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ANALYSIS OF HR SKILL, SERVICE, AND PROMOTION FACTORS ON PRICE THAT INFLUENCE THE LEVEL OF SALES OF MILLENIAL CAFE COFFEE

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Abstract

. Coffee is one of the mainstay commodities in Indonesia's plantation sector. HR skills, service, promotion, and price are factors that affect sales levels. This study aims to analyze the influence of HR skills, service, and promotion on sales levels through price as mediation. The analysis was carried out by the chance of withdrawal of 250 respondents using the Questionnaire method

Keywords: *Coffee, HR Skills, service, promotion, sales rate*

INTRODUCTION

Coffee is one of the mainstay commodities in the Indonesian plantation sector. The role of the coffee commodity in the Indonesian economy, both as a source of income for coffee farmers, a source of foreign exchange, a producer of industrial raw materials, as well as a provider of employment through processing, marketing, and trading (export and import) activities. The growth trend of Indonesia's coffee exports is predicted to continue in 2018. Domestic coffee industry growth in 2018 is estimated at 7.5%. This figure is not much different from growth in 2017 which ranged from 7% - 8%. (Rugian et al., 2019) . In 2018, the coffee processing industry will still grow, among others, driven by increased domestic consumption. Indonesia's coffee production in 2017 was 650 thousand tons, consisting of about 75% robusta and 25% arabica. The domestic industry absorbs Robusta coffee the most, of which 65% comes from the Sumatra region, such as Lampung, South Sumatra, Bengkulu, and Jambi. Coffee production is around 650,000 tons, around a third of which is for domestic needs (Ditjenbun.pertanian.go.id, 2018).

The high rate of coffee consumption in Indonesian society has led to the emergence and development of modern coffee houses that provide domestically processed coffee. The increasing demand for coffee drinks and the growing trend of

drinking coffee in society has made more and more entrepreneurs try to get into the modern coffee house business. (Rugian et al., 2019) . A coffee shop is a place for people who want to enjoy a variety of coffee drinks with a slightly more modern and professional concept. Nowadays, drinking coffee in a coffee shop has become a habit (lifestyle) for Indonesian people. Not just drinking coffee, but usually, coffee shops are also a destination for some groups to carry out certain activities, such as meeting clients or studying groups for students. (Ompusunggu & Djawahir, 2014) . Since the entry of Starbucks, a coffee shop from Seattle, America, the coffee shop business has started to flourish in Indonesia. There are two kinds of coffee shop players in Indonesia, namely local players and foreign players. The success of Starbucks has encouraged other foreign coffee shops to open their outlets in Indonesia, namely Gloria Jeans and Coffee Bean, both of which come from America. Not long after, other countries as coffee shop franchisors also began to enter Indonesia and opened outlets in big cities in Indonesia, such as Jakarta, Medan, Bandung, Semarang, Surabaya, Denpasar, and Makassar. (Felton, 2018) . This phenomenon also occurs in Surabaya the second largest city in Indonesia.

Competitive advantage is about how a company can implement a generic strategy into practice. Competitive advantage is a strong unity between company excellence and organizational effectiveness in adapting to environmental changes. Competitive advantage is a translation of the reality of management which is a process for identifying, developing, and placing real advantages. All company resources that support competitive advantage are the basis for determining the strategy that will be implemented in company management. Many factors determine a company's competitive advantage, including human resource competence and innovation. In facing this intense competition, companies are required to develop appropriate competitive strategies in dealing with changing market situations. The need for strategy evaluation is a correction of whether the strategy that has been implemented has reached the level of competitive advantage. Identification of the weaknesses and strengths of an organization is trying to explore a competitive advantage from the organization, the identification process will display the strengths of the company to take advantage of competitors' weaknesses.

Millennial Cafe is one of hundreds of thousands of cafes in Indonesia that do coffee shop business which is located in Cilegon City, Jalan Kyai Haji Wasyid No.88. In this case the researcher has data, namely data on the amount of Millennial Cafe income each year from 2018 to 2020, the following is the amount of income from 2018 to 2020 as follows.

Table 1
Millennial Cafe Sales Data

Year	Income/Year
2018	IDR 298,000,000
2019	IDR 239,000,000
2020	IDR 102,900,000

Source: Millennial Cafe 2020

Based on sales data for 2018-2020 in Table 1, there is a decrease in sales value. This indicated that there was a lack of marketing strategies and several causal factors as a result of reduced revenue from the Millennial Café.

Based on this phenomenon, researchers are interested in researching the analysis of the factors that influence the level of sales at the Millennial Cafe to

decrease every year. The next implication of this research is to assist *Marketing* in developing marketing strategies at the Millennial Cafe so that sales levels can increase.

