Mediating Effects of Memorable Experience on Intention to Revisit: MSME Coffee Shop Perspective

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Abstract

MSME cafes are a type of MSME experiencing rapid development, especially in big cities. Cafe ANT is one of the MSME cafes that has a unique open space with nature and a wide menu of coffee choices. By using consumption value theory (CVT), this research aims to examine the impact of the dimensions of consumption value felt by visitors towards coffee drinks offered by Cafe ANT, including taste value, price value, memorable experience on intention to visit again. Using a survey, this research collected data from visitors who had experience visiting Cafe ANT. Partial least squares structural equation modelling was used to test the importance of the dimensions of taste value, price value, and memorable experience on revisit intention. The research results show that the value of taste and memorable experience influences the intention to visit again, while the price value does not influence the intention to visit again. Memorable experiences with a partner mediate the value of feelings towards the intention to visit again.

Keywords: Price value, taste value, memorable experience, intention to revisit, MSME

1.   INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are important in the Indonesian economy. Besides supporting the national economy, MSMEs provide employment opportunities for most of the workforce. MSME cafes are a type of MSME experiencing rapid development, especially in big cities. Many entrepreneurs have opened cafe businesses with various concepts or ideas to attract consumers from various circles. The development of the cafe business in Indonesia is growing, mainly due to existing market opportunities and the lifestyle of the millennial and Z generations, which greatly influence the development of the

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cafe business. According to the Ministry of Cooperatives and SMEs of the Republic of Indonesia, the number of MSME cafes continues to increase from the 2015-2019 period (Anastasya, 2023). The number of coffee shops in Indonesia tripled from 1,083 outlets in 2016 to more than 2,937 outlets in 2019. With the current number of outlets, total coffee shop profits in Indonesia are estimated to reach IDR 4.8 trillion (Undip, 2022).

As one of the world's coffee producers, Indonesia has faced increasing coffee consumption in the last 5 years. This coffee demand phenomenon occurs when Indonesia faces the rise of coffee culture and the growth of middle-class families. As the coffee market trend in Indonesia increases, various coffee brands are starting to open branches in Indonesia. As a result, retail coffee such as Starbucks, The Coffee Bean, and Tea Leaf experienced an increase and the rapid emergence of local coffee shops such as Kopi Tuku and Filosofi Kopi. Specialty coffee shops in Indonesia are ranked third in the growth of the cafe/bar industry and are predicted to grow more rapidly, with a growth rate of 5.5% in the following years (Pangaribuan, Sofia, & Sitinjak, 2020).

Revisit intentions are the positive result of doing the right thing in a business. The term revisit intention describes a customer's willingness to return to the same place or their likelihood of repurchasing a product from the same place (Therok, Saerang, & Wangke, 2021). Several factors, including price, taste and memorable experience, can influence the intention to revisit. The price value of food and drinks is emphasized as a factor influencing tourists' perceptions of food and beverages and restaurants (Konuk, 2019). Taste value refers to the quality and performance of food and beverages (Choe & Kim, 2018). Meanwhile, memorable experiences are identified with tourist experiences that are hedonic, refreshing, new and meaningful experiences from local culture (Wong, Lai, & Tao, 2019).

Cafe ANT is one of the MSME cafes in Probolinggo, East Java. Cafe ANT was chosen as the research object because it has a unique theme and has been proven to survive the COVID-19 pandemic. This study answered two research questions: (i) What is the impact of price value, taste value, and memorable experience on the intention to revisit? (ii) How does a memorable experience as a mediator impact the intention to revisit? In line with the research questions, two research objectives were answered. The two research objectives are: (i) To understand the link between price value, taste value and memorable experience on intention to revisit. (ii) To understand the link between memorable experiences as a mediator and intention to revisit.

