

JGB 1752**An Analysis of the Viability and Success Factors for Startup Coffee Shops in Malabon****City: A Sella Uno Café Case Study***Nelson B. Guillen Jr., Maria Vera Reyes & Dianna Azores**De La Salle University, Manila**nelson.guillen@dlsu.edu.ph, ma.vera.reyes@dlsu.edu.ph, dianna.azores@dlsu.edu.ph***Abstract**

This research paper investigates the viability and success factors for startup coffee shops in Malabon City, Philippines, focusing on the case study of Sella Uno Cafe, a garage coffee shop. The study aims to provide valuable insights into the local coffee shop market, identify startup challenges, and highlight critical success factors for their sustainability and growth. Through a comprehensive survey research design and case study approach, data were collected from 101 Gen Z and millennial residents aged 18 to 29 in the Malabon area using purposive sampling. The findings reveal that strategic location selection, effective marketing strategies, appropriate pricing, and a strong emphasis on customer satisfaction are key success factors for startup coffee shops in Malabon. These factors significantly contribute to the viability and competitiveness of coffee shops in the local market. However, the study also identifies challenges, including intense competition from established players and high rental costs, which require careful consideration.

This research offers valuable insights and practical implications for entrepreneurs and managers planning to establish or operate coffee shops in Malabon City. By understanding and

implementing the identified success factors, startups can enhance their chances of success in this dynamic and highly competitive industry.

This study contributes to the existing literature on coffee shop management, particularly in emerging markets. The findings provide insights that inform business strategies, stimulate innovation, and support the growth of the local coffee shop industry. Future research could explore additional factors and expand the scope to other geographical locations, fostering a more comprehensive understanding of the startup coffee shop landscape.

Keywords: *Viability, Success Factors, Startup, Coffee Shops, Malabon City*

Introduction

The coffee shop industry in the Philippines has grown rapidly in recent years, and Malabon City is no exception. With the increasing demand for coffee and the popularity of coffee shops for socializing, working, and relaxing, many entrepreneurs are starting coffee shop businesses in the area, especially during the height of the pandemic. However, the success of a coffee shop depends on various factors, such as location, target market, pricing, menu, and customer service. This paper uses a case study approach to analyze the viability and success factors for startup coffee shops in Malabon City.

Problem Statement

What are the viability and success factors for startup coffee shops in Malabon City, and how can they be identified and evaluated?

This research explores these questions by conducting a case study of Sella Uno Cafe, a startup coffee shop in Malabon City, and analyzing the factors that contributed to its success. The study seeks to provide insights and recommendations for entrepreneurs and investors

interested in starting a coffee shop in Malabon City and contributing to the broader literature on startup success factors in the food and beverage industry.

Objectives

- To identify the key startup factors for coffee shops in Malabon City based on a Sella Uno Cafe case study.
- To understand the impact of Facebook Marketing on key success factors and buyers' decisions to purchase coffee in the locality.
- To analyze the viability of starting a coffee shop in Malabon City and the challenges entrepreneurs may face in this industry.
- To evaluate the marketing strategies and tactics used by Sella Uno Cafe to attract and retain customers and to determine their effectiveness.

Background

Malabon City is a first-class urban municipality in the northern part of Metro Manila, Philippines. The city has approximately 365,525 people and is known for its diverse culinary scene, including traditional Filipino and street food. The coffee shop industry in Malabon has grown in recent years, with several independent and chain coffee shops opening in different parts of the city, except major players like Starbucks, Coffee Bean, and Coffee Project, to name a few.

Literature Gap

Based on the study's findings, the study aims to provide recommendations for entrepreneurs and investors interested in starting a coffee shop in Malabon City and contribute to the existing literature on startup success factors in the food and beverage industry.

Review of Related Literature

Location is a crucial factor in the success of a coffee shop. A study by Ashworth and Kavartzis (2010) found that the location of a coffee shop should be accessible, visible, and in a high-traffic area. In Malabon City, potential locations for coffee shops include busy commercial areas near schools, universities, or transportation hubs.

Another critical factor is the target market. Coffee shops can cater to many customers, from students to professionals to families. A study by Williams and Dargahi (2016) found that understanding the target market's needs and preferences is essential to creating a successful coffee shop. For example, a coffee shop targeting students may offer affordable prices and a quiet atmosphere conducive to studying.

Pricing is also a critical factor in the success of a coffee shop. Research by Kim, Han, and Park (2017) found that price perception affects customer satisfaction and loyalty. In Malabon City, the pricing strategy should consider the local market and competition. Offering promotions, discounts, or loyalty programs may attract and retain customers.

Menu offerings and customer service are also vital factors in a coffee shop's success, according to Kiani and Khajeheian (2015). The study found that menu offerings and customer service are essential factors for a coffee shop's success. The study's results showed that customers value a variety of menu offerings that cater to their different tastes and preferences. Moreover, customers expect excellent customer service, such as friendly and attentive staff, quick service, and a clean and comfortable environment. The study also found that these factors contribute significantly to customer satisfaction and loyalty, essential for a coffee shop's success. Therefore, coffee shop owners should prioritize their menu offerings and customer service to meet customers' expectations and improve their overall experience.

According to a report by the Philippine Coffee Board, the coffee industry in the Philippines has been growing steadily in recent years, with a focus on specialty coffee (Philippine et al., 2019). This growth has been fueled by changing consumer preferences and a growing middle class with higher disposable incomes. In addition, the rise of social media has allowed coffee shops to

Several studies have investigated the factors influencing customers' perceptions and behavior toward coffee shops. For example, a study by Ryu and Han (2010) found that atmosphere and service quality significantly influenced customers' satisfaction and loyalty toward coffee shops. Similarly, a study by Lee and Kim (2011) found that the perceived quality of coffee and ambiance were important factors in customers' satisfaction and intention to revisit the shop. Customers patronize coffee shops for many more reasons than to satisfy the need for coffee, quench a thirst, or curb hunger. People visit the coffee shops to break from stressful work, grow relationships or connect with friendly baristas or as a place to hold business meetings and close a deal and agreements. (Ferreira & Beuster, 2019)

Moreover, location has also been identified as a critical factor in the success of coffee shops. A study by Chang and Lee (2007) found that the accessibility of a coffee shop's location significantly influenced customers' intention to visit the shop. Furthermore, competition in the local area can also affect a coffee shop's viability and success (Babbie & Mouton, 2018). Coffee shops are singularly important features of a vast network of gathering places that make up urban areas ((Ferreira & Beuster, 2019)

However, on March 15, 2020, the Philippines experienced a lockdown due to the spread of the novel coronavirus disease, COVID-19, and it has tremendously changed people's lives and business activities at the national, regional, and global levels. (Shinozaki & Rao, 2021).

Because of this, many entrepreneurs suffered from this lockdown. According to the online article in Business World, a survey conducted by GoDaddy Global Entrepreneurship Survey in the Philippines, sixty percent (60%) of small business entrepreneurs rely on technology to keep their ventures up and running during the pandemic. These entrepreneurs also use social media and messaging platforms to communicate with their consumers. Social media is one of the most prominent inventions of the twenty-first century. Many social media applications have become a part of daily life, including YouTube, WhatsApp, Facebook, and Twitter (Alshehri, 2019).

The pandemic also presented opportunities for some respondents, with one out of three starting a business now (Business et al., 2021). The Department of Trade and Industry reported an increased number of business names registered. True enough, micro-entrepreneurs like Sella Uno, 2020 DOSE, and Moto Cafe were established during the pandemic. Moreover, these entrepreneurs utilize social media applications such as Facebook to communicate with their consumers.

MSMEs are the backbone of the national economy, but these entrepreneurs remain susceptible to external changes, such as calamities, financial crises, and forced changes in the business environment—like the COVID-19 pandemic response. (Shinozaki & Rao, 2021). According to Larkina et al. (2018), innovative marketing determines the success of interactions with potential consumers. Creative marketing can also respond to the changing speed of customer desires and market demands. This had become a necessity for responding to the crisis brought about by the COVID-19 pandemic.

In summary, the review of related literature suggests that customers' perceptions and behavior towards coffee shops can be influenced by factors such as atmosphere, service quality,

perceived coffee quality, ambiance, location, and competition. These factors are critical in attracting and retaining customers and can be enhanced through effective marketing efforts that consider Kotler's basic stimulus-response theory.

Sella Uno Café

Sella Uno is a home-based cafe in Malabon City, founded by the Reyes Siblings in 2021. From their fully-online beginning, the owners opened a physical location for the cafe in their home garage to allow its customers to experience Sella Uno. They aim to provide comfort, convenience, and happiness at a reasonable price point without having the Malabonians travel to bigger cities in search of foods and drinks that satisfy their cravings. The cafe specializes in unique offers of internationally-inspired dishes, such as its handcrafted strombolis, ciabattas, pizzas, pasta, and lattes.

Sella Uno believes that its customers should be able to enjoy the high quality and unique flavors they offer without many financial worries.

Figure 1

1 and 2 Sella Uno Cafe



On March 24, 2022, Sella Uno Café transformed its home garage into alfresco dining and opened its door to guests who want to experience more of the garage café. Along with this, the café began to utilize Food Panda, a mobile application, as one of its platforms for ordering food. The unique selling proposition of Sella Uno is: “Giving comfort and happiness through handcrafted internationally-inspired food and beverages at a reasonable price.”

Target Market

Like the other startup cafes, the primary target market Sella Uno serves is millennials residing in CAMANAVA (Caloocan et al.) via online/ mobile delivery apps (Food et al.). However, the main focus is still the Malabonians, who belong to the middle to the upper class. These individuals are pasta and coffee drinkers who love eating and enjoying their meals with friends and family.

Positioning

Most cafes in Malabon, like Sella Uno, serve specialty bread, pasta, and handcrafted coffee. The café cares about providing comfort, convenience, and happiness through its dishes and beverages, which are priced reasonably. Furthermore, Sella Uno cares about bringing internationally inspired dishes and beverages to those who want to experience foreign dishes without traveling to bigger cities in the National Capital Region. Additionally, the brand cares about serving its community. Indeed, dishes and beverages made with love would soon be the customer’s comfort dishes that would bring a sense of warmth. Lastly, Sella Uno aims to make their customers feel at home while in the café and that it would be a space where they could work productively or spend time with their friends and family.

Marketing Mix

Product Strategy

The products of Sella Uno are being supplied by local brands in the Philippines. These products are available in the Sella Uno Garage Café for the convenience of customers. Sella Uno utilizes in-house delivery service and various delivery applications to cater to customers across the National Capital Region.

Sella Uno has a variety of product categories, such as Stromboli Series, Ciabatta Series, Pizza Series, and Specialty Coffee; all the breads are made from scratch, and coffee concoctions are handcrafted with arabica coffee from Benguet, Kalinga, and Sagada as main ingredient. The café also serves pasta using Sella Uno's recipe.

Products in 300ml	Price in Pesos
Hot / Cold Classic Latte	75/95
Hot / Cold Vanilla Latte	75/95
Hot/ Cold Hazelnut Latte	75/96
Hot / Cold Mocha	75/95
Hot / Cold Caramel Latte	75/95
Hot / Cold Americano	75/85

Products in protein toppings such as shrimp, chicken, or bacon are served with handcrafted bread.	Price in Pesos
Pasta Marinara	130
Pasta Al Pesto	130
White Truffle Pasta	150

Products	Price in Pesos
Caesar Salad Bacon Sandwich	135
Caesar Salad Chicken Sandwich	135
Chicken Pesto with Shiitake Sandwich	135

Stromboli	
Products	Price in Pesos
Bacon Marinara	115
Bacon Hawaiian	115
Chicken Pesto and Mushroom	115
Pizza	
Products are available in 10."	Price in Pesos
Margherita	325
Hawaiian	325
Spinach Dip	325
Sella Uno Special	325

Pricing Strategy

The pricing strategy of Sella Uno Garage Cafe is value-based, as it caters to the needs and wants of its valued customers. Since Sella Uno is expanding, quality is an integral part of its pricing; therefore, what matters the most is if the price is the better fit for the customer's perspective.

Distribution Strategy

Sella Uno serves customers through its location to benefit offline customers and Facebook patrons. It serves primarily the people of Malabon and the nearby areas in CAMANAVA and Bulacan via express delivery like Food Panda.

Figure 2

Map of NCR



Figure 3

Map of Malabon City



Figure 4*Sella Uno Cafe***Communication Strategies***Advertising*

Various content on Facebook and Instagram of Motivational quotes, promos, and discounts for Sella Uno's menu offers. Micro-influencers are also welcome to do Tiktok videos to be shared by Sella Uno's Instagram and Facebook page.

Sales and Promotions*Closing Promo*

In this marketing strategy, the company offers its products at a discounted price near the end of its operating hours. This helps Sella Uno attract more customers and orders to generate more sales during the business day before it closes its doors. Additionally, ingredients or products with a tight shelf life are also sold easier through this strategy—lessening the company's spoilage.

Competitive Situation

2020 Dose

The coffee shop was founded in 2020 during the period of the community quarantine due to the pandemic. The owner maximizes their residential area in Malabon City since it is located on the main road of C. Arellano. 2020 Dose serves affordable special coffee concoctions that use locally produced arabica beans from Atok Benguet. The names of their products are inspired by DeFi, a play-to-earn style role-playing game (RPG). The coffee shop also serves waffles and other pastries on the side.

Figure 5

2020 Dose Coffee House



But First, Coffee

However, First, Coffee has 32 branches - one in Malabon and the rest across NCR. However, First Coffee claims that they offer affordable prices for high-quality coffee. Their menu for coffee is drip and espresso-based and is categorized into four sizes. Vietnamese Coffee (prices start at P60) and Spanish Lattes (at P120) are their bestsellers and Chocolate Chip Cookies.

Figure 6

But First, Coffee Logo



Moto Café

Moto Cafe, also known as the Modern Cafe Coffee, Shop, claims they are a house of positive energy. A modern cafe, also a carwash shop on the side, sells different types of handcrafted coffee, steak, and lunch bowls. Moto Cafe targets young and adult customers who are into motorcycles, cars, and anyone who is into automotive. Customers waiting for their cars and motorcycles to get fixed and washed line up to taste their specialty coffee and steak. Moto Cafe has also recently expanded its menu to pastries such as cookies and specialty breads that are perfect to take home.

Figure 7

Moto Cafe



Table 6

Startup Coffee Shops in Malabon

	Sella Uno	2020 Dose	But First, Coffee	Moto Cafe
Positioning	Handcrafted food and drinks, value for money cafe	Specialty coffee at an affordable price	Philippine-based franchise cafe aiming to promote local sourcing of coffee beans, and provide a high quality yet affordable experience.	A modern classic coffee shop car wash Café that offers a variety of coffee, snacks, and rice meals.
Branding	Street and garage pop up style	Street and garage pop-up style	Minimalist	Street and garage standalone
Products	Handcrafted coffee, stromboli, ciabatta sandwiches, pizzas, pastries, and kinds of pasta	Handcrafted coffee, waffles	Drip Based Coffee, Espresso Based Coffee, Milk Based Beverages, Pastries	Coffee, Non Coffee, Matcha Based Drinks, Cream Based Drinks, Local Beers, Flavored Beers, Snacks, All-day Breakfast, Rice Bowls and Extras
Price Points	Espresso-Based Coffee 75 - 95	Espresso-based Coffee 75 - 170	Drip Based Coffee ₱55	Coffee ₱70-₱110

	<p>Stromboli 115</p> <p>Ciabatta 130</p> <p>Pizza 325</p>	<p>Non Coffee Drinks 65 -75</p>	<p>- ₱240 Espresso Based Coffee ₱100</p> <p>- ₱460 Milk Based Beverages ₱120</p> <p>Pastries ₱50 - ₱160</p>	<p>Non Coffee- ₱100</p> <p>Matcha Based Drinks ₱95- ₱110</p> <p>Cream Based Drinks ₱100</p> <p>Local Beers ₱55-₱65</p> <p>Flavored Beers ₱85</p>
Target Market	<p>Teenagers and adults who like quality and trusted food. Sella Uno has a neighborhood cafe vibe which customers appreciate</p>	<p>Millennials who appreciate specialty coffee and regular coffee drinkers</p>	<p>Teenagers and Adults who prefer supporting local establishments and appreciate freshly brewed coffee.</p>	<p>Teenagers who are into coffee, Young professionals and adults, specifically those who own motors.</p>
Place	<p>Malabon Physical store and Online thru Facebook</p>	<p>Malabon's Physical stores and online platforms, such as Foodpanda and FB</p>	<p>Malabon Physical store and other branches in Valenzuela, Manila, Quezon City, Marikina, Paranaque, Bulacan, and Cavite, as well as online platforms such as Food Panda and Grab Good</p>	<p>Malabon's Physical stores and online platforms, such as Foodpanda and FB</p>

Theoretical Framework

Kotler's model suggests that a consumer's buying behavior is influenced by four elements: stimuli, buyer's characteristics, decision-making process, and environmental factors (Kotler, 2016). In the context of startup coffee shops in Malabon City, these elements can be analyzed as follows:

1. **Stimuli:** The marketing efforts and offerings of the coffee shop, such as its menu, pricing, location, and advertising, can attract potential customers to the coffee shop (Kotler, 2016).
2. **Buyer's Characteristics:** Personal factors, such as demographic factors, lifestyle, personality, and values, can influence a customer's decision to purchase from the coffee shop (Kotler, 2016).
3. **Decision-making Process:** The steps a customer goes through when making a purchase decision can be influenced by the stimuli and the buyer's characteristics. The coffee shop's menu and pricing offerings can influence the customer's decision-making process (Kotler, 2016).
4. **Environmental Factors:** External factors, such as the social, economic, and cultural environment in Malabon City, can affect a customer's decision to purchase from the coffee shop (Kotler, 2016).

By analyzing these elements through the lens of Kotler's basic stimulus-response model, startup coffee shops in Malabon City can develop effective marketing strategies and identify key success factors to attract and retain customers.

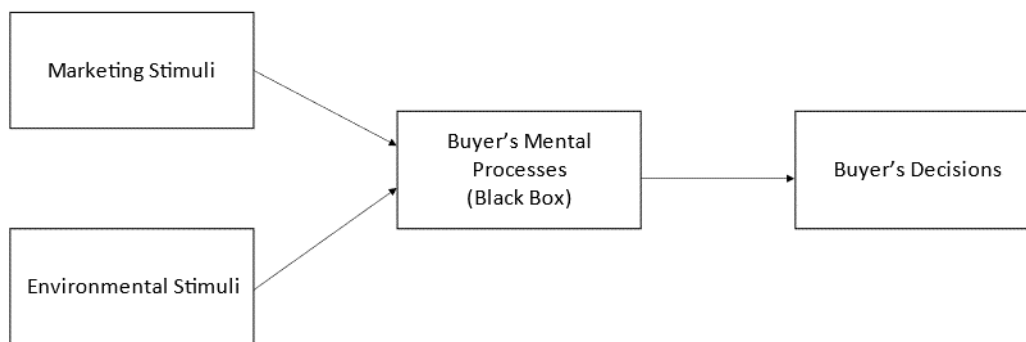
Sella Uno Garage Cafe, a startup coffee shop in Malabon City, exemplifies the application of Kotler's theoretical framework in its business strategy. The cafe strategically aligns its operations with the four elements of buyer behavior:

1. **Stimuli:** Sella Uno Garage Cafe focuses on creating a unique atmosphere by converting an actual garage into a cozy and trendy coffee shop. The cafe's menu offers a variety of specialty coffee drinks, pastries, and light meals to cater to different tastes (Mangio, 2022.). It positions itself in a busy commercial area, enhancing its visibility and accessibility to potential customers. The coffee shop utilizes social media platforms and collaborates with local influencers to increase brand awareness (Mangio, 2022).
2. **Buyer's Characteristics:** Sella Uno Garage Cafe considers the preferences and characteristics of its target market, which include students, young professionals, and coffee enthusiasts. By offering a comfortable and welcoming ambiance, the cafe appeals to customers who value a relaxing environment to enjoy their coffee (Mangio, 2022).
3. **Decision-making Process:** Sella Uno Garage Cafe strategically influences the decision-making process of its customers. The cafe ensures that customers perceive value in their offerings by providing a range of options to cater to different budgets and tastes. It also implements promotions and loyalty programs to encourage repeat visits and foster customer loyalty (Mangio, 2022).
4. **Environmental Factors:** Sella Uno Garage Cafe actively engages with the local community in Malabon City. The cafe participates in neighborhood events, collaborates with local businesses, and supports charitable initiatives. This approach helps build a positive reputation and establishes the cafe as a community-oriented coffee shop.

We can identify its key success factors by considering these elements and analyzing Sella Uno Garage Cafe's implementation of Kotler's theoretical framework. The cafe's unique ambiance, diverse menu, strategic location, effective marketing efforts, and community engagement contribute to its ability to attract and retain customers in Malabon City's competitive coffee shop market. This case study demonstrates the practical application of Kotler's model in developing effective marketing strategies for startup coffee shops.

Figure 8

Basic Stimulus-Response Model (Kotler et al., 2016)



Conceptual Framework

Kotler's basic response model suggests that when consumers are exposed to a stimulus, such as an advertisement or a product, they go through a cognitive process consisting of four stages: attention, interest, desire, and action (AIDA) (Kotler & Keller, 2016). Facebook marketing, which refers to using Facebook's platform to promote products or services, engage with customers, and build brand awareness (Smith, 2021), can act as a moderating variable in this conceptual framework.

One way in which Facebook marketing, such as in the case of Sella Uno Cafe utilizing the platform, can act as a moderating variable is by influencing the attention stage of the cognitive process. Research has shown that Facebook advertising can effectively increase

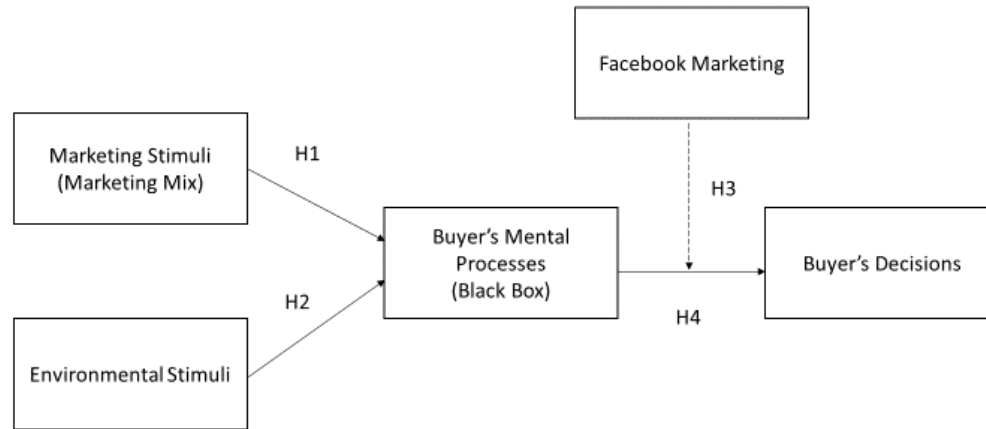
consumers' attention to a product or service (Sanei & Karimi, 2017). By leveraging targeted advertising features on Facebook, businesses like Sella Uno Cafe can reach specific audiences based on demographics, interests, and behaviors, increasing the likelihood that consumers will pay attention to their advertisements.

Furthermore, Facebook marketing can also act as a moderating variable in the desired stage of the model. Techniques like social proof, where a product is shown to be popular among a consumer's peers, or scarcity, where the product is presented as limited in availability, can be effectively utilized through Facebook marketing to increase consumers' desire to purchase the product (Thakur & Srivastava, 2016). Sella Uno Cafe can leverage social media strategies on Facebook to showcase positive reviews, testimonials, and user-generated content, creating a sense of social proof and increasing consumers' desire to visit and engage with the cafe.

Therefore, based on these considerations, Facebook marketing, as exemplified by Sella Uno Cafe's efforts, can act as a moderating variable in Kotler's basic response model by influencing the attention and desire stages of the cognitive process. By strategically leveraging targeted advertising and techniques such as social proof and scarcity, coffee shops, and other businesses can enhance their marketing efforts on Facebook and effectively drive consumer attention and desire, ultimately leading to increased customer engagement and action.

Figure 9

Basic Stimulus-Response Model (Kotler et al., 2016)



Hypotheses

H1: Marketing Stimuli positively affect Buyers' Mental Process

H2: Environmental Stimuli positively affect Buyer's Mental Process

H3: Facebook Marketing moderates the relationship between Buyer's Mental Process and the Buyer's Decision

H4: Buyer's Mental Process significantly affects Buyers Decision

Methodology

The methodology used in the study, which aligns with the Sella Uno Cafe case study, is justified and appropriate for addressing the research objectives. Here is how the methodology aligns with the case study:

The study used a Survey Research Design to gather participant data using a questionnaire or survey (Babbie, 2016). In the context of the Sella Uno Cafe case study, the researchers aimed to obtain information about the opinions, attitudes, and behaviors of Gen Z and Millennial Malabon residents aged between 18 to 29 years old. By utilizing a survey, the researchers could

gather relevant data directly from the target audience and gain insights into their preferences and behaviors related to the coffee shop.

To select participants, the study employed purposive sampling, a non-random sampling technique that selects individuals based on specific criteria or characteristics (Creswell & Creswell, 2017). In this case, the researchers purposefully selected 101 respondents from the Gen Z and Millennial demographic in the Malabon area. This sampling method allowed the researchers to focus on the specific target audience relevant to the case study, ensuring that the collected data accurately represented the opinions and behaviors of the cafe's potential customers.

For data analysis, the researchers utilized SMART-PLS, a statistical tool commonly used in structural equation modeling (SEM) (Henseler et al., 2014). SEM helps explore and understand the relationships among variables and identify causal relationships between different factors that influence participants' behavior. By employing SMART-PLS, the researchers could examine the complex relationships between variables and gain insights into the factors influencing customers' behavior and decision-making processes.

Path analysis, a technique within SEM, was employed to examine the direct and indirect effects of independent variables on a dependent variable (Kline, 2015). In the case of the Sella Uno Cafe study, path analysis allowed the researchers to explore the relationships between variables and identify how factors such as stimuli (e.g., marketing efforts, menu), buyer's characteristics, and environmental factors influence customers' decisions to visit and engage with the coffee shop. This approach facilitated a comprehensive analysis of the interplay between various factors affecting consumer behavior.

By utilizing a survey research design, employing purposive sampling, and utilizing SMART-PLS for data analysis with path analysis, the study aligns its methodology with the specific objectives of understanding the opinions, attitudes, and behaviors of Gen Z and Millennial residents in the Malabon area towards Sella Uno Cafe. This methodology systematically investigates the factors that influence customer behavior and provides valuable insights for the case study.

Discussion and Results

Table 7 highlights the study's reliability and validity. Cronbach's alpha is a measure of internal consistency reliability, which indicates how closely related a set of items are as a group. A value above 0.7 is generally considered acceptable (Creswell, 2017).

Composite reliability (ρ_a) and composite reliability (ρ_c) are measures of the reliability of the construct measured by the items. Both measures range from 0 to 1, with values above 0.7 indicating acceptable reliability (Creswell, 2018).

The average variance extracted (AVE) is a measure of convergent validity, which assesses how much variance in the observed variables is explained by the construct they are supposed to measure. AVE values above 0.5 are considered good, indicating that the construct captures a significant proportion of the variance in the observed variables.

In this case, all of the variables have acceptable levels of reliability, and the constructs adequately capture the variance in the observed variables, except for Facebook Marketing which has a slightly lower AVE than the others.

Table 7*Reliability and Validity*

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	The average variance extracted (AVE)
Buyer's Decision	0.702	0.731	0.797	0.664
Buyer's Mental Process	0.777	0.779	0.792	0.656
Environmental Stimuli	0.718	0.721	0.771	0.659
Facebook Marketing	0.725	0.759	0.742	0.641
Marketing Stimuli	0.742	0.749	0.755	0.633

Table 8 shows the hypotheses test results where the first column, "Original Sample," shows the raw data for each variable, while the second column, "Sample Mean," shows the mean value for each variable. The third column, "Standard Deviation," shows the standard deviation of each variable, which measures how much the data deviates from the mean. The fourth column shows the calculated t-statistic for each hypothesis, which is obtained by dividing the value in the "Original Sample" column by the standard deviation in the "Standard Deviation" column and taking the absolute value. The t-statistic measures how many standard deviations the sample mean are from the null hypothesis (a value of 0). The fifth column, "P Values," shows the p-value associated with each hypothesis test. The p-value is the probability of observing a result as extreme as the one obtained, assuming the null hypothesis is true. If the p-value is less than 0.05 (indicated by "0.05" in the table), the null hypothesis is rejected at the 5% significance level.

Based on the results presented in the table, we can see that H1 and H2 have p-values less than 0.05, indicating that the null hypothesis for these tests can be rejected. This suggests

evidence of a relationship between Marketing Stimuli and the Buyer's Mental Process and between Environmental Stimuli and the Buyer's Mental Process.

On the other hand, H3 has a p-value greater than 0.05, indicating that the null hypothesis cannot be rejected for this test. This suggests that insufficient evidence supports the hypothesis that the interaction between Facebook Marketing and Buyer's Mental Process affects Buyer's Decision.

Finally, H4 and Buyer Mental Process -> Buyer's Decision have p-values less than 0.05, indicating that the null hypothesis for these tests can be rejected. This suggests evidence of a relationship between Facebook Marketing and the Buyer's Decision and between the Buyer's Mental Process and the Buyer's Decision.

Table 8

Hypotheses Test Results

		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics	P Values
H1	Marketing Stimuli → Buyer Mental Process	0.259	0.277	0.125	2.075	0.038
H2	Environmental Stimuli → Buyer Mental Process	0.371	0.386	0.109	3.408	0.001
H3	Facebook Marketing x Buyer Mental Process → Buyer's Decision	0.086	0.076	0.109	0.783	0.434
H4	Buyer Mental Process → Buyer's Decision	0.288	0.291	0.93	3.112	0.002

The study's findings align with Kotler's framework, supporting its applicability in the context of local coffee shops, including Sella Uno Cafe in Malabon. However, it was observed that Facebook marketing is not a significant moderator in the relationship between Buyer's Mental Process and Buyer's Decision.

A p-value was used to assess the statistical significance of the hypothesis test regarding the interaction between Facebook Marketing and the Buyer's Mental Process on the Buyer's Decision. In this case, the null hypothesis (H3) posits that there is no significant relationship between these variables. The p-value of 0.434 indicates a 43.4% chance that the observed effect is due to random chance rather than a true relationship. The null hypothesis cannot be rejected since this p-value is greater than the predetermined significance level of 0.05. Therefore, insufficient evidence supports the hypothesis that the interaction between Facebook Marketing and Buyer's Mental Process significantly affects Buyer's Decision. Consequently, the result suggests that this interaction may not significantly predict Buyer's Decision.

Interestingly, the survey results revealed that customers who were already aware of a coffee shop in Malabon were likelier to visit and recommend the shop before engaging with its Facebook page. These customers, who independently chose to like Sella Uno Cafe's Facebook page, may represent a highly engaged segment, potentially indicating that the effect of their engagement (e.g., liking the page) is stronger (Mochon et al., 2017).

In conclusion, the study's findings, within the framework of Kotler, suggest that local coffee shop owners, including Sella Uno Cafe in Malabon, should focus on crucial success factors such as providing high-quality coffee and food, excellent customer service, and creating a cozy and relaxed ambiance. These elements are essential for attracting and retaining customers, as supported by the study's results. However, it is noteworthy that Facebook marketing may not

significantly moderate the relationship between Buyer's Mental Process and Buyer's Decision, implying the need for alternative strategies and channels to influence consumer behavior and decision-making.

Conclusion, Recommendation, and Implications

The analysis of the viability and success factors for startup coffee shops in Malabon City, particularly focusing on Sella Uno Garage Cafe, has significant implications for local and global businesses (Gaur & Kumar, 2019). Influenced by the pandemic, the changing landscape of the business sectors presents immense potential for brands like Sella Uno Cafe, especially considering the adventurous nature of the target market, which is passionate about trying new food and exploring hidden cafe gems.

The study sheds light on the key factors contributing to the success of a startup coffee shop in Malabon City. By examining Sella Uno Cafe's business model, marketing strategies, and operational practices, it was determined that location, customer service, product quality, and a modest social media presence were critical success factors for coffee shops in this area.

This study's practical and managerial implications emphasize the importance of conducting a thorough market evaluation, focusing on exceptional customer service and product quality, establishing a strong brand identity, and maintaining financial discipline to ensure the success of a startup coffee shop in Malabon City.

Furthermore, the findings have implications for global coffee shop chains seeking to expand into the local market (Kim et al., 2020). These chains should consider adapting their menus and ambiance to align with the preferences of the local population. Locals will likely appreciate above-standard food quality in Malabon City, known for its diverse culinary delights. Rather than primarily relying on social media marketing to increase visibility and compete with

local coffee shops, global chains should prioritize providing high-quality coffee and food, delivering excellent customer service, and creating a cozy, relaxed ambiance to attract and retain customers.

For global coffee shop chains planning to enter Malabon City, conducting thorough market research to understand local customer preferences and tailoring their offerings accordingly is crucial. The study's findings hold significant implications for both local coffee shop owners and global coffee shop chains, guiding them toward implementing the study's recommendations to enhance their viability and success within the highly competitive coffee shop industry.

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