Product Development Strategies Impact The Purchasing Interest Of Coffee Kali Drinkers

Nazla Kaylasalma[1] , Abriandi[2], Virgo Simamora[3]
[1,2,3]Faculty of Economics, Business, and Social Universitas 17 Agustus 1945 Jakarta
E-mail : nazlaslm31@gmail.com, abriandis@gmail.com,
virgo.simamora@uta45jakarta.ac.id

Abstract
The purpose of this study is to explain the influence of product development strategy on purchasing interest Kali Coffee. This research have 100 respondents who qualify to be a respondent in this research. The data collection technique in this research was carried out by distributing questionnaires via Google form. The researcher used PLS-SEM as a data analysis with Smartpls 3.0 software support. The result of this research indicate that product development strategy have an effect on purchasing interest Kali coffee.
Keywords : Product Development Strategies, Purchasing Interest, Coffe Kali Drinkers.

1. INTRODUCTION

Coffee is one of the commodities that contributes significantly to the revenue of Indonesian farmers and other economic actors. In 2014, Indonesia was the fourth largest coffee producer in the world, after Brazil, Vietnam, and Colombia. Indonesia was also the fifth largest coffee exporter in 2015, following Brazil, Vietnam, Colombia, and Germany in terms of coffee product exports with the Harmonized System (HS) code 0901. In addition to its status as a coffee producer, Indonesia holds one of the top five global consumption rates. From 2017 to 2021, Indonesia's consumption rate steadily climbed, reaching 5 million bags at 60 kg, up 4.04% from the previous year (Mahmudan, 2022). This phenomenon explains the significant commercial prospects in the coffee industry, which has led to an increase in the number of coffee shops and competition among them in Jakarta. To be competitive, every coffee business must innovate to enhance sales volume. Ansoff (1957) offers four ways that businesses can use to increase sales volume: market penetration, product development, and diversification. Coffee businesses can use any or all of these techniques to stay competitive. These are the trends in Indonesian coffee from 2017 to 2022.
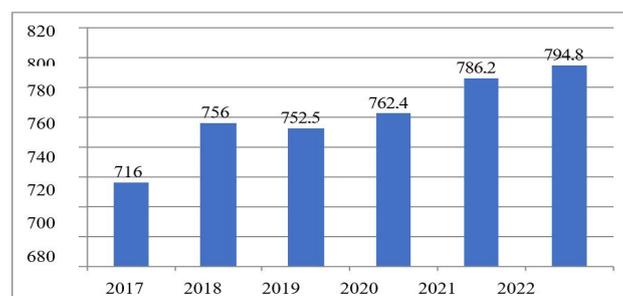

Figure 1. Indonesian Coffee Trends
Source: (Santika, 2024)

The statistics presented above explain the significant consumer interest in purchasing coffee beverage goods. According to Ridwan et al. (2020), purchasing interest can be defined as an individual's positive attitude toward an object that leads them to strive to obtain it by paying with cash or other methods. Consumer experience with a product influences other consumers' purchasing decisions; thus, businesses must be able to produce products that meet consumer wants and preferences. A product development strategy is an activity that involves improving a product in order to deliver increased benefits and satisfaction. Company staff can conduct product development by developing new items based on applicable models (Wijaya & Maghfiroh, 2018). The previous study (Aslamiah & Zulfikar, 2023) demonstrates that the product development strategy influences the purchasing interest.

Founded in 2019, Kopi Kali Place is a prominent coffee cafe in North Jakarta. To compete, Kopi Kali uses market penetration and product development to boost sales volume. Market penetration is a business strategy that emphasizes marketing current items in existing markets (Putri et al., 2022). Product development is a business strategy that focuses on creating new items for existing markets in order to improve sales volume. Previous research results have shown that market penetration has a favorable effect on improving sales volume (Wijaya, 2017). Previous research results indicate that market penetration has a favorable effect on increasing sales volume. Similarly, prior research (Basda et al., 2022) discovered that the local coffee product development strategy increases local coffee sales. The purpose of this study is to examine the impact of a product development approach on purchase interest. The findings of this study are valuable in contributing to the literature on product development methods and increasing consumer interest in Kopi Kali.

