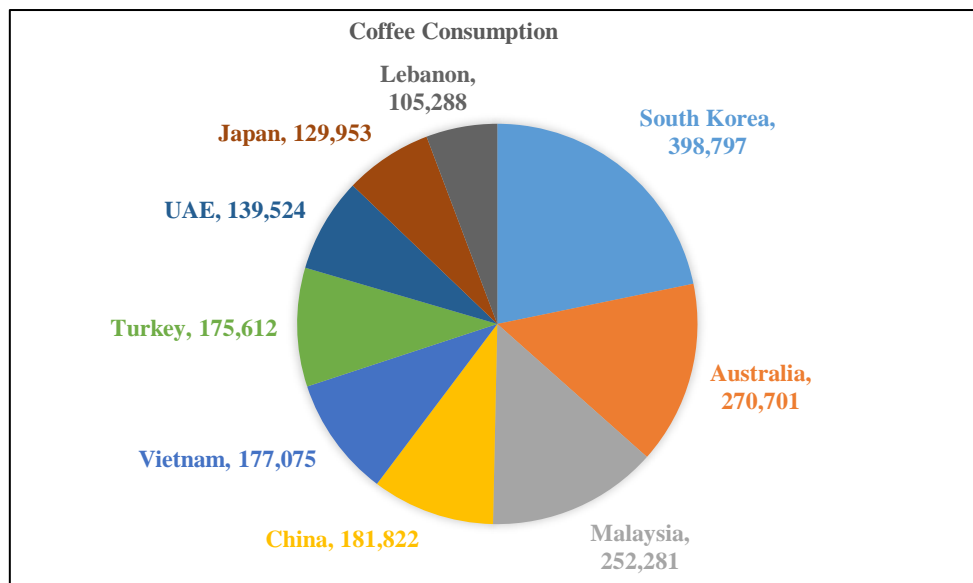


Figure 1: Coffee Consumption in Asia Pacific Region

Source: International Coffee Organization, 2021

The statistic shows the total coffee consumption in Malaysia has been increasing since 2020, Covid-19 nonetheless especially among adolescents and the millennial generation. Malaysians now are drinking more coffee. In 2021, every person in Malaysia drank an average of 107 cups of coffee. This is calculated based on each cup using 10 grams of coffee as shown in Figure 2 below.

Influenced by urbanisation and the introduction of Western culture into the Malaysian lifestyle, international coffee chains were introduced during the 1900s. Coffee has been served at the doors of branded retail shops such as Coffee Bean & Tea Leaf and Starbucks in Malaysia since 1997. Then, in 2012, McDonalds launched their first McCafé restaurant in Malaysia. This introduction has led to the upgrade of *kopitiams* and other local coffee shops to a more modern version like Old Town White Coffee (Khoo, 2009, as cited in Khazanah Research Institute,

2019; Lee, Rajaratnam, and Konar, 2018). An international chain outlet has expressively transformed the trend of coffee consumption and coffee shop culture in Malaysia (Ramanathan et al., 2021; Rahim et al., 2019). Moreover, the mushrooming of international coffee outlets in Malaysia has led to positive competition in the coffee industry including the flourishing of local coffee brands. The potential growth of coffee consumption has attracted local entrepreneur to start their coffee brand and operate local coffee businesses in this country. According to Ramanathan et al., (2021), local cafes and coffee shops are expanding and growing due to more Malaysians consuming coffee and for young millennials, coffee now is their regular drink.