The novelty of the research that the researchers conducted lies in the variables used, namely the Barista Skill, Service, and Promotion level variables, whereas in previous research conducted by Sukma et al., (2017) the research variable used is the 7P marketing mix. Therefore, the difference that lies in these variables is one of the scatters found in this study.

Based on this phenomenon, researchers are interested in conducting a research entitled *"Analysis of Factors Influencing Sales Levels at Millennial Cafe."* The purpose of this study is to find out whether these factors affect the level of sales at the Millenian Cafe or not. In addition, the implications of this research can also be used by the marketing department to determine the right marketing strategy so that the level of sales at the Millennial Cafe also increases.

RESEARCH METHODS

Population in research This is the whole consumer Millennial Cafe in Cilegon City based on amount visitors each year, numbering 1988 people. Whereas the sample used in the study This chosen with the use provision Structural Equation Modeling (SEM) data testing, ie the amount of questionnaire research in times 5, so the minimum number of samples study is 250, however, Because the amount is very large population, researchers set amount sample study This is 250 people. Variables used in research _ This consists of HR Skills (X1), Service (X2), Promotion (X3), Product Prices (Z), and Level of Sales (Y).

Data collection techniques used in research This is the use questionnaire. Before the questionnaire used in the study must test especially first, that is using a validity test and reliability test. Validity test used For test instruments can be used To measure what should be measured. According to Sugiyono, (2016), an Opinion that results study is said to be valid if there is acidity between the data collected with real data occurring in the object under study.

Matode analysis of data used in research This is with the use of Analysis Regression Double, which is an analysis used _ For foresee related variable value (Y) if variable free (independent) at least two or more. Analysis regression double is something tool analysis forecasting mark the influence of two variables free or more to variable related (dependent) to prove There is or nope relationship function or connection casual between two independent variables or more with One variable related (Ridwan and Akdon, 2009). So analysis regression did when the amount of variable fee (independent) was at least two.

Studies This is a study quantitative with Structural Equation Model (SEM) method, and data processing and analysis using device SPSS 26 and Lisrel 88 software. Based on results processed data results pre-test, the researcher analyzed factors to test the validity and reliability of SPSS. The validity test is done with see mark measurement Pearson correlation compared with value of r table (coefficient correlation simple) table N-2 for respondent N (110 people) with 5% significance.

More Pearson correlation value of 0.1562 means analysis factor Already accordingly, meanwhile mark less Pearson correlation of 0.1562 means factor No appropriate (invalid). For reliability tests, researchers use Cronbach's Alpha

measurement. The more its Cronbach's Alpha value close to 1 then the better (F. Hair Jr. et al., 2014)

because _ study This Where do you use SEM? determination amount of the sample study is at least 5 times the amount question, meaning amount minimum sample in research is a minimum of 248 people, however, because the amount of customers at Millennial Cafe is sufficient a lot, the researcher set the amount sample study the totaling 250 people.

RESULTS AND DISCUSSION

Structural Model Analysis

After doing calculations and analysis on Confirmatory Factor Analysis (CFA), as follows is a structural equation model for measurement variables to analyze connection fit and hypothesis on variables research. Test overall model fit done To see how much both the resulting models describe the condition. Research data processing was done with the maximum likelihood method on the application Lisrel 8.8. Based on data processing produces goodness of fit equations structural like described in figure 4.3.

Test fit the whole model

From the calculation of the results using Lisrel 8.8 obtained the path diagram for the study is as follows

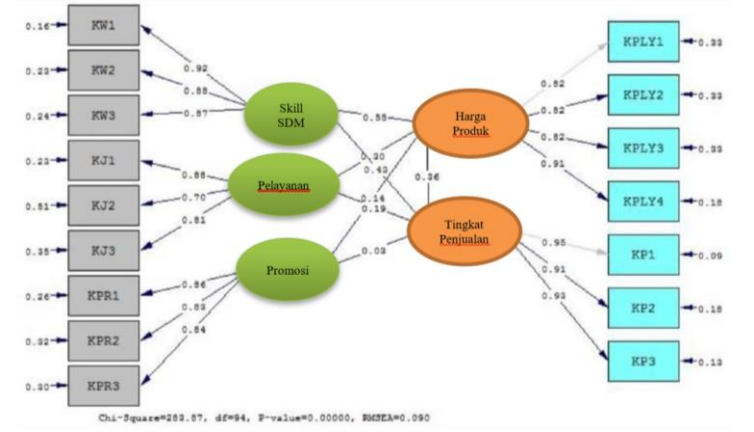

Figure 1 Structural Model (Standardized solution)
Source: Processed data (2021)

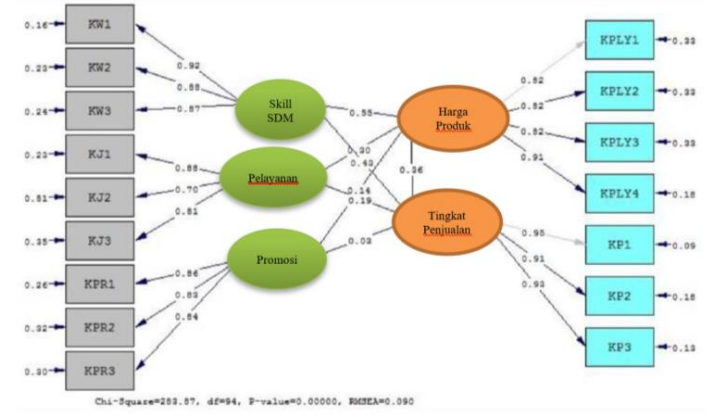

Figure 2 Structural Model (T Values)
Source: Processed data (2021)

Test 1: Chi-Square

Chi-Square. Chi-Square Value: 283.87. The smaller then the model is getting in accordance between the theoretical model and the sample data (Chi-Square Value divided by the Degree of Freedom Value). The ideal value of < 3 is a good fit. From the results, the divider obtained a value of 3.01. this _ showing sufficient match _ well, then results showing marginal fit.

Test 2: Root Mean Square Error of Approximation (RMSEA)

a. RMSEA = 0.090, then compatibility is sufficient marginal fit. (Where RMSEA < 0.05 is a close fit, RMSEA < 0.08 is a good fit, RMSEA < 0.10 marginal fit, and RMSEA > 0.10 poor fit).
b. Confidence intervals are used To evaluate performance from RMSEA estimates. The output shows that the 90% confidence interval (0.078; 0.10) is around RMSEA.
c. The P-value for a test of good fit (RMSEA <0.05) = 0.00, for the study This mark of p-value < 0.05.

Test 3: Expected Cross Validation Index (ECVI)

a. The ECVI model (1.48) was compared with ECVI saturated model (1.09) and the ECVI independence model (54.83).
b. Few ECVI models are bigger than the ECVI saturated model and the difference is Far bigger Again from the ECVI independence model, in other words, the ECVI saturation is closer to the ECVI model than the ECVI independence model, and the 90% confidence interval is 1.29; 1.70 then obtained good fit (around ECVI models).

Test 4: Akaike Information Criterion (AIC) and Consistent Akaike Information Criterion (CAIC)

a. AIC models (367.87) were compared with AIC saturated model (272.00) and the AIC independence model (13652.94). AIC models are a bit bigger than the AIC saturated model and the difference is Far more big than the AIC independence model, then more value _ small shows a good match. _
b. CAIC model (557.77) remote from the CAIC saturated model (886.92) and beyond Far Again from CAIC independence (13725.28) then more value _ small show a good match. _

Test 5: Fit Index

a. Normed Fit Index (NFI) = 0.98 (above 0.90) indicates a good fit.
b. CFI = 0.98 (above 0.90) indicates a good fit.
c. Tucker-Lewis Index or Non-Normed Fit Index (NNFI) = 0.98 (> 0.90) (above 0.90) indicates a good fit.
d. Incremental Fit Index (IFI) = 0.98 (above 0.90) indicates a good fit.
e. Relative Fit Index (RFI) = 0.97 (above 0.90) indicates a good fit.
f. Parsimonious Normed Fit Index (PNFI) = 0.77 (above 0.7) then can be used For model comparison and shows a good match. _

Test 6: Critical N

a. Critical N (CN) = 107.89 < 200, the model does not yet represent size sample data or marginal fit (> 200 then the model represents data size or good fit).

Test 7: Goodness of Fit

a. Root Mean Square Residual (RMR) is a residual mean value generated from the fitting between the variance-covariance matrix of the model and the variance-covariance matrix of sample data.
b. Standardized RMR = 0.027 indicates a good fit (below 0.05 indicates
c. good fit).
d. The goodness of Fit Index (GFI) = 0.88 indicates a good fit, above 0.80 indicates a good fit, and Adjusted Goodness of Fit Index (AGFI) = 0.82 indicates marginal fit, above 0.90 indicates a good fit.
e. Parsimony Goodness of Fit Index (PGFI) = 0.60 value ≥ 0.6, so can use For model comparison, and shows sufficient match. _

From the analysis in group 1 to group 7 almost all testing shows good fit _ including Chi-Square, RMSEA, ECVI, AIC and CAIC, Fit Index, and Goodness of Fit. There are results in the form of marginal fit on Critical N. From the results of the above analysis, can conclude that compatibility with all models complies with conditions (goodness of fit).

Coefficient determination (R2) is used To measure how much both regression lines are by actual (goodness of fit). Coefficient determination This measure percentage of total variation variable dependent, of calculations performed _ obtained coefficient determination from Figure 5 can be seen that: for variable bound Product Price of 0.89 means 89% of the existing variations can explain by variables free HR Skills, Service and Promotion, while the rest of 0.11 or 11% is explained by other variables outside variables used _ in research. Indicated HR skills have a connection positive on Product Prices with a coefficient value of 0.55 which is a valuable positive. Service indicated to have a connection positive on Product Prices with a coefficient value of 0.30 which is a valuable positive and Promotion indicated has a connection positive on Product Prices with a coefficient value of 0.14 which is a valuable positive.

Based on calculations performed _ obtained a coefficient determination from Figure 5 can see that: for variable bound Sales Rate of 0.97 means 97% of the existing variations can explain by variables Free HR Skills, Services, Promotions, and Product Prices. Product Price indicated has a connection positive to Sales Level with coefficient value of 0.37 which is valuable positive, HR Skill indicated have connection positive to Sales Level with coefficient value of 0.44 which is valuable positive, Service indicated have connection positive to Sales Level with coefficient value of 0.19 which is valuable positive and Promotion indicated have connection positive to Sales Level with coefficient value of 0.028.

Table 1 Testing Hypothesis Influence Direct

hypothesis	Interrelationships Construct	Estimates	T-Values	Information
H_1	HR Skills -> Sales Rate	0.43	3.87	Positive Influence Significant
H_2	Service -> Sales Rate	0.19	2.05	Positive Influence Significant

H 3	Promotions -> Levels Sale	0.03	0.59	Positive Influence not significant
H 4	S kill SDM -> Product Price	0.55	3.80	Positive Influence Significant
H 5	Service -> Price Product	0.30	2,27	Influential Positive Significant
H 6	Promotion -> Price Product	0.14	2.06	Influential Positive Significant
H 7	Product Price -> Sales Rate	0.36	3.65	Influential Positive Significant

Source: processed data writer (2021)

Based on table 1 shows the calculation of the results Lisrel 8.8 which states the influence direct between variables. It says There is influence direct If the value of T Statistics > 1.96 and said No There is influence if T Statistics < 1.96. Based on the table the data then can be concluded as follows:

Hypothesis 1 HR Skill on the Sales Level

HR skills have a t-statistic value is 3.87 > 1.96, and the Estimates value is 0.43 then H1 is accepted, meaning that HR skills have an effect positive and significant to the Level of Sales.

Hypothesis 2 Services Against Sales Level

Service has a t-statistic value is 2.05 > 1.96, and the Estimates value is 0.19 then H2 is accepted, meaning Service is influential positive, and significant to the Level of Sales.

Hypothesis 3 Promotion Against Sales Level

The promotion has a t-statistic value is 0.59 <1.96, and the Estimates value of 0.03 then H3 is rejected, which means the Promotion is influential and positive but No significant to the Level of Sales.

Hypothesis 4 HR Skill on Product Prices

HR skills have a t-statistic value is 3.80 > 1.96, and the Estimates value is 0.55 then H4 is accepted, meaning that HR Skills have an effect positive and significant on Product Prices.

Hypothesis 5 Services Against Product Prices

Service has a t-statistic value is 2.27 > 1.96, and the Estimates value is 0.30 then H5 is accepted, meaning Service influential positive and significant on Product Prices.

Hypothesis 6 Promotion Against Product Prices

The promotion has a t-statistic value is 2.06 > 1.96, and the Estimates value of 0.14 then H6 is accepted, meaning the Promotion is influential positive and significant on Product Prices.

Hypothesis 7 Product Prices Against Sales Level

Product Price has a t-statistic value is 3.65 > 1.96, and the Estimates value is 0.36 then H7 is accepted, meaning that Product Price is influential positive and significant to the Level of Sales.

Discussion

Effect of HR Skills on Sales Levels.

On results, a testing hypothesis first (H1), found that results analysis accept hypothesis H1 ie there is an influence between HR Skills on Sales Levels, Karen T value - the value of 3.87 > 1.96. From the results of testing This showing that HR skills have an effect positive and significant to the Level of Sales. this _ means when HR Skills experience changes, then will cause a change significant to the Level of Sales. Based on the results of data processing with Lisrel 8.8 is known that the mark coefficient HR Skill path has a connection positive to the Level of Sales.

Influence Service to the Level of Sales.

On results, testing hypothesis second (H2), found that results analysis accept hypothesis H2 ie there is influence between Service to the Level of Sales, Karen T value – the value of 2.05 > 1.96. The results of testing This showing that Service is influential positive and significant to the Level of Sales. this _ mean at the moment the Service experience change, then will cause a change significant to the Level of Sales. Based on the results of data processing with Lisrel 8.8 is known that the mark coefficient track Total Tenor to Sales Level of 0.19, which means that the Service own connection is positive to the Level of Sales.

Influence Promotion to the Level of Sales.

On results testing hypothesis third (H3), found that results analysis reject hypothesis H3 ie No there is influence significant between Promotion to the Level of Sales, Karen T value - the value of 0.59 <1.96. The results testing This shows that Promotion influential positive but No significant to the Level of Sales. this _ means at the moment the Promotion experience change, then No will cause a change significant to the Level of Sales. Based on the results of data processing with Lisrel 8.8 is known that the mark coefficient tracks Promotion to Sales Level of 0.03, which means that the Promotion's connection is positive to the Level of Sales.

Effect of HR Skills on Product Prices.

On results, testing hypothesis fourth (H4), found that results analysis accept hypothesis H4 ie there is an influence Between HR Skills and Product Prices, Karen T value - the value of 3.80 > 1.96. The results testing This shows that HR skills have an effect positive and significant on Product Prices. this _ means when HR Skills experience changes, then will cause a change significant in Product Prices. Based on the results of data processing with Lisrel 8.8 is known that the mark coefficient HR Skill path to Product Prices of 0.55, which means that Skill HR has a connection positive on Product Prices.

Influence Service on Product Prices.

On results, testing hypothesis fifth (H5), found that results analysis accept hypothesis H5 ie there is an influence between Service on product prices, Karen T value - the value of 2.27 > 1.96. The results testing This showing that Service is influential positive and significant on Product Prices. this _ mean at the moment the Service experience change, then will cause a change significant in Product Prices. Based on the results of data processing with Lisrel 8.8 is known that the mark coefficient track Service on Product Prices of 0.30, which means that Service own connection is positive on Product Prices.

Influence Promotion on Product Prices.

On results, testing hypothesis sixth (H6), found that results analysis accept hypothesis H6 ie there is an influence significant between Promotion on product prices, Karen T value – the value of 2.06 > 1.96. The results testing This shows that

Promotion is influential positive and significant on Product Prices. this _ mean at the moment the Promotion experience change, then will cause a change significant in Product Prices. Based on the results of data processing with Lisrel 8.8 is known that the mark coefficient track Promotion on Product Prices of 0.16, which means that Promotion's connection is positive on Product Prices.

The Effect of Product Prices on the Level of Sales.

On results, testing hypothesis seventh (H7), found that results analysis accept hypothesis H7 ie there is an influence between Product Prices to the Level of Sales, Karen T value - the value of 3.65 > 1.96. The results testing This shows that Product Price influential positive and significant to the Level of Sales. this _ means at the time of Product Price experience change, then will cause a change significant to the Level of Sales. Based on the results of data processing with Lisrel 8.8 is known that the mark coefficient Product Price line to the Sales Level of 0.36, which means that the Product Price own connection positive to the Sales Level

CONCLUSION

Study This test influence the influence of HR Skills, Service, and Promotion to satisfy consumer through Product Pricing. In research, this technique _ of data analysis used is technique Analysis of Structured Question Modeling (SEM) using statistical software Linear Structural Relationship (LISREL) version 8.8. Obtainable results concluded from the study This is an influential HR Skill positive and significant to the Level of Sales. this _ means when HR Skills experience changes, then will cause a change significant to the Level of Sales. Service is influential positive and significant to the Level of Sales. this _ mean at the moment the Service experience change, then will cause a change significantly to the Level of Sales. Promotion is influential and positive but No significant to the Level of Sales. this _ means at the moment the Promotion experience change, then No will cause a change significant to the Level of Sales. HR skills matter positively and significantly on Product Prices. this _ means when HR Skills experience changes, then will cause a change significant in Product Prices. Service is influential positive and significant on Product Prices. this _ mean at the moment the Service experience change, then will cause a change significant in Product Prices. Promotion is influential positive and significant on Product Prices. this _ mean at the moment the Promotion experience change, then will cause a change significant in Product Prices. Product Price is influential positive and significant to the Level of Sales. this _ means at the time of Product Price experience change, then will cause a change significant to the Level of Sales.

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