2. LITERATUR REVIEW

Product Development Strategy

In coffee shops, new product development might take the shape of innovation in the coffee-making process, where unique manufacturing processes are used to generate a distinct coffee flavour (Simamora, 2022). Basda et al. (2022) conducted research on the development of local coffee products by developing various variants of ground coffee products, such as organic coffee, coffee with varying levels of smoothness, and mixed coffee with local spices to meet diverse market tastes, which has proven to be successful in developing coffee shop businesses. According to research (Azril, 2022), developing coffee products by innovating product features, such as coffee colour with a distinct coffee taste and practical product packaging that is easy to transport, is a feasible alternative to developing product attributes.

Product development strategy, often known as product development, entails addressing prospective modifications in a product to improve its advantages (Husniar et al., 2023). The research findings show that product development approach influences consumer purchase interest (Ritonga & Aslami, 2022).

Several prior studies have shown the usage of several indicators to explain product development strategies. Aslamiah and Zulfikar's (2023) research identifies two indicators for coffee product development: product enhancement and product modification. Furthermore, Kurniawan and Azkiya (2016) identified five indicators to explain product development: idea search, product selection, preliminary product design, testing, and final design.

The indicators considered in this study are product improvement, design, and modification.

Purchase Interest

According to Simamora & Wijaya (2024), purchase interest is a person's desire or intention to buy a product or service. This can arise when consumers feel influenced by several factors, such as product quality, service quality, information received about the product, and previous experience with the same product or brand. Purchase interest can serve as a driving force or an intrinsic motive, encouraging someone to pay attention spontaneously, naturally, easily, without coercion, and selectively to a product before making a purchase decision.

Nainggolan & Heryenzus (2018) define purchase interest as consumer behavior that manifests in response to objects that signify a customer's intention to make a purchase. Purchase interest is behavior that appears in response to objects that indicate a customer's desire to make a purchase. Based on the explanation above, it can be concluded that consumer interest is the desire of consumers to make a purchase of an item.

From several previous research results, there are several indicators used to explain purchase interest. In Purbohastuti & Hidayah's (2020) research, there are 3 indicators used to explain the interest in buying Shopee products, namely transactional interest, reference interest, preferential interest, and explorative interest to explain purchasing interest. In Sari's (2020) research, there are 4 indicators used to explain purchasing interest, namely attention, interest, desire, and action. In this study, the indicators used to explain the interest in buying coffee beverage products are transactional interest, reference interest, preferential interest, and explorative interest.

3. METHOD

A quantitative methodology is implemented in this investigation. This research design tests its hypothesis by examining two variables: purchase interest and product development strategy.

Researchers define a population as a generalisation area that includes objects or subjects with specific quantities and characteristics, from which they draw conclusions (Komala & Nellyaningsih, 2017). In this investigation, samples are obtained from a substantial number of Kali Coffee consumers (Heridiansyah, 2012). This research implements "purposive sampling," a sampling methodology that entails the establishment of particular criteria (Mukhsin et al., 2017).

The sampling criteria for this research were respondents who had purchased Kali coffee products. From a population that met the criteria for respondents who had purchased Kali coffee products, we selected the sample for this investigation.

This study's sample size was determined by employing the Lemeshow formula, which establishes a minimum of 96 respondents. Questionnaires were disseminated through Google Forms as our data collection method. A structured questionnaire was distributed to respondents, which contained a pre-determined list of questions and answer choices arranged on a Likert scale from 1 to 5. As a data analysis instrument, the researcher employed PLS-SEM with the assistance of SmartPLS 3.0 software.

4. RESULT AND DISCUSSION
Respondent Profile
There were 100 respondents who had purchased Kali coffee products who met the requirements to participate in the study. The results of this study explain that female respondents (61%) while male (39%). The majority of respondents are students (35%).

By using SmartPLS 3.0 Partial Least Squares Structural Equation Modeling (PLS-SEM), the data were analysed as follows:

Evaluation of the Measurement Model
As demonstrated in the PLS model in Figure 1, the measurement model evaluation aims to evaluate the relationship between latent constructs in the product development strategy variables and purchase interest.
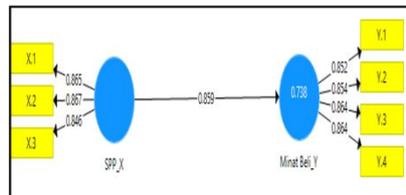

Figure 2. The PLS measurement model.

