

ANALYSIS OF MARKET DYNAMICS AND CONSUMPTION TRENDS OF PALM SUGAR COFFEE IN WEST JAVA

ANALISIS DINAMIKA PASAR DAN TREN KONSUMSI KOPI GULA SAWAH DI JAWA BARAT

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ABSTRACT

The increasing popularity of palm sugar coffee reflects a growing consumer preference for healthier and locally sourced beverage products in Indonesia. This study aims to analyze the market dynamics and consumption trends of palm sugar coffee in West Java and to identify the key factors influencing consumer purchase decisions. A quantitative explanatory approach was employed using a survey of 182 palm sugar coffee consumers in several cities and regencies in West Java. Data were analyzed using descriptive statistics and Structural Equation Modeling with the Partial Least Squares (SEM-PLS) technique. The results indicate that the palm sugar coffee market is characterized by high price volatility, intense competition, and wide product accessibility, while product differentiation remains at a moderate level. Consumption trend analysis reveals that palm sugar coffee is consumed frequently and is primarily motivated by health awareness and preference for local products. The SEM-PLS findings show that health awareness, lifestyle orientation, and product differentiation have significant positive effects on purchase decisions, whereas market dynamics do not exert a significant direct influence. This study contributes to the literature by demonstrating that intrinsic consumer factors are more decisive than external market conditions in shaping purchasing behavior in the emerging palm sugar coffee market. The findings provide strategic insights for MSME producers and policymakers to enhance product innovation, health-oriented branding, and lifestyle-based marketing in order to strengthen the competitiveness and sustainability of palm sugar coffee in West Java.

Keywords: Palm sugar coffee; market dynamics; consumption trends; consumer behavior; West Java

ABSTRAK

Meningkatnya popularitas kopi gula aren mencerminkan meningkatnya preferensi konsumen terhadap produk minuman yang lebih sehat dan bersumber lokal di Indonesia. Studi ini bertujuan untuk menganalisis dinamika pasar dan tren konsumsi kopi gula aren di Jawa Barat dan untuk mengidentifikasi faktor-faktor kunci yang memengaruhi keputusan pembelian konsumen. Pendekatan penjelasan kuantitatif digunakan dengan menggunakan survei terhadap 182 konsumen kopi gula aren di beberapa kota dan kabupaten di Jawa Barat. Data dianalisis menggunakan statistik deskriptif dan Pemodelan Persamaan Struktural dengan teknik Partial Least Squares (SEM-PLS). Hasil menunjukkan bahwa pasar kopi gula aren dicirikan oleh volatilitas harga yang tinggi, persaingan yang ketat, dan aksesibilitas produk yang luas, sementara diferensiasi produk tetap berada pada tingkat moderat. Analisis tren konsumsi mengungkapkan bahwa kopi gula aren dikonsumsi secara sering dan terutama dimotivasi oleh kesadaran kesehatan dan preferensi terhadap produk lokal. Temuan SEM-PLS menunjukkan bahwa kesadaran kesehatan, orientasi gaya hidup, dan diferensiasi produk memiliki pengaruh positif yang signifikan terhadap keputusan pembelian, sedangkan dinamika pasar tidak memberikan pengaruh langsung yang signifikan. Studi ini berkontribusi pada literatur dengan menunjukkan bahwa faktor intrinsik konsumen lebih menentukan daripada kondisi pasar eksternal dalam membentuk perilaku pembelian di pasar kopi gula aren yang sedang berkembang. Temuan ini memberikan wawasan strategis bagi produsen UMKM dan pembuat kebijakan untuk meningkatkan inovasi produk, branding yang berorientasi kesehatan, dan pemasaran berbasis gaya hidup guna memperkuat daya saing dan keberlanjutan kopi gula aren di Jawa Barat.

Kata kunci: Kopi gula aren; dinamika pasar; tren konsumsi; perilaku konsumen; Jawa Barat.