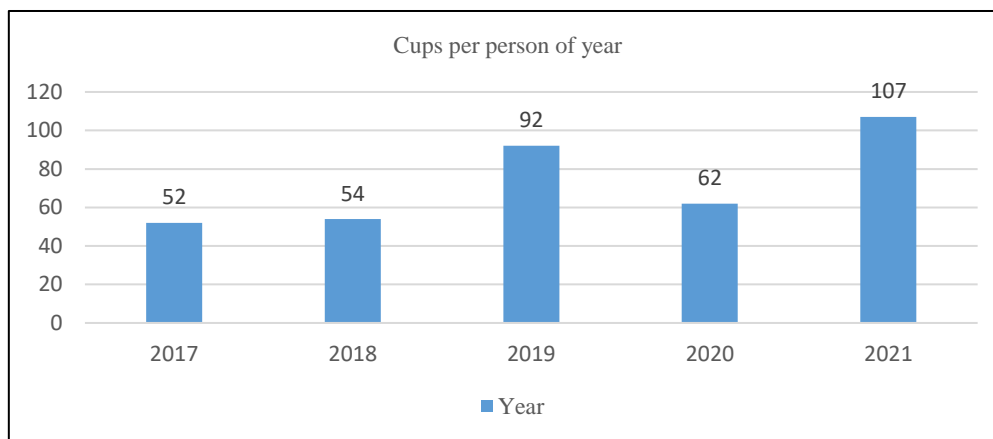


Figure 2: Malaysian Cup of Coffee

Source: International Coffee Organization, 2021

This study is carried out to determine the factors influencing university students in Malaysia to consume and spend their money to buy a local coffee brand. By having a clearer understanding of what factors influence Malaysian university students to consume the local coffee brand, the owner and entrepreneur can formulate an appropriate marketing strategy to attract and retain this target group of customers. Hence, the objective of this research was to determine the factors influencing local coffee brand consumption among university students in Malaysia.

Literature Review

This section discussed the literature review related to the local coffee brand consumption and re-consumption, price and perceived quality which is used as the variable in this study.

Local Coffee Brand Consumption

Local premium coffee shops are not an uncommon sight in Malaysia today. Independent local coffee brands and chains are changing the way the majority of Malaysians consume coffee in public. The new drinking of coffee culture, the busy lifestyle and urbanization have led to the mushrooming of local coffee brands and shops. According to World Coffee Portal, (2023), data shows that Malaysian branded coffee grew 28 per cent to exceed 3,330 outlets over the past year, with this astonishing growth spurred by a healthy economy expected to expand 4-5 per cent in 2024. Specialty coffees are more accessible to consumers nowadays (Malaysia Coffee Portal, 2023). This is in line with the data provided by the Malaysia Coffee Industry Report (2023), where local coffee brands such as Bask Bear, a tech-led coffee brand with 110 physical stores and 120 delivery-only outlets. Other locals like Gigi Coffee, which operates 100 stores across Malaysia currently offer a variety of coffee-based beverages aimed at younger consumers. Followed by Zus Coffee which also offers a variety choices of coffee beverages.

These statistics led the researchers to examine the factors influencing the increasing local coffee brand consumption.

The majority of Malaysian's premium coffee consumption today is led by tech-savvy, relatively affluent, younger consumers which familiar with the adoption of digital transactions and in-app purchases. A study by Malaysia Coffee Association (MCA), (2023) found millennials are a key coffee-consuming demographic with 85 per cent drinking coffee at least daily compared to 68 per cent of the general population. Gen Z is also increasingly embracing the out-of-home coffee culture, with a significant number making regular purchases. According to the Chief Executive Officer (CEO) of Bask Bear Coffee, Malaysian consumers currently embark on their coffee journey as early as in secondary school with trending beverages such as coffee smoothie and Frappuccino. Thus, the challenge for local coffee brands is to capture the interest of future coffee drinkers at the early stage. Furthermore, the Gen Z and millennial segments are willing to pay more for high-quality coffee experiences and have created a social market for local coffee chains to thrive. Through this fact, this research focuses on Malaysian university students towards local coffee brand consumption as they are the Gen Z segment.

There are a variety of factors influencing the consumption behaviour of a person such as the quality of the product and reasonable price. A study by Samoggia et al., (2018), found that the main factors of coffee consumption and purchasing behaviour are functional, taste and pleasure, habit, tradition and culture and socialization. Moreover, the other study by Samoggia et al., (2019), revealed that coffee consumption is still price-oriented, but consumers are interested in purchasing coffee with associated health claims. Purchase intention is defined as user behaviour where the buyer has a strong willingness to select, pay for and consume a product or service offered by a company (Chew et al., 2018). Past researchers have conducted a study related to coffee focusing on the coffee industry, coffee production, coffee shop choices and intention to purchase coffee beverages in general (Nik Omar et al., 2022; Yahya et al., 2022; Rahim et al., 2019; Lee et al., 2018). Nevertheless, this study is conducted to examine whether the consumption behaviour of consumers will lead to the re-consumption towards products and brands.