Based on the validity test results, the loading factor indicators for the product development strategy and purchase interest variables are all greater than or equal to 0.5, suggesting that all variable indicators are valid. Therefore, the instrument is considered reliable because all composite reliabilities are greater than or equal to 0.7. A variable construct is considered reliable if it has a composite reliability value of > 0.7, Cronbach's alpha > 0.7, and average variance extracted (AVE) > 0.5. The research yielded the following reliability test results:

Table 1. *Composite Reliability*

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Product development strategy (PDS)	0,824	0,895	0,739
Purchasing interest	0,881	0,918	0,737

The table above demonstrates that each variable's composite reliability has a value > 0.7, signifying the reliability of the answers to the questions representing all these variables and their potential for hypothesis testing. Similarly, each variable exhibits a Cronbach's alpha exceeding 0.7 and an AVE value surpassing 0.5, indicating that the study's measurement model satisfies the criteria for discrimination validity..

The Influence of product development strategy on purchase interest.

The hypothesis test (H1) indicates that the H1 hypothesis is accepted, as evidenced by a statistical t value of 15.542 > 1.96, which demonstrates a substantial impact of the product development strategy on purchase interest. The results of this study are consistent with the research conducted by Aslamiah and Zulfikar (2023), which posits that consumer interest in purchasing products is influenced by product development. The product development strategy is advantageous in that it improves, modifies, and designs the products produced by Kopi Kali, thereby influencing consumer interest in purchasing them.

Determination Coefficient

The R Square value in this study explains the influence of product development strategies on purchasing interest as in the following table:

Table 2. *R Square (R²)*

	R Square	R Square Adjusted
Purchasing Interest	0,738	0,736

The study's results showed an R Square value of 0.738, indicating that product development strategies influenced 73.8% of purchasing interest, with other variables not examined in this study influencing the remaining portion. The R square value was 0.67 (strong), 0.33 (moderate) and 0.19 (weak). The table above displays the results of the purchasing interest variable with a value greater than 0.67. This indicates that the variable falls into the strong category.

5. CONCLUSION

The results of the study on the influence of product development strategies on buying interest indicate that the strategy has a positive and significant impact. In other words, innovation and relevance in product development carried out by companies can increase consumer interest in making purchases

REFERENCES

Aslamiah, R. S., & Zulfikar, R. (2023). Pengaruh Pengembangan Produk Dan Pengendalian Kualitas Terhadap Kinerja Perusahaan (Survei Pada Sentra Astiga Leather Garut). *Ekonomi*, *1*(1).

Azril, A. (2022). *Peran Digital Marketing Dalam Meningkatkan Omset Penjualan Pada Pelaku Usaha Mikro Di Masa Pandemi Covid 19 Dalam Perspektif Etika Bisnis Islam (Studi Pada Jajanan Tape Khas Bugis Arya Azril Di Kelurahan Duyu)*.

Heridiansyah, J. (2012). Pengaruh Advertising Terhadap Pembentukan Brand

Awareness Serta Dampaknya Pada Keputusan Pembelian Produk Kecap Pedas Abc (Studi Kasus Pada Konsumen Pengguna Kecap Pedas Abc Di Kota Semarang). *Jurnal Stie Semarang*, *4*(2), 53–73.

Husniar, F., Sari, T. R., Safira, A. M., & Kamila, E. R. (2023). Strategi Pengembangan Produk Baru Sebagai Upaya Dalam Meningkatkan Daya Saing Perusahaan. *Jurnal Riset Manajemen Dan Akuntansi*, *3*(2), 22–34. Https://Doi.Org/10.55606/Jurima.V3i2.2156

Irsal Basda, M., Hasan, I., & Rasyid, R. (2022). Strategi Pengembangan Usaha Kopi Bubuk (Studi Kasus Usaha Home Industri Marasa Coffee Makassar). *Wiratani : Jurnal Ilmiah Agribisnis*, *5*(2), 2022.

Komala, R. D., & Nellyaningsih. (2017). Tinjauan Implementasi Personal Selling Pada Pt. Astra Internasional Daihatsu Astra Biz Center Bandung Pada Tahun 2017. *Jurnal Fakultas Ilmu Terapan Universitas Telkom*, *3*(2), 330–337.

Kurniawan, D., & Azkiya, R. (2016). Pengaruh Pengembangan Produk Dan Pengendalian Kualitas Terhadap Kinerja Perusahaan (Survey Pada Pt. Multipilar Balantika Tasikmalaya). *Jurnal Ekonomi Manajemen*, *2*(1), 1–9. Http://Jurnal.Unsil.Ac.Id/Index.Php/Jem

Mukhsin, R., Mappigau, P., & Tenriawaru, A. N. (2017). *Pengaruh Orientasi Kewirausahaan Terhadap Daya Tahan Hidup Usaha Mikro Kecil Dan Menengah Kelompok Pengolahan Hasil Perikanan Di Kota Makassar*. *6*(2), 188–193.