INTRODUCTION

Palm sugar coffee is one such quintessential beverage that has emerged from Indonesia's dynamic coffee culture,

particularly in West Java. Consumers in the increasing trend of modern coffee consumption worldwide are seeking new flavors and products with a local identity

and traditional concepts. In this respect, palm sugar coffee—a mixture of domestically produced coffee with palm sugar (gula aren)—is gaining traction among both domestic and international consumers (Arshad, 2020; Bacon, 2005). This product draws on Indonesia's longstanding production of palm sugar, a sweetener that has played an integral role in Javanese culinary traditions for centuries. This paper relies on the work of (Sayas-Barberá et al., 2023). The combination of such a traditional ingredient with coffee brings a unique flavor profile but also is an example of a meeting between cultural heritage and contemporary consumption patterns.

West Java is one of Indonesia's largest Arabica and Robusta-growing regions, with its volcanic soils and a tropical climate. With thousands of smallholder farmers in the regions of Bandung, Sukabumi, and Garut, it contributes to a rich local coffee ecosystem. All this development in specialty coffee culture within the cities of Bandung and Bogor has pushed up demand for unique coffee drinking experiences, more artisanal blends, and locally-inspired drinks. Palm sugar coffee, therefore, reflects both economic opportunity for farmers and an answer to consumers who have grown more eclectic and interested in products that convey authenticity and regional uniqueness (Neilson, 2008; Samoggia et al., 2020).

Market dynamics for coffee drinks in West Java, in effect, mirror what is being seen in Indonesia in general, as innovative foods with diverse offerings form prospective growth. Indonesia is recognized as one of the largest producers of coffee, but traditional coffee drinks such as kopi tubruk and espresso drinks were what consumed the local market (Samper & Quiñones-Ruiz, 2017). The combined use of palm sugar

in coffee represents a health-giving element that makes these products more innovative than before and might just captivate health-conscious customers wanting health-positive attributes of natural ingredients like palm sugar, among others, as cited by (Olafsdottir & Sverdrup, 2019).

Besides, economic factors are also significant contributors to the demand side within the industry. The growing number of cafes and coffee shops, including those found in West Java, have cultivated a willingness to spend on premium drinks such as beverages offered by the business (Raynolds, 2004). The younger generation, including Generation Z, has a stronger interest in specialty drinks, such as beverages, with benefits extending to drinking pleasure and social value as a lifestyle choice (Schmidt & Fang, 2021). Social networks provide further exposure to specialty coffee drinks such as palm sugar coffee, making consumerism a lifestyle choice.

Despite its rising popularity, palm sugar coffee is an under-researched area of study, especially when it involves quantifying the performance in markets and understanding the motivational drivers of consumption. Previous studies on the consumption of coffee in Indonesia tend to either discuss general trends or focus on production for export, omitting specific knowledge of niche local products (Adeosun et al., 2023). Similarly, research into palm sugar has also focused on agricultural aspects of production, processing methods, and nutritional attributes (Talbot, 2004), with very little attention to how it is integrated into value-enhancing beverages. An analysis that connects the agricultural and economic aspects with consumer behavior of palm sugar coffee is thus critical to providing necessary insights for policymakers, producers, and

marketers who want the segment to grow sustainably.

Market dynamics analysis requires consideration of drivers on the supply side, including production capacity, distribution channels, and competitors' offerings by other sweetened coffee brands, as well as competing alternatives such as sugar-sweetened coffee. On the demand side, an analysis of consumer dynamics can offer insights into factors such as the role of demographic characteristics, purchasing incentives, consumer preferences, and social perceptions surrounding the use of palm sugar coffee. The critical review, as presented, lays a basis for a deeper analysis to be undertaken, as demonstrated by the analysis to be carried out as relates to palm sugar coffee offered in West Java.

Though palm sugar coffee has garnered interest and a niche market in West Java, comparatively little is known empirically about market dynamics and consumption trends that drive demand for it. The major problem with palm sugar coffee is that there is ambiguity with respect to the sustainability of supply chains between coffee and palm sugar producers, uncertainty with respect to market pricing structures against other coffee varieties, and a lack of information with respect to demographics and preference profiles for these coffee varieties. This problem affects key stakeholders, including farmers, entrepreneurs, and local governmental units with respect to informed decision-making regarding production, promotion, and investment in palm sugar coffee. The problem is addressed by examining the interplay between these market dynamics and consumption profiles to assess the future potential offered by palm sugar coffee.

The foremost aim of this research is to examine the market dynamics and

consumer patterns of palm sugar coffee in West Java. In particular, this study aims to: (1) examine the structure and characteristics of market dynamics, including price volatility, competition intensity, product differentiation, and distribution channels; (2) identify current consumption trends by analyzing purchase frequency, consumer preferences, and lifestyle orientations; and (3) determine the key factors that significantly influence consumer purchasing behavior toward palm sugar coffee products. By using both qualitative and quantitative techniques, this research expects to contribute towards offering practical recommendations for improving the competitiveness of this new market niche in the coffee market of the region.

LITERATURE REVIEW

Coffee Industry and Market Dynamics

The coffee market is an important sector in both international and national economies, especially in countries like Indonesia that produce coffee. The dynamics between the coffee market participants and market conditions affect market behavior. According to market structure theory proposed by porter, industries like coffee that derive from agriculture can be highly affected by the bargaining powers of farmer and consumer groups and product differentiation (Baird et al., 2024). However, in Indonesia, due to the dominance of small farmers, it has been observed that market coordination can become more complex, leading to inefficient market structures (Mora-Villalobos et al., 2023; Zhang et al., 2022).

Studies in coffee market dynamics, for example, highlight value-added products as one important ingredient in enhancing competitiveness and

stabilizing incomes. In recent years, rather than concentrating their hopes on exporting raw coffee beans, countries are urged to process and differentiate the product to suit domestic markets (Eng et al., 2024). Innovation transforms traditional market structures through product lines like specialty coffee, flavored blends, and ready-to-drink variants. Palm sugar coffee will fit this framework well, being a differentiated product by integrating local resources and cultural identity, thereby impacting market entry barriers and consumer loyalty (Baker et al., 2020).

Consumption Trends and Consumer Behavior in Coffee Markets

According to the consumer behavior model, product consumption is pushed not only by functional aspects but also by psychological, social, and cultural variables (Kotler et al., 2016). Within the context of coffee product consumption, taste, aroma, convenience, brand image, and health-related factors have been found to play a major role. Recent research indicates that there is a developing trend from utilitarian towards experiential consumption, especially among young people in cities (Bozzola et al., 2021; Daviron & Ponte, 2005).

In the case of Indonesia, consumer trends in coffee drinks are also undergoing changes based on lifestyles and increasing incomes. According to (Agus, 2016), coffee shops have increasingly become social spaces where consumers look for identification and interaction. As such, there is an increased interest in exploring new and local ingredients inspired by regional tastes, such as palm sugar. Palm sugar coffee falls within this category as it is differentiated by its familiar and unique taste that is culturally nostalgic yet

appeals to modern lifestyles (Grabs, 2017; Lernoud et al., 2016).

Palm Sugar as a Traditional and Economic Commodity

Palm sugar, gula aren, is a natural product of palm trees, having long been part of Indonesian cuisine. Studies involving palm sugar involve, among others, its significance in rural life, being considered a sustainable agricultural product (Ashoka, 2013). In relation to refined sugar, palm sugar is considered more natural, adding value to its use in specialty food and beverage products (Levy et al., 2016). In economic terms, the production of palm sugar is still done in an artisan manner by producers who only have access to small markets. This has an effect on the quality and cost of the commodity, which might end up affecting its incorporation into beverages (Fauziah & Daspar, 2025). With the rise in the use of local and natural products, there has been interest in using palm sugar as an ingredient in value-added products like coffee, which is widely consumed by the population.

Product Differentiation and Value Addition in Agri-Food Markets

Product differentiation can play an important role in improving the competitiveness of agri-food products in the case of generic products and similar commodities. Lancaster's theory of consumer choice states that consumers obtain satisfaction from product characteristics instead of the products (Ciardulli, 2021; Zargustin et al., 2025). In this regard, palm sugar coffee possesses distinct product characteristics such as its distinct taste, ingredients, and symbolism, which are distinct compared to other coffee products. Based on previous studies, adding value by utilizing local ingredients can result in an increase in consumer willingness to pay

and can also reinforce regional branding (Maciejewski & Mokrysz, 2019). In the province of West Java, the blend of coffee from local crops and palm sugar has an integrated product that embraces the regional advantage of the agricultural sector.

METHODOLOGY

1. Research Design

This study adopts a quantitative explanatory research design aimed at examining the relationships between market dynamics, consumption trends, and purchase decisions of palm sugar coffee consumers in West Java. The design is intended to test hypotheses and identify the magnitude and significance of the effects among the variables using statistical modeling.

2. Population and Sample

The population of this study consists of all consumers of palm sugar coffee in West Java. Because the exact number of consumers is unknown, this research applies a non-probability purposive sampling technique, in which respondents are selected based on the criterion that they have consumed palm sugar coffee at least once in the past three months. The minimum sample size follows the rule of thumb for Structural Equation Modeling using Partial Least Squares (SEM-PLS), which requires at least ten times the largest number of structural paths directed at a latent variable in the model. Therefore, a minimum of 150 respondents is considered sufficient to ensure the validity and reliability of the analysis.

3. Data Collection

Primary data are obtained through a structured questionnaire distributed to palm sugar coffee consumers in several cities and regencies in West

Java, including Bandung, Bogor, Sukabumi, and Cirebon. All items are measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

4. Data Analysis Technique

Data analysis is carried out in three stages. First, descriptive statistical analysis is employed to describe the characteristics of respondents and the distribution of each research variable. Second, the measurement and structural models are evaluated using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) approach to test the hypotheses and assess the strength of relationships between constructs. Finally, trend analysis is used to identify patterns in consumption frequency and purchasing behavior among palm sugar coffee consumers in West Java.

Results

1. Respondent Profile

Table 1 below presents the demographic profile of respondents who participated in the survey on palm sugar coffee consumption in West Java. A total of 182 valid responses were analyzed to obtain an overview of the characteristics of consumers based on age, occupation, monthly income, and educational background.

Table 1. Respondent Profile

Categor	Description	Frequency	Percentage (%)
Age	18–24 years	47	25.8
	25–34 years	71	39.0
	35–44 years	44	24.2
	> 44 years	20	11.0
	Student	38	20.9

Occupation	Private employee	69	37.9
	Entrepreneur	45	24.7
	Civil servant	30	16.5
Monthly Income	< IDR 3 million	42	23.1
	IDR 3–6 million	83	45.6
	> IDR 6 million	57	31.3
Education	High school	49	26.9
	Diploma/Bachelor	108	59.3
	Postgraduate	25	13.8

Source: Primary Data, 2025

The results indicate that the majority of respondents are in the productive age group of 25–34 years (39.0%), followed by those aged 18–24 years (25.8%) and 35–44 years (24.2%). This composition suggests that palm sugar coffee is predominantly consumed by young and early middle-aged adults, who are typically more open to new product innovations and lifestyle-oriented beverages. In terms of occupation, private employees represent the largest segment (37.9%), followed by entrepreneurs (24.7%) and students (20.9%), indicating that consumers of palm sugar coffee are mainly individuals with active working lifestyles.

Regarding income and educational background, most respondents earn between IDR 3–6 million per month (45.6%), while 31.3% earn more than IDR 6 million. This implies that palm sugar coffee is attractive not only to lower-income groups but also to middle- and upper-income consumers. Furthermore, the majority of respondents hold a Diploma or Bachelor’s degree (59.3%), followed

by high school graduates (26.9%) and postgraduate degree holders (13.8%). This finding reflects that consumers with higher educational attainment are more likely to adopt palm sugar coffee, possibly due to greater awareness of health benefits and preference for sustainable local products.

2. Descriptive Statistics of Market Dynamics (RQ1)

Table 2 presents the descriptive statistical results of the market dynamics variables of palm sugar coffee in West Java. The analysis covers four key dimensions, namely price dynamics, competition intensity, product differentiation, and distribution channels, which collectively describe the structural condition of the palm sugar coffee market.

Table 2. Market Dynamics Descriptive Results

Dimension	Indicator	Mean	Standard Deviation	Category
Price Dynamics	Price fluctuation	3.82	0.71	High
	Price sensitivity	3.69	0.74	High
Competition Intensity	Number of competitors	3.91	0.66	High
	Product similarity	3.76	0.68	High
Product Differentiation	Taste uniqueness	3.64	0.72	Moderate
	Packaging innovation	3.58	0.70	Moderate

Distribution Channel	Availability	3.73	0.69	High
	Accessibility	3.80	0.67	High

Source: Primary Data, 2025

The results show that the market is characterized by high price volatility and intense competition. The indicators of price fluctuation (mean = 3.82) and price sensitivity (mean = 3.69) both fall into the high category, indicating that changes in input prices (particularly palm sugar and coffee beans) significantly affect product pricing and consumer sensitivity. In addition, the high mean scores for the number of competitors (3.91) and product similarity (3.76) reflect a highly competitive environment in which many MSME producers offer relatively similar palm sugar coffee products, intensifying rivalry within the market. In contrast, product differentiation remains at a moderate level, as reflected by the scores for taste uniqueness (3.64) and packaging innovation (3.58). This suggests that most producers have not yet fully optimized product innovation to create strong uniqueness. Meanwhile, distribution channel indicators show high availability (3.73) and accessibility (3.80), indicating that palm sugar coffee products are relatively easy to find across various retail channels, both offline and online.

3. Consumption Trends of Palm Sugar Coffee Consumers (RQ2)

The Table 3 – 5 discusses the consumption trends of palm sugar coffee consumers in West Java, which include purchase frequency, product type preference, and primary consumption motivation. These indicators are used to identify emerging patterns in consumer behavior related to palm sugar coffee products.

Table 3. Purchase Frequency per Week

Frequency	Respondents	Percentage (%)
1–3 times	41	22.5
4–7 times	73	40.1
> 7 times	68	37.4

Source: Primary Data, 2025

The results indicate that palm sugar coffee is consumed quite intensively by respondents, as 40.1% of consumers purchase the product 4–7 times per week and 37.4% consume it more than seven times per week. Only 22.5% of respondents purchase palm sugar coffee 1–3 times per week. This pattern suggests that palm sugar coffee is no longer considered an occasional beverage, but has become a regular part of consumers' drinking habits.

Table 4. Product Type Preference

Product Type	Frequency	Percentage (%)
Ready-to-drink	79	43.4
Powder sachet	103	56.6

Source: Primary Data, 2025

Table 4 shows that the powder sachet format is slightly more preferred (56.6%) than the ready-to-drink variant (43.4%). This indicates that consumers still value the practicality, affordability, and longer shelf life offered by powder products, although the relatively high preference for ready-to-drink coffee reflects a growing demand for convenience-oriented beverage options among urban consumers.

Table 5. Consumption Motivation

Motivation	Frequency	Percentage (%)
Health benefits	74	40.7
Local product	61	33.5
Taste preference	47	25.8

Source: Primary Data, 2025

The findings reveal that health benefits are the main motivation for consuming palm sugar coffee (40.7%), followed by preference for local products (33.5%) and taste (25.8%). This implies that consumer decisions are increasingly influenced by health awareness and local product appreciation rather than purely sensory considerations, highlighting the importance of promoting functional value and local identity in marketing strategies.

4. Determinant Factors of Purchase Decision (RQ3)

Table 6 presents the results of the hypothesis testing using the SEM-PLS approach to examine the effects of health awareness, lifestyle orientation, product differentiation, and market dynamics on the purchase decision of palm sugar coffee consumers in West Java.

Table 6. Path Coefficients

Path	Coefficient	t-value	P-value	Result
Health Awareness → Purchase Decision	0.412	5.921	0.000	Significant
Lifestyle Orientation → Purchase Decision	0.287	4.008	0.000	Significant
Product Differentiation → Purchase Decision	0.351	4.793	0.000	Significant

Market Dynamics → Purchase Decision	Coefficient	t-value	P-value	Result
Market Dynamics → Purchase Decision	0.118	1.582	0.114	Not Significant

Source: Data Processed, 2025

- The results indicate that health awareness has a strong and significant effect on purchase decision ($\beta = 0.412$; $p < 0.001$). This finding suggests that consumers who perceive palm sugar coffee as a healthier alternative to conventional sweetened coffee are more likely to purchase the product. Increasing public concern about natural ingredients and lower glycemic sweeteners appears to be a key driver in shaping consumer behavior in this market.
- Lifestyle orientation is also found to significantly influence purchase decisions ($\beta = 0.287$; $p < 0.001$). This implies that palm sugar coffee consumption is closely associated with consumers' lifestyles, particularly those who adopt health-conscious, modern, and environmentally aware living patterns. Palm sugar coffee is increasingly perceived not only as a beverage but also as part of a lifestyle statement.
- Product differentiation shows a significant positive effect on purchase decisions ($\beta = 0.351$; $p < 0.001$). This result indicates that uniqueness in taste, packaging innovation, and branding play an important role in attracting consumers. Producers who are able to differentiate their products successfully are more likely to secure higher consumer loyalty and repeat purchases.
- Market dynamics do not have a significant direct effect on purchase decisions ($\beta = 0.118$; $p = 0.114$). This suggests that although the market is

characterized by intense competition and price volatility, these external conditions do not directly determine consumer purchasing behavior. Instead, internal consumer factors such as health perception, lifestyle orientation, and product uniqueness are more decisive in influencing the decision to purchase palm sugar coffee.

Table 7 explains the coefficient of determination (R^2) obtained from the SEM-PLS analysis, which indicates the proportion of variance in the endogenous variable that can be explained by the exogenous variables included in the research model.

Table 7. R^2 Value

Endogenous Variable	R^2
Purchase Decision	0.643

Source: Data Processed, 2025

The R^2 value for the purchase decision variable is 0.643, which means that 64.3% of the variance in consumers' purchase decisions toward palm sugar coffee in West Java is explained by health awareness, lifestyle orientation, product differentiation, and market dynamics. This value indicates a strong explanatory power of the model, suggesting that the selected independent variables are highly relevant in predicting consumer purchasing behavior. The remaining 35.7% of the variance is influenced by other factors not included in the model, such as brand image, price perception, promotional activities, and social influence, which may be explored in future research.

Discussion

Market Dynamics of Palm Sugar Coffee in West Java (RQ1)

The results reveal that the palm sugar coffee market in West Java is characterized by high price volatility and intense competition. The high mean

scores for price fluctuation and price sensitivity indicate that both producers and consumers are strongly affected by changes in raw material prices, particularly palm sugar and coffee beans. This condition is consistent with previous studies on specialty coffee markets, which suggest that small-scale producers are highly vulnerable to input price instability due to their limited bargaining power and lack of long-term supplier contracts (Vegro & de Almeida, 2020). The presence of many MSMEs offering similar products further intensifies competition, as reflected by the high scores for the number of competitors and product similarity. This competitive pressure often forces producers to engage in price competition rather than focusing on long-term value creation through innovation (Jannah & Hazriyanto, 2019).

However, despite the intense competition, product differentiation remains at a moderate level. The relatively lower scores for taste uniqueness and packaging innovation suggest that most palm sugar coffee products in West Java have not yet developed distinctive attributes that clearly differentiate them from competitors. This finding indicates a strategic gap in the market, where producers have not fully leveraged the unique characteristics of palm sugar as a traditional and healthier sweetener. Previous literature emphasizes that differentiation is crucial in specialty beverage markets to escape price wars and build strong brand equity (Et.al, 2021; Fauzi, 2022). The moderate level of differentiation observed in this study implies that palm sugar coffee producers still rely heavily on basic functional attributes rather than symbolic or experiential value. Distribution channels, on the other hand, are perceived as highly accessible and

available. This reflects the widespread presence of palm sugar coffee products in traditional markets, coffee shops, minimarkets, and online platforms. The high accessibility may contribute positively to market growth, yet it also exacerbates competition, as consumers can easily switch between brands.

Consumption Trends of Palm Sugar Coffee Consumers (RQ2)

The findings related to consumption trends indicate that palm sugar coffee has become a regular part of consumers' daily routines rather than an occasional purchase. The majority of respondents consume the product at least four times per month, with more than one-third purchasing it more than seven times per month. This consumption pattern reflects a shift in consumer preferences from conventional instant coffee to alternative beverages that are perceived as healthier and more authentic. This trend aligns with global movements toward functional and natural food products, where consumers seek beverages that offer both sensory satisfaction and health benefits (Adams et al., 2023; Dambiski Gomes de Carvalho et al., 2021).

In terms of product type, the powder sachet format remains the most preferred, although the ready-to-drink variant also captures a substantial share of the market. This indicates a dual pattern of consumption: on one hand, consumers value the practicality and affordability of powdered products, while on the other hand, they increasingly demand convenience-oriented ready-to-drink options that fit fast-paced urban lifestyles. This duality suggests that producers should adopt a diversified product strategy to cater to different consumption contexts, such as home consumption and on-the-go

consumption (Fauziah & Daspar, 2025; Zargustin et al., 2025).

The primary motivations for consuming palm sugar coffee are health benefits and preference for local products, followed by taste. The dominance of health-related motivation highlights the growing awareness among consumers about the negative effects of refined sugar and artificial sweeteners. Palm sugar, which is often perceived as having a lower glycemic index and being more natural, fits well with the health-conscious mindset of modern consumers. The strong appreciation for local products also reflects an emerging sense of local pride and support for domestic MSMEs. This finding resonates with studies on ethical and sustainable consumption, which show that consumers are increasingly willing to support products that are locally produced and culturally rooted.

Determinant Factors of Purchase Decision (RQ3)

The SEM-PLS analysis provides deeper insight into the factors influencing purchase decisions. Health awareness emerges as the most influential determinant, indicating that the perceived health benefits of palm sugar coffee play a central role in shaping consumer behavior. This result reinforces the argument that palm sugar coffee should be positioned primarily as a functional beverage rather than merely as an alternative coffee variant. Marketing communication should therefore emphasize health-related attributes such as natural ingredients, traditional processing methods, and potential metabolic benefits (Grabs, 2017).

Lifestyle orientation also significantly influences purchase decisions, suggesting that palm sugar coffee consumption is closely associated

with consumers' self-identity and daily routines. Consumers who adopt a modern, health-conscious, and environmentally aware lifestyle are more inclined to choose palm sugar coffee. This implies that the product is not only consumed for its functional value but also for its symbolic meaning as part of a sustainable and conscious lifestyle. This finding is consistent with the theory of planned behavior, which posits that attitudes and lifestyle factors play a crucial role in shaping consumption behavior (Agus, 2016).

Product differentiation is another significant determinant, indicating that uniqueness in taste, packaging, and branding can enhance consumers' purchase intentions. Although differentiation is currently moderate in the market, its strong effect on purchase decisions suggests that there is substantial potential for producers to increase competitiveness by investing in product innovation. For example, variations in flavor profiles, premium packaging designs, and storytelling about the origin of palm sugar could help create stronger emotional connections with consumers (Bozzola et al., 2021).

Interestingly, market dynamics do not have a significant direct effect on purchase decisions. This implies that external market conditions such as price volatility and competition intensity do not directly influence consumers' willingness to purchase palm sugar coffee. Instead, internal factors related to personal values, health perceptions, and lifestyle orientation are more decisive. This finding suggests that even in a highly competitive and unstable market environment, consumer loyalty can be maintained if producers successfully address intrinsic consumer motivations (Daviron & Ponte, 2005).

Managerial Implications

The findings of this study have important implications for MSME producers and policymakers. Producers should shift their strategic focus from price competition to value creation through health-oriented branding, lifestyle positioning, and product differentiation. Emphasizing the functional and cultural value of palm sugar coffee can help build stronger brand loyalty and reduce vulnerability to price wars. Policymakers, on the other hand, should support capacity-building programs that enhance product innovation, packaging design, and digital marketing skills among MSMEs.

CONCLUSION

This study concludes that the palm sugar coffee market in West Java is characterized by intense competition, high price volatility, and wide product accessibility, yet consumer purchasing behavior is driven more by intrinsic factors than by external market conditions. The findings demonstrate that health awareness, lifestyle orientation, and product differentiation significantly influence purchase decisions, while market dynamics do not directly affect consumers' willingness to buy. Consumption trends indicate that palm sugar coffee has become a regular beverage choice, motivated primarily by perceived health benefits and preference for local products. These results highlight the importance for MSME producers to shift from price-based competition toward strategies that emphasize functional value, lifestyle positioning, and product innovation in order to strengthen competitiveness and ensure the sustainability of palm sugar coffee in the regional market.

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