Re-consumption of Local Coffee Brand

High satisfaction from consumers when deciding to adapt or purchase a product led to high re-purchase intention in the future. This is due to re-purchase intention acting as a consumer statement to themselves that reflects a plan to make purchases on several products with certain brands repeatedly. In line with Trisnawati et al., (2012), stated that rep-purchase intention is a person's behaviour that shows the desire to make repeated purchases for the future. According to Ajzen (1991), behavioural re-intention acts as a key part of the mix of motivational factors that influence consumers which have been explained by the Theory of Planned Behaviour (TPB), while Chelliah et al., (2021), understanding behavioural re-intention can promote companies' knowledge on consumer shopping behaviours, which led to essential information when analyzing the business plan, measuring customer loyalty, designing effective marketing strategies, and increasing sales volumes (Putithanarak et al., 2022).

Therefore, as for this study, the TPB is a viable and sensitive model that researchers can use to account for the reasons why consumers consumed and re-consumed local coffee brands, as well as their motivations that underpin this behaviour. This is supported by previous research that used the TPB model in their study related to consumers drinking beverages (Shin et al., 2018; Samoggia & Rezzaghi, 2021; Zoellner, Krzeski, Harden, Cook, Allen, & Estabrooks, 2012).

Furthermore, in this context of the study, behavioural re-consumption is the perception that Malaysian university students tend to experience the same local coffee brand multiple times; and refers to the frequency of consumers selecting or repeatedly buying from the same brand many times which is similar to the study conducted by Putithanarak et al., (2022). On top of that, behavioural re-consumption was selected as the dependent variable to understand the re-purchase behaviour towards the local coffee brand among Malaysian university students. This is expected to offer insights into significant motivational factors that influence behaviour and enable an analysis of how this group of consumers exhibit their behavioural re-intention.

Price

Price represents the amount of money that consumers would provide in exchange for a product or services (Armstrong, 2014) which price able to provoke the consumer's purchase intention (Keller & Kotler, 2015). Furthermore, price acts as a tool to inform consumers about the value of the products or services. The studies on the relationship between price and purchase intention have been examined by many researchers and the majority agreed that is positively related (Rahim et al., 2019). Supported by Sulu, Saerang and Massie, (2016) described price as a significant factor influencing consumers in buying decision making. Other studies related to coffeehouse selection attributes determined four attributes considered most important by customers and price is one of those attributes (Tan & Lo, 2008).

The purchase decision for coffee is largely based on quality rather than price where consumers prefer quality brands of coffee (Sheriff et al., 2016). A study by DeVecchio and Puligadda (2012) explained that most coffee consumers are perceived to be high quality; when a high-quality brand of coffee is sold at discounted prices, the effect is positive. Nevertheless, the association between the price and quality of coffee is still unclear (Sheriff et al., 2016; UKessays.com n.d). In-line with a study by Harith, Ting and Zakaria, (2014) and Hashim et al., (2017) reported that opinions differ on the concept of price. Their study found that some consumers are willing to pay for quality while the remaining base their purchasing decisions on whatever is the cheapest. Contrast with a study by Jaw et al., (2010), found some consumers are willing to pay for higher quality due to their opinion that, higher prices mean higher quality. Thus, to address the gap, this research is conducted to identify whether price can influence the consumption of local coffee brands among Malaysian university students. Moreover, this group of consumers are price-conscious, yet they are value-hungry which means they expect good quality of products and services. In line with the study of Hashim et al., (2017) which explained prices play a role among younger consumers looking for an eatery including beverage consumption.

Perceived Quality

Quality refers to a degree of excellence or finesse usually in conformance to a pre-established standard and can be an overall evaluation of a product's quality (Islam et al., 2018). Meanwhile, perceived quality is defined as the perceived ability of a product to provide satisfaction relative to available attractiveness (Grewal, Monroe & Krishnan, 1998); is the consumer's judgment about an entity's overall excellence or superiority (Zeithaml, 2000). According to Garvin, (1984) and Hjrøth Anderson, (1984) explained that perceived quality differs from objective quality where perceived quality is a form of attitude, related but not similar to satisfaction and it results from a comparison of expectations with a perception of performance. In this research, perceived quality is referred to as a set of attributes that perform a certain level of quality which offers effectiveness to customers. It is based on subjective perceptions of intrinsic and/or extrinsic attributes like brand image, performance, serviceability and country of origin. This is

supported in the study by Sunarharum et al., (2021) explained that the quality of the coffee can influence consumer consumption behaviour. Hence, this study focusing whether the perceived quality will influence the consumption of local coffee brands among Malaysian university students.

Research Framework and Hypotheses Development

To get a clearer idea of what this study is about, a research framework was developed. The research framework for this research is shown in Figure 3 below.



Figure 3: Research Framework

Based on the discussions presented above, the following hypotheses are proposed.

H1: Local coffee brand consumption significantly influences re-consumption of local coffee brand

H2: Price significantly influences local coffee brand consumption

H3: Perceived quality significantly influences local coffee brand consumption

Methodology

The research design for this study, aimed at both descriptive exploration and hypothesis testing, involves a correlational approach within a cross-sectional time horizon. Focusing on the individual as the unit of analysis, this design seeks to examine relationships between variables without manipulation, reflecting real-world scenarios. Students from Malaysian universities took part in a survey which was conveniently sampled. The total number of universities student in Malaysia is approximately 1.2 million. The students were chosen as the respondents because they represent the adolescents and the millennial generation which is known to be the largest consumer group in the market. The questionnaires were distributed via online form to 384 respondents. The online method was chosen to ensure the questionnaire reached a wider range of respondents. Out of 384 respondents, 234 respondents filled out the online survey forms, resulting in a response rate of 60.93%. Data were then analysed using SPSS, Version 29. Data analysis includes descriptive analysis, correlation and also regression analysis.

Results and Discussions

The results of this study are presented and discussed in the following section. This study has answered all the research questions and research objectives of this study, whose primary focus was to examine the factors influencing the consumption and re-consumption of local coffee brands among Malaysian university students. A few analyses were carried out in this study, which is the descriptive analysis, which describes the demographic profile of the respondents. Apart from that, correlation analysis and multiple regression analysis were also carried out to determine the relationship between variables and the effect of the independent variables on the dependent variable.

Reliability Test

The reliability of the constructs was analyzed using Cronbach's alpha (α). The Cronbach's alpha values of the constructs ranged from 0.932 (local coffee brands consumption), 0.918 (re-consumption of local coffee brands), 0.866 (price), 0.873 (perceived quality). All items indicate a good reliability of the constructs used.

Table 1: Reliability Test Result

	Cronbach's Alpha	N of Items
Local Coffee Brands Consumption	0.932	8
Re-consumption of Local Coffee Brands	0.918	4
Price	0.866	5
Perceived Quality	0.873	5

Demographic Profile

Section A of the questionnaire covers the demographic profile of respondents which is summarized in Table 2 below. The data presented includes demographic information, university type, and coffee purchasing behaviour of a surveyed population. Here is a detailed analysis of the findings:

Table 2: Summary of Demographic Profile of Respondents

No.	Demographic	Subject	Frequencies	Percentage
1	Gender	Male	60	25.6
		Female	174	74.4
2	Age (years)	Less than 17 years old	126	53.8
		18 - 22 years old	92	39.3
		23 - 27 years	1	0.4
		27 - 31 years	15	6.4
		More than 32 years old	0	0.0
3	Types of University	Public Institution of Higher Learning	205	87.6
		Private Institution of Higher Learning	29	12.4
4	Have you purchased any local coffee brands in the past 3 months?	Yes	159	67.9
		No	75	32.1

Gender Distribution

The sample comprises a total of 234 respondents, with a significant majority being female. Males were represented by 60 respondents (25.6%) while females were represented by 174 respondents (74.4%). This indicates a skewed gender distribution, with females making up almost three-quarters of the respondents. Figure 4 below depicted the summary of respondents' gender.

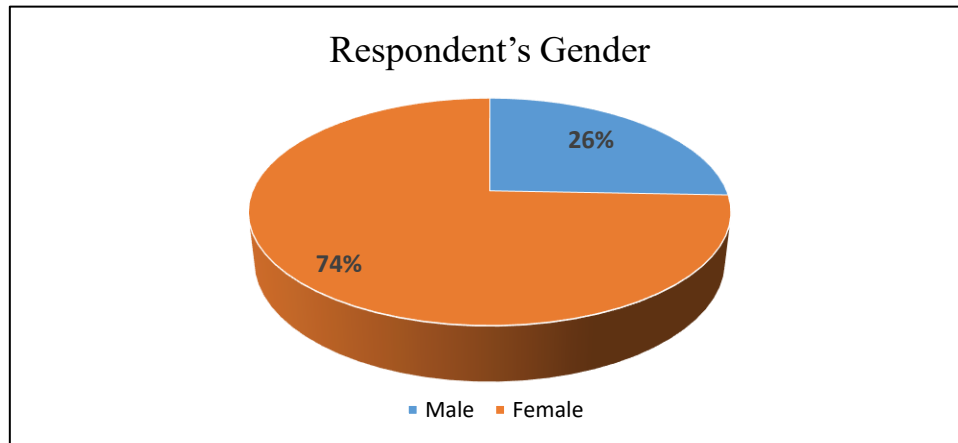


Figure 4: Respondent's Gender

Age Distribution

The age distribution of the respondents shows a diverse range, predominantly concentrated among the younger age groups. The data reveals that the majority of respondents, 126 individuals or 53.8%, are less than 17 years old. This is followed by the 18 to 22 age group, which comprises 92 respondents, accounting for 39.3% of the total. There is a significant drop in representation among older age groups, with only 1 respondent (0.4%) aged 23 to 27, and 15 respondents (6.4%) aged 27 to 31. Notably, there are no respondents over the age of 32. This distribution highlights a predominantly younger demographic among the respondents. The majority of the respondents are less than 22 years old, making up 93.1% of the sample. This suggests that the survey primarily reached a younger demographic, with a substantial portion being teenagers. Figure 5 below depicted the summary of respondents' age.

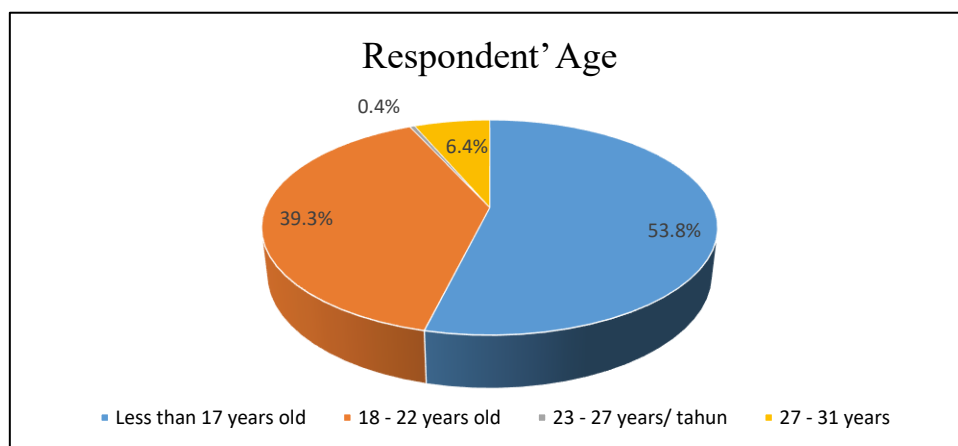


Figure 5: Respondent's Age

Types of University Attended

Respondents are primarily from public institutions, with a smaller portion attending private institutions. The data indicates that a substantial majority of respondents, 205 individuals or 87.6%, are from public institutions of higher learning. In contrast, only 29 respondents, accounting for 12.4%, are from private institutions of higher learning. This distribution highlights a predominance of students from public educational institutions among the respondents. This significant majority indicates a higher representation of students from public universities. Figure 6 below depicted the summary of type of university by respondents.

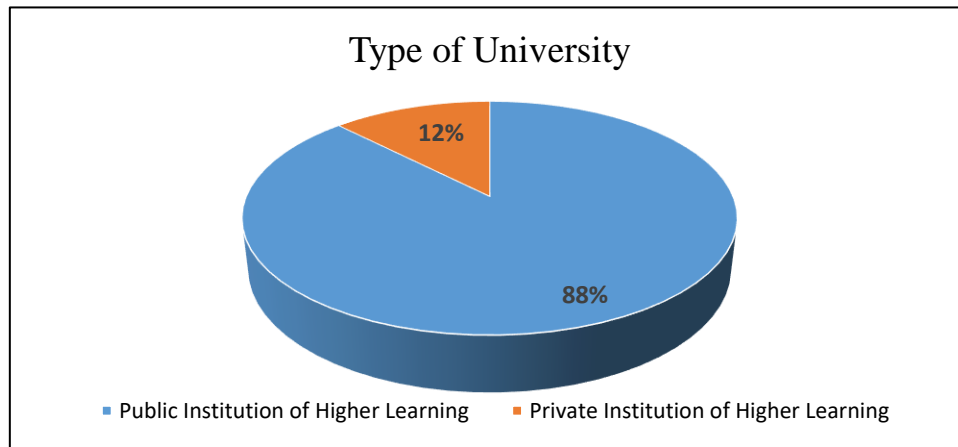


Figure 6: Type of University

Coffee Purchasing Behavior

The survey inquired about the respondents' purchasing behaviour regarding local coffee brands in the past three months. The data shows that a majority of respondents, 159 individuals or 67.9%, have purchased local coffee. In contrast, 75 respondents, accounting for 32.1%, have not purchased local coffee. This indicates a strong preference for local coffee among the majority of the respondents. A substantial majority (over two-thirds) of the respondents have purchased local coffee brands recently, indicating a high level of engagement with local coffee products among the surveyed group. Figure 7 below depicts the summary of coffee purchasing behaviour among respondents.

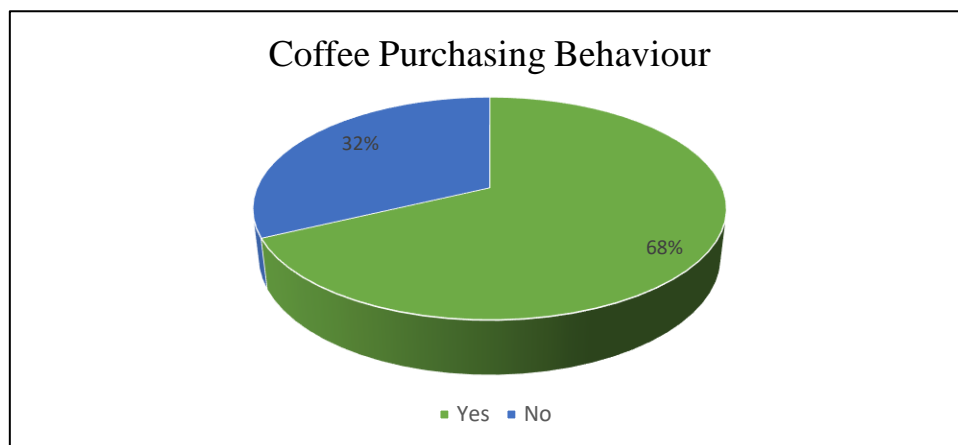


Figure 7: Coffee Purchasing Behaviour

While the suggested reason is not completely unreasonable, the fact that females dominated the pool of respondents may imply that women are more curious to know topics covered by the survey, or they just simply respond to survey participation. These observations must be made with the awareness of the gender imbalance in this data. With 93.1% of respondents being under 22 years old, the data primarily reflects the preferences and behaviours of a younger demographic. This could be especially true if the products/services are intended for a teenage/young adult market. The bias towards students from public universities can be seen when it comes to making conclusions about the experiences and preferences about education as such observations may well be relevant to students in public universities alone. The more limited sample from private institutions makes it harder to compare those results to that

population. The high rate of local coffee purchases suggests that the coffee brands are popular or that local brands have a high preference with 67.9% of local coffee purchases. This might be helpful data for regional coffee growers and promoters who want to acquire more knowledge about their target audience.

Businesses, especially those in the local coffee industry, should consider focusing their marketing efforts on young females and students from public universities, as these groups form the majority of the respondents. To gain a more balanced view, future surveys should aim for a more even gender distribution and include a wider age range. Efforts should be made to engage older age groups and more students from private institutions. Public institutions might explore strategies to maintain or increase the engagement of their students in surveys and studies, leveraging their high participation rates. By understanding these demographics and behaviours, stakeholders can make more informed decisions and tailor their strategies to better meet the needs and preferences of their target audience.

Correlation Analysis

The Pearson Correlation was used in this study to indicate the direction strength and significance of the bivariate relationship among the variables. This analysis indicated the relationship between two independent variables: Price and Perceived Quality with the dependent variable, which is the Re-consumption of Local Coffee Brands and also the relationship between Local Coffee Brand Consumption and Re-consumption of Local Coffee Brands. Table 3 below shows the strength of the relationship correlation between variables measured in this study.

Table 3: Correlations

		Local Coffee Brands Consumption	Reconsumption Of Local Coffee Brands	Price	Perceived Quality
Local Coffee Brands Consumption	Pearson Correlation	1	.663**	.510**	.557**
	Sig. (2-tailed)		<.001	<.001	<.001
	N	234	234	234	234
Reconsumption of Local Coffee Brands	Pearson Correlation	.663**	1	.535**	.586**
	Sig. (2-tailed)	<.001		<.001	<.001
	N	234	234	234	234
Price	Pearson Correlation	.510**	.535**	1	.587**
	Sig. (2-tailed)	<.001	<.001		<.001
	N	234	234	234	234
Perceived Quality	Pearson Correlation	.557**	.586**	.587**	1
	Sig. (2-tailed)	<.001	<.001	<.001	
	N	234	234	234	234

** . Correlation is significant at the 0.01 level (2-tailed).

The given data presents the Pearson correlation coefficients among four variables related to local coffee brands: consumption, reconsumption, price, and perceived quality. The analysis reveals significant relationships between all pairs of variables, with the significance level set at 0.01 (2-tailed).

1. Local Coffee Brands Consumption

- **Reconsumption of Local Coffee Brands:** The correlation between local coffee brands consumption and reconsumption is $r = 0.663$, indicating a strong positive relationship. This suggests that higher consumption of local coffee brands is associated with higher likelihood of reconsumption.
- **Price:** The correlation between local coffee brands consumption and price is $r = 0.510$, which is a moderate positive relationship. This implies that higher consumption of local coffee brands tends to be associated with higher prices.
- **Perceived Quality:** The correlation between local coffee brands consumption and perceived quality is $r = 0.557$, showing a moderate positive relationship. This indicates that higher consumption is linked to higher perceived quality of the coffee.

2. Reconsumption of Local Coffee Brands

- **Price:** The correlation between reconsumption and price is $r = 0.535$, which is a moderate positive relationship. This suggests that consumers who are likely to repurchase local coffee brands are also likely to pay higher prices.
- **Perceived Quality:** The correlation between reconsumption and perceived quality is $r = 0.586$, indicating a strong positive relationship. This means that higher perceived quality is strongly associated with higher reconsumption rates.

All correlation coefficients are statistically significant at the 0.01 level (2-tailed), indicating strong evidence against the null hypothesis of no correlation. The analysis shows that there is a strong positive correlation between local coffee brands consumption and reconsumption. Both price and perceived quality have moderate to strong positive correlations with consumption and reconsumption of local coffee brands. These results suggest that consumers' decisions to consume and reconsume local coffee brands are strongly influenced by the perceived quality and the price of the coffee. Strategies to increase consumption and reconsumption should consider improving perceived quality and maintaining a pricing strategy that reflects this quality. The moderate positive correlation (0.535) between price and re-consumption suggests that price is important but not the sole factor in re-consumption behavior. Consumers also consider quality, as shown by the strong positive correlation (0.586) between perceived quality and re-consumption, emphasizing quality perception's role in fostering brand loyalty. High-quality perception can significantly increase repeat purchases. Therefore, local coffee brands should focus on maintaining and communicating high-quality standards, using quality control, positive customer experiences, and transparent communication to enhance perceptions. Competitive pricing that reflects product quality and effective marketing can further drive re-consumption by associating higher prices with better quality. Understanding these correlations helps local coffee brands tailor their strategies to boost customer satisfaction and loyalty.

Multiple Regression Analysis

Regression analysis is employed when an independent variable is hypothesized to impact a dependent variable. In this research, regression analysis was conducted to assess whether the independent variables, price and perceived quality, significantly influence the dependent variable, which is the re-consumption of local coffee brands. Multiple regression can evaluate the model fit and determine the relative contribution of each independent variable to the total variance in this study.

Table 4: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.835	.217		3.848	<.001
	Price	.159	.056	.167	2.859	.005
	Perceived Quality	.272	.068	.241	3.987	<.001
	Local Coffee Brands Consumption	.409	.052	.444	7.805	<.001

a. Dependent Variable: RECONSUMPTION OF LOCAL COFFEE BRANDS

The multiple regression analysis examines the impact of three independent variables - price, perceived quality, and local coffee brands consumption - on the dependent variable, reconsumption of local coffee brands. The regression equation based on the unstandardized coefficients is:

$$\text{Reconsumption of Local Coffee Brands} = 0.835 + 0.159(\text{Price}) + 0.272(\text{Perceived Quality}) + 0.409(\text{Local Coffee Brands Consumption})$$

The constant term (0.835) is significant ($t=3.848$, $p<0.001$), indicating a baseline level of reconsumption when all independent variables are zero. The price coefficient (0.159) is positive and significant ($t=2.859$, $p=0.005$), suggesting that higher prices are associated with increased reconsumption. Perceived quality has a coefficient of 0.272, also positive and significant ($t=3.987$, $p<0.001$), highlighting the importance of quality perception in driving reconsumption. The strongest predictor is local coffee brands consumption, with a coefficient of 0.409 ($t=7.805$, $p<0.001$), showing a robust positive impact on reconsumption.

Price has a significant positive effect on the re-consumption of local coffee brands. A higher price, which may be associated with perceived higher value or quality, increases the likelihood of re-consumption. This implies that consumers are willing to repurchase local coffee brands even at higher prices, likely due to the perceived value they receive. Perceived quality has an even stronger positive effect on re-consumption. This suggests that consumers place a high value on the quality of local coffee brands, and higher perceived quality significantly boosts the likelihood of repeat purchases. Ensuring high product quality and effectively communicating this to consumers can lead to higher re-consumption rates. While both price and perceived quality are significant predictors of re-consumption, perceived quality has a larger impact (Beta = 0.241) compared to price (Beta = 0.167). This highlights the critical importance of quality perception in driving consumer loyalty and repeat purchases.

The multiple regression model, which includes Price, Perceived Quality and Local Coffee Brands Consumption as predictors, demonstrates a moderate to strong ability to predict the re-consumption of local coffee brands. The model explains approximately 52.5% of the variance in re-consumption behaviour, indicating that while these predictors are important, other factors may also play significant roles in influencing re-consumption. The standard error suggests that the model predictions are reasonably accurate but could be improved with additional relevant predictors. Overall, the model provides valuable insights into the factors influencing the re-consumption of local coffee brands, highlighting the importance of perceived quality and price.

These findings imply that to enhance reconsumption, local coffee brands should focus on increasing consumption experiences, improving perceived quality, and maintaining appropriate pricing strategies. By prioritizing these areas, local coffee brands can effectively boost customer loyalty and encourage repeat purchases.

Model Fit

The model fit summary provides key statistics that evaluate the effectiveness of the multiple regression model in predicting the re-consumption of local coffee brands based on the independent variables: Price, Perceived Quality and Local Coffee Brands Consumption. Table 4 below summarizes the model fit of this model.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725 ^a	.525	.519	.47426

a. Predictors: (Constant), LOCAL COFFEE BRANDS CONSUMPTION , PRICE, PERCEIVED QUALITY

The value of 0.725 indicates a moderate to strong correlation between the observed and predicted values of the re-consumption of local coffee brands. This suggests that the model provides a reasonably good fit to the data. The R Square value of 0.525 indicates that approximately 52.5% of the variance in the re-consumption of local coffee brands can be explained by the predictors in the model (Price, Perceived Quality and Consumption). This suggests that while the model explains a substantial portion of the variance, there is still a significant amount of variability that is not accounted for by these predictors. The Adjusted R Square value of 0.519 accounts for the number of predictors in the model and adjusts the R Square value accordingly. This slight decrease from the R Square value (from 0.525 to 0.519) indicates that the model is still a good fit after adjusting for the number of predictors, but it also underscores the importance of adding predictors only if they provide a meaningful contribution to the model. The value of **0.47426** represents the standard deviation of the residuals (errors). This measure provides an estimate of the average distance that the observed values fall from the regression line. A lower value would indicate a better fit of the model to the data. In this context, a standard error of **0.47426** is reasonable, though it suggests there is still some variability in the data that the model does not capture.

Conclusion

Local coffee brands should prioritize maintaining and enhancing product quality to build a strong reputation and secure customer loyalty. This can be achieved by investing in robust quality control measures that ensure every batch of coffee meets the highest standards. By rigorously monitoring the quality of their products, brands can confidently communicate their commitment to excellence, which is essential for fostering trust and encouraging repeat purchases among consumers. Although perceived quality is the primary driver of customer re-consumption, the role of price cannot be overlooked. To address this, local coffee brands should adopt pricing strategies that reflect the premium nature of their products. It is crucial that these pricing strategies are competitive within the market, yet also signal the superior quality of the coffee. By finding the right balance, brands can appeal to value-conscious consumers without compromising the perception of high quality. Effective marketing is integral to this approach. Local coffee brands should focus their marketing efforts on highlighting the exceptional quality and value of their offerings. This can be done by showcasing quality certifications that attest to

their standards, sharing glowing customer testimonials that highlight satisfaction and trust, and using other quality indicators that reinforce positive perceptions. Such marketing initiatives not only attract new customers but also reinforce the decision of existing customers to continue choosing their products.

In conclusion, by understanding and leveraging the relative importance of price and perceived quality, local coffee brands can finely tune their business strategies to enhance consumer satisfaction and loyalty. This comprehensive approach ensures that customers recognize the superior value of the brand, leading to higher re-consumption rates and sustained success in the competitive coffee market.

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