

The Effect of Lifestyle, Physical Environment, and Electronic Payment on Purchase Decisions

*The Effect of Lifestyle,
Physical Environment,
and E-Payment*

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ABSTRACT

Coffee shops have increasingly become lifestyle spaces for millennials, serving not only as venues to enjoy coffee but also as places for socializing, working, and expressing personal identity. Understanding the factors that drive millennials' purchasing decisions in these spaces is crucial for businesses seeking to remain competitive. This study aims to examine the influence of lifestyle, physical environment, and e-Payment on millennials' purchasing decisions at coffee shops, while also assessing the moderating role of social factors in these relationships. A quantitative approach using Partial Least Squares-Structural Equation Modeling (PLS-SEM) was employed, with data collected from 306 millennial respondents selected through purposive sampling. A five-point Likert scale questionnaire was used, and its validity and reliability were confirmed through outer and inner model testing. Results indicate that lifestyle, physical environment, and e-Payment all significantly affect purchasing decisions. Social factors strengthen the influence of lifestyle and physical environment, but do not moderate the effect of e-Payment. The model demonstrates strong predictive power with an R^2 of 0.80 and a Goodness of Fit (GoF) of 0.769. The study contributes to consumer behavior literature and provides practical guidance for optimizing marketing strategies in coffee shops.

Keywords: E-Payment, Lifestyle, Physical Environment, Purchasing Decisions, Social Factors.

ABSTRAK

Kedai kopi semakin menjadi ruang gaya hidup bagi generasi milenial, tidak hanya berfungsi sebagai tempat untuk menikmati kopi tetapi juga sebagai tempat untuk bersosialisasi, bekerja, dan mengekspresikan identitas pribadi. Memahami faktor-faktor yang mendorong keputusan pembelian milenial di ruang ini sangat penting bagi bisnis yang ingin tetap kompetitif. Penelitian ini bertujuan untuk mengkaji pengaruh gaya hidup, lingkungan fisik, dan e-Payment terhadap keputusan pembelian milenial di kedai kopi, sekaligus menilai peran moderasi faktor sosial dalam hubungan ini. Pendekatan kuantitatif menggunakan Partial Least Squares-Structural Equation Modeling (PLS-SEM) digunakan, dengan data yang dikumpulkan dari 306 responden milenial yang dipilih melalui purposive sampling. Kuesioner skala Likert lima poin digunakan, dan validitas serta keandalannya dikonfirmasi melalui pengujian model luar dan dalam. Hasil menunjukkan bahwa gaya hidup, lingkungan fisik, dan e-Payment semuanya secara signifikan memengaruhi keputusan pembelian. Faktor sosial memperkuat pengaruh gaya hidup dan lingkungan fisik tetapi tidak memoderasi efek e-Payment. Model ini menunjukkan kekuatan prediksi yang kuat dengan R^2 0.80 dan Goodness of Fit (GoF) 0.769. Studi ini berkontribusi pada literatur perilaku konsumen dan memberikan panduan praktis untuk mengoptimalkan strategi pemasaran di kedai kopi.

Kata kunci: Pembayaran Elektronik, Gaya Hidup, Lingkungan Fisik, Keputusan Pembelian, Faktor Sosial.

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INTRODUCTION

The coffee shop industry has become a global phenomenon in the past two decades, showing remarkable growth. Across the world, coffee shops are no longer simply places to enjoy coffee, but have evolved into a third place or social space after the home (the first place) and the workplace (the second place). Oldenburg (1999) emphasized that third places play a crucial role in modern social life because they provide a space for interaction, relaxation, and even the formation of social identity. This concept has become synonymous with coffee shops as a symbol of the contemporary urban lifestyle. In Indonesia, one of the world's largest coffee producers, coffee consumption has grown significantly with an average annual rate of 8% over the past decade. This rise is driven not only by availability but also by changing consumer behavior, particularly among millennials and Generation Z, who see coffee as a lifestyle symbol. Lifestyle, reflected in activities, interests, and opinions, is tied to self-identity and social status (Engel et al., 2022). For millennials, visiting coffee shops, sharing experiences on social media, and selecting venues with specific ambiance represent ways to construct and display their public image, making coffee shops both consumption sites and social platforms.