2. LITERATURE REVIEW

2.1 Consumption Value Theory (CVT)

Consumption value theory (CVT) is conceptualized as a theoretical framework for understanding how different value dimensions contribute to tourists' choice behaviour in other ways (Yeap, Ong, Yapp, & Ooi, 2019). Previous research discusses how tea drinks create value in events and festivals, such as visits to tea gardens, enjoyment of tea art, and cultural events related to tea drinks (Cheung, Leung, Cheah, Koay, & Hsu, 2021), (Gupta, Sajnani, Dixit, & Khanna, 2020). Tea beverage consumption enhances tourists' dining quality by evoking authentic experiences of local destination ethnicity, culture, and identity, strengthening their attachment to the primary destination (Cheng, Hu, Fox, & Zhang, 2012). This research focuses on the importance of coffee beverages from a value perspective in driving diners' dining experiences and subsequent business outcomes, which have yet to be explored. Research on tea drinks is still in its infancy, requiring empirical studies to examine how to integrate coffee drinks with cafe experiences to drive positive outcomes in the tourism sector (Su, Wall, & Wang, 2019).

2.2 Revisit Intention

Visitors' revisit intention refers to tourists' desire to return to a destination in the future (Yeap, Ong, Yapp, & Ooi, 2019). Intention to revisit is closely related to visitor experience and satisfaction. Tourists are satisfied when the quality of service received during their visit meets their requirements and are, therefore, more likely to revisit a significant destination in the future (Wong, Lai, & Tao, 2019). The term revisit intention is described as a customer's willingness to return to the same place or the likelihood that they will repurchase a product from the same place. This is a customer initiative to continue the relationship with the store. According to Safa'atin, Pratikto, & Dhewi (2023), repeat purchases occur because someone feels pleasure and satisfaction in purchasing an item or service. So when consumers are satisfied, customer loyalty will be formed, whereas when customers are loyal, consumers will make repeated purchases, recommend them to other people and be immune to similar competitors.

2.3 Price Value

According to Zeithaml (1988), price value refers to the amount consumers give to get a product. Price value is a subjective evaluation of the quality of food and drink (Mak, Lumbers, Eves, & Chang, 2013). Visitors will look for reasonably priced food and drink to

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enjoy food and beverages that provide good value for money. Konuk (2019) explains that the price value of food and beverages is a factor that influences visitors' perceptions of food and beverages and restaurants. The value of ethnic food prices drives visitor attitudes towards service providers (Ahmad, et al., 2019). The importance of food price value will encourage visitors' attitudes towards local food, strengthening visitors' return visit intentions (Rousta & Jamshidi, 2020). Thus, the hypothesis used is as follows:

H1. Price value has a significant positive impact on memorable experiences

H2. Price value has a significant positive effect on the intention to revisit

2.4   Taste Value

Choe & Kim (2018) explain that taste value refers to the quality and performance of food and drinks, which reflects visitors' perceptions of the taste, freshness and visual appearance of food and beverages. Intention to visit found a positive relationship between the taste value of food and drinks and visitors' intention to visit (Choe & Kim, 2018). Other research found a significant relationship between taste values and attitudes towards ethnic foods (Ahmad, et al., 2019). The taste value of tea drinks is vital when they are visually attractive, fresh, and taste good (Gupta, Sajnani, Dixit, & Khanna, 2020). The coffee drinks offered at Cafe ANT are considered delicious and attractive to visitors as manifested by their taste, quality, appearance and smell. Thus, they play a considerable role in influencing tourists' behavioural intentions (Lai, 2015). Based on this, taste value can provide an experience for visitors so that the following hypothesis can be made:

H3. Taste value has a significant positive impact on memorable experiences

H4. Taste value has a significant positive impact on the intention to revisit

2.5   Memorable Experience

Salespeople provide meaningful and enjoyable services to tourists aimed at creating positive experiences in their minds (Kim, 2018). This is considered to develop a memorable experience where visitors share their experiences after visiting (Sthapit, Coudounaris, & Bjork, 2019). Memorable experiences can significantly predict visitors' positive attitudes and behaviour (Wong, Lai, & Tao, 2019).

Measurement scales for measuring memorable experiences include destinations (Kim, 2018), local food (Sthapit, Coudounaris, & Bjork, 2019) and cafes with superior coffee (Wang, Chen, Su, & Morrison, 2019). Memorable experiences are identified with tourist experiences that are hedonic, refreshing, new and meaningful experiences of local culture

(Wong, Lai, & Tao, 2019), friendly service and drinks (Wang, Chen, Su, & Morrison, 2019). Several factors play an essential role in driving tourist behaviour.

Several studies show that memorable experiences can encourage the intention to visit again. Research has found that the dining experiences of tourists promote customer loyalty in HK-style cafes (Lai, 2015). Other research finds the importance of memorable experiences in driving destination brand image, satisfaction, and intention to revisit in the minds of tourists (Kim, 2018). Thus, the hypothesis used is as follows:

H5. Memorable experience has a significant positive impact on the intention to revisit

H6. Memorable experience mediates the relationship between price value and intention to revisit

H7. Memorable experience mediates the relationship between taste value and the intention to revisit

3. RESEARCH METHOD

3.1 Sampling procedures and data collection

The population in this study were visitors who bought at Cafe ANT and were between 18 and 40 years old (generations Y and Z). This age range was chosen because it is the main buyer segment, and they spend more time buying coffee and hanging out.

The data in this research was obtained by distributing questionnaires to visitors to Cafe ANT. The criteria for respondents were visitors who had previously come to Cafe ANT. Visitors who had never visited Cafe ANT before were excluded from this study. Respondents were asked to answer questions based on a menu that was familiar to them.

3.2 Measurement instruments

The measurement items in this research were adapted from previous research to measure all constructs in the proposed research model. Measurement items for price value and taste value were adopted from Ahmad, et al. (2019) and Yeap, Ong, Yapp, & Ooi (2019). To measure memorable experience, scale items adopted from Kim (2018) are used. Revisit intention uses scale items adopted from research Yeap, Ong, Yapp, & Ooi (2019). The statement items for each construct are presented in Table 1 below.

3.3 Data analysis

This research uses partial least squares-structural equation modelling (PLS-SEM) to analyze the data obtained. PLS-SEM is used in this research because it can be used to

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research a small number of constructs and to do exploratory research with the combination of explanation and prediction (Hair, Hult, Ringle, & Sarstedt, 2017).

4. RESULT

4.1 Respondents' profiles

The research sample consisted of men (82%) and women (18%) aged 16 to over 43 years. Most respondents were between 25 and 33 years old (48%) and had an average high school education (52%). All respondents have visited and tasted the food and drinks at Cafe ANT. In general, the research sample can be considered suitable for this research.

4.2 Measurement model assessment

The first stage of the model measurement is reliability and convergent validity. Reliability and convergent validity were considered accepted if factor loadings and composite reliability (CR) were higher than 0.70. The average variance extracted (AVE) was higher than 0.50 (Hair, Hult, Ringle, & Sarstedt, 2017) presented in Table 1, and the factor loadings of all remaining measurement items exceeded 0.70. In contrast, the CR of all constructs exceeded 0.70, and the AVE of all constructs exceeded 0.50, thus confirming the reliability and convergent validity. Discriminant validity was checked via the Fornell-Larcker Criterion criterion. As presented in Table 2, the square root of the AVE of each construct should be higher than its highest correlation with any other construct (Hair, Hult, Ringle, & Sarstedt, 2017).

Table 1. Measurement model results

Measurement items	loading	t- values	CR	AVE
Price value			0.903	0.756
The price of coffee offered by Cafe ANT is affordable	0.925	31,698	-	-
Coffee offered by Cafe ANT offers value for money	0.869	26,733	-	-
The price of coffee offered by Cafe ANT is appropriate	*0.811*	6,741	-	-
Taste value			0.954	0.912
Coffee offered by Cafe ANT is tasty	0.956	57,057	-	-
Coffee offered by Cafe ANT is of good quality	0.954	40,059	-	-
Memorable Experience			0.919	0.792
I really enjoyed experiences in Cafe ANT	0.922	38,221	-	-

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I experienced something new during visiting Cafe ANT	0.864	22.771	-	-
I get good service at Cafe ANT	0.882	21,898	-	-
Intention to Revisit			0.932	0.775
I would like to revisit Cafe ANT in the coming future	0.905	20,837	-	-
I plan to revisit Cafe ANT in the coming future	0.905	21,375	-	-
I will make an effort to revisit Cafe ANT in the coming future	0.910	25,140	-	-
Cafe ANT could become my first choice for hanging out and drinking coffee	0.796	13,997		

Table 2 Discriminant validity

	Intention to revisit	*Memorable experience*	*Price value*	*Taste value*
Intention to revisit	*0.880*			
Memorable experience	0.757	0.890		
Price value	0.711	0.667	0.870	
Taste value	0.784	0.811	0.787	0.955

4.3   Structural model assessment

The next stage is testing the structural model. Structural model testing is used to determine direct and indirect effects. In Figure 1, it can be seen that of the 7 hypotheses, only 4 hypotheses were not accepted.
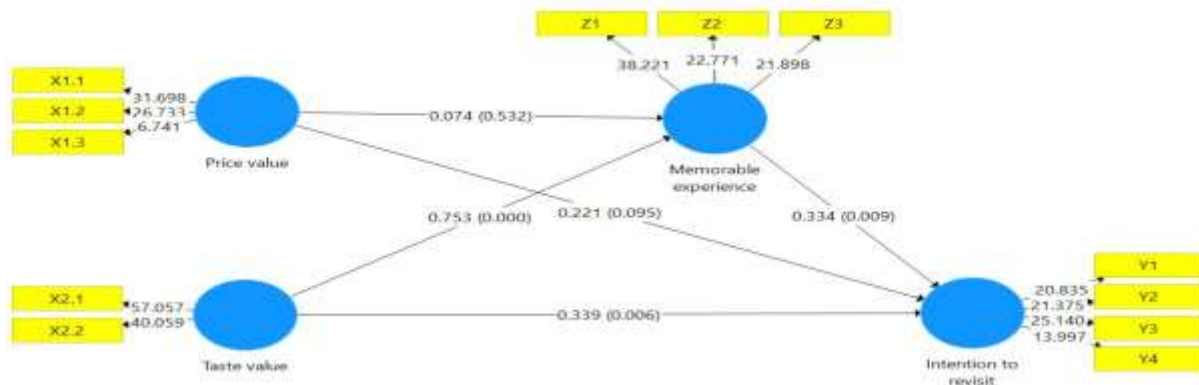

Figure 1: Structural Model Result

4.3.1 Direct Effects

It was found that the direct effect of price value did not affect memorable experience (β = 0.074, ρ = 0.532 > 0.05). The same results also found that price value did not affect the intention to revisit (β = 0.221, ρ = 0.095 > 0.05). These results show that H1 and H2 are rejected. Taste value was found to have a significant positive effect on memorable experience (β = 0.753, ρ = 0.000 < 0.05) and also had a significant positive effect on the intention to revisit (β = 0.339, ρ = 0.006 < 0.05). Thus, these results accept H3 and H4. A memorable experience was found to have a significant positive effect on the intention to revisit (β = 0.334, ρ = 0.009 < 0.05). These results indicate that H5 is accepted. Moreover, the findings of the hypothesis testing analysis are shown in Table 3.

Table 3 Hypothesis Testing Results

Hypothesis	Variable path	Path coefficients	*p*-value	Interpretation
H1	Price → ME	0,074	0,532	Not support
H2	Price → Intention	0,221	0,095	Not support
H3	Taste → ME	0,753	0,000	Support
H4	Taste → Intention	0,339	0,006	Support
H5	ME → Intention	0,334	0,009	Support

4.3.2 Indirect Effects

The mediation test results presented in Table 4 indicate that memorable experience mediates the association between taste value. However, it does not mediate the relationship between price value and intention to revisit. It was found that there was no direct influence of price value on revisit intention through memorable experience (ρ = 0.555 > 0.05). These results show that H6 is rejected. The influence of taste value on revisit intention through memorable experiences was found to have a significant positive effect (ρ = 0.016 < 0.05). Thus, it is concluded to accept H7.

Table 4 Mediation Test Results

Hypothesis	Variable path	*p*-value	Interpretation
H6	Price → ME → Intention	0,555	Not support
H7	Taste → ME → Intention	0,016	Support

4.3.3 R² test and Q² test

To explain the explanatory power of the research model, the coefficient of determination, namely the R2 value, is used. R2 value of memorable experience (R2 = 0.660) and R2 value of intention to visit again (R2 = 0.676). The R2 value > 0.50 explains that variations in endogenous variables can explain exogenous variables in the moderate category (Hair, Hult, Ringle, & Sarstedt, 2017). A blindfolding procedure was used to assess the predictive relevance of the research model (Q2). The Q2 value is for a memorable experience (Q2 = 0.502), while for the intention to revisit (Q2 = 0.491). The resulting Q2 value is greater than 0, indicating that the exogenous construct has predictive relevance to the endogenous construct being considered (Hair, Hult, Ringle, & Sarstedt, 2017).

5.   DISCUSSION

This research confirms the factors that determine visitors' return visits. The price value was found not to affect the memorable experience. The price value was also found to not affect the intention to revisit. Cafe ANT offers attractive prices compared to its competitors, so price value is not a determining factor for visitors to visit again. Apart from that, Cafe ANT has an attractive outdoor concept with open natural views so that a memorable experience is formed not because of price. This finding is different from the research results (Yeap, Ong, Yapp, & Ooi, 2019), (Ahmad, et al., 2019), (Rousta & Jamshidi, 2020), (Cheung, Leung, Cheah, Koay, & Hsu, 2021).

Taste value was found to have a significant positive effect on memorable experiences. These results show that the better the taste of the menu offered by Cafe ANT, the more memorable the experience will be. Taste value was also found to have a significant positive effect on intention to revisit. These findings confirm that the better the taste of the menu at Cafe ANT, the more memorable the experience will be and the intention to visit. Cafe ANT has a unique and varied menu so that visitors have a memorable experience with Cafe ANT. This diverse and unique menu will make visitors return on other occasions. These findings support research (Mak, Lumbers, Eves, & Chang, 2013), (Lai, 2015), (Sthapit, Coudounaris, & Bjork, 2019), (Gupta, Sajnani, Dixit, & Khanna, 2020), (Cheung, Leung, Cheah, Koay, & Hsu, 2021).

Memorable experience has a significant positive effect on the intention to revisit. These results show that a better and more memorable experience for visitors will increase the intention to visit again at Cafe ANT again. The results of this research are in line with research (Lai, 2015), (Kim, 2018), (Cheung, Leung, Cheah, Koay, & Hsu, 2021). Ultimately,

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this research found that memorable experience mediates the relationship between taste value and intention to revisit but does not mediate the relationship between price value and intention to revisit.

6.   CONCLUSION

Based on the research results above, it can be concluded that taste value determines the formation of a memorable experience for visitors and makes visitors return to visit in the future. The delicious taste and good quality of food and drinks make visitors intend to visit again next time. Apart from that, the unique and varied menu is a special attraction for visitors to return to. Price value was found not to affect memorable experiences and intention to revisit. These results show that visitors agree that the prices offered at Cafe ANT are affordable but still by the quality of the menu served.

This research contributes significantly to the tourism marketing literature by exploring the importance of crucial consumption value dimensions in regulating coffee drinks offered by cafes. By applying CVT, previous research explored the importance of price value and health value in driving tourist satisfaction and loyalty towards local food (Lai, 2015), (Mak, Lumbers, Eves, & Chang, 2013), (Rousta & Jamshidi, 2020). This research contributes to the advancement of theory by highlighting the importance of taste value and price value in creating sensory enjoyment for visitors and encouraging memorable experiences.

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