Nainggolan, N. P., & Heryenzus. (2018). Analisis Faktor-Faktor Yang Mempengaruhi Minat Beli Konsumen Dalam Membeli Rumah Di Kota Batam. *Accounting & Management Innovation*, *2*(2), 139–155.

Oktaviyana, L., & Simamora, V. (2018). Pengaruh Strategi Produk Terhadap Minat Produk Dan Dampaknya Terhadap Sustainable Produk Hiburan Berbasis Budaya Penonton Wayang Kulit Pada Masyarakat Solo Jawa Tengah. *Media Studi Ekonomi*, *21*(1), 1–13.

Purbohastuti, A. W., & Hidayah, A. A. (2020). Meningkatkan Minat Beli Produk Shopee Melalui Celebrity Endorser. *Bisnis Terapan*, *4*(1), 37–46. Https://Doi.Org/10.24123/Jbt.V4i1.2480

Ridwan, M., Militina, T., & Achmad, G. N. (2020). How Trust And Quality Of Information Affect Buying Interest And Purchasing Decisions? (Study On Shopee Customers In Samarinda). *International Journal Of Economics, Business And Accounting Research (Ijebar)*, *4*(01), 95–102. Https://Doi.Org/10.29040/Ijebar.V4i01.910

Ritonga, S., & Aslami, N. (2022). Dampak Strategi Penjualan Dan Pengembangan Produk Terhadap Minat Beli. *Mamen: Jurnal Manajemen*, *1*(1), 91–98. Https://Doi.Org/10.55123/Mamen.V1i1.22

Santika, E. F. (2024). *Ini Gambaran Produksi, Ekspor, Konsumsi Kopi Indonesia Hingga 2026*. Databoks. Https://Databoks.Katadata.Co.Id/Agroindustri/Statistik/A927a4885a13422/Ini-Gambaran-Produksi-Ekspor-Konsumsi-Kopi-Indonesia-Hingga-2026

Sari, S. P. (2020). Hubungan Minat Beli Dengan Keputusan Pembelian Pada Konsumen. *Psikoborneo: Jurnal Ilmiah Psikologi*, *8*(1), 147. Https://Doi.Org/10.30872/Psikoborneo.V8i1.4870

Simamora, V. (2022). Meningkatkan Pengetahuan Inovasi Umkm Kedai Kopi, Tanjung

Priok Di Jakarta Utara. *Berdikari*, *5*(2), 24–30. Https://Doi.Org/10.52447/Berdikari.V5i2.6427

Wachdijono, Wahyuni, S., & Risnaningsih, U. (2022). Sosialisasi Strategi Pemasaran Kopi Lokal Socialization Of Local Coffee Marketing Strategies. *Jurnal Qardhul Hasan; Media Pengabdian Kepada Masyarakat*, *8*(3), 275–285.

Wijaya, G. A. (2017). Analisis Strategi Bersaing Dalam Persaingan Cafe Di Kota Malang (Studi Kasus Pada Vosco Coffee Malang) Gisella. *Jurnal Ilmiah Mahasiswa Feb Universitas Brawijaya*, *2*(5), 14.

Wijaya, T., & Maghfiroh, A. (2018). Strategi Pengembangan Produk Untuk Meningkatkan Daya Saing Produksi (Studi Pada Tape "Wangi Prima Rasa" Di Binakal Bondowoso). *Kajian Ekonomi Dan Perbankan*, *2*(1), 87–98. Https://Ejournal.Unuja.Ac.Id/Index.Php/Profit

Yuniar, F. A., Handayani, A. P., & ... (2024). Strategi Pengembangan Produk (Studi Kasus Pada Umkm Brownies Ayu Wulandari). *Serambi Ekonomi Dan Bisnis*, *7*(1), 222–226. Https://Www.Ojs.Serambimekkah.Ac.Id/Index.Php/Serambi-Ekonomi-Dan-Bisnis/Article/View/7336%0ahttps://Www.Ojs.Serambimekkah.Ac.Id/Index.Php/Serambi-Ekonomi-Dan-Bisnis/Article/Download/7336/5249