Bandung is one of the Indonesian cities that is a center of thriving coffee shop culture. As a creative city with a predominantly young population, Bandung has a socio-cultural dynamic that strongly supports the growth of this industry. Data from the West Java Cooperatives and MSMEs Office in 2022 noted that the number of coffee shops in Bandung has increased sharply in the past five years, in line with the city's growing appeal as a center for education, tourism, and business. The presence of coffee shops with unique concepts is one of the main attractions, and one of them is Dreezel Coffee, which boasts a classic colonial feel with artistic touches. This characteristic is a distinct advantage, as it offers a unique experience compared to other coffee shops in Bandung.

However, despite these promising opportunities, there are also challenges that cannot be ignored. These include the number of visitors, which is influenced by consumer lifestyle trends, the perceived comfort of the physical environment (servicescape), and the availability of digital payment methods (e-Payments), which are increasingly becoming a primary need in modern transactions (Kartajaya et al., 2017; Peter & Olson, 2019). If coffee shops fail to anticipate changing consumer preferences, they will struggle to maintain customer loyalty, especially among millennials, who are known to be highly adaptable to technological and environmental changes.

This study focuses on three main variables, namely lifestyle, physical environment, and e-Payment, with social factors as a moderating variable. Lifestyle reflects individual consumption choices shaped by activities, interests, and opinions (Engel et al., 2022). For millennials, coffee shop visits represent status, social experiences, and self-image. The physical environment, or servicescape, includes elements such as design, lighting, temperature, aroma, and music that shape consumer perceptions (Bitner, 1992). A well-designed environment creates comfort, satisfaction, and repeat purchases, with physical aspects acting as key stimuli for consumer decisions (Kotler & Keller, 2018; Zeithaml et al., 2018). Finally, e-Payment adoption is influenced by perceived usefulness and ease of use, as explained in the Technology Acceptance Model (Davis, 1989). Millennials, being highly digital, prefer fast and secure transactions, making diverse payment options essential for coffee shops to retain young customers.

In addition to these variables, social factors are a third important dimension that serves as a moderating variable. Schiffman and Kanuk (2019) state that social factors include the influence of family, peers, reference groups, and social status. In the context of coffee shops, the decision to visit is often influenced by friend recommendations, group trends, or the desire for recognition within a particular community. In other words, purchasing decisions made by millennials are not entirely individual, but rather the result of social interactions and the search for social validation. The objective of this study is to examine how lifestyle, physical environment, and e-Payment influence millennials' purchasing decisions at coffee shops, and to assess the moderating role of social factors in these relationships.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Lifestyle and Purchase Decisions

Lifestyle, as defined by Engel et al. (2022), reflects individuals' consumption patterns through their activities, interests, and opinions. For millennials, lifestyle is strongly tied to self-identity and status expression. Kotler and Keller (2018) note that modern consumers purchase not only for functional needs but also to signal who they are. This is evident in coffee shop trends, where millennials use these spaces for working, socializing, and curating their self-image on social media (Hanzaee & Khonsari, 2011). Research further confirms lifestyle's influence on purchase decisions. Widjaja et al. (2023) found that a hedonistic lifestyle increases coffee shop visit frequency, while Rakhmawati (2021) and Dermawan et al. (2021) show that a digital lifestyle drives preferences for Wi-Fi access, comfortable workspaces, and Instagrammable designs.

Maney and Mathews (2021) found that lifestyle has a positive and significant influence on the purchase decisions of young consumers in India. Büyükdağ and Kitapci (2021) found that lifestyle is a critical variable for identifying a consumer with a brand and significantly influences purchasing decisions. According to Satria et al. (2025) consumer lifestyle has a direct effect on purchase decisions, particularly in the coffee shop sector, where consumers who integrate coffee consumption into their lifestyle are more likely to respond positively to promotions. Thus, lifestyle plays a significant role in shaping purchasing decisions in the coffee shop sector.

H1: Lifestyle has a significant effect on purchase decisions.

Physical Environment and Purchase Decisions

Bitner (1992) introduced servicescape as the total set of physical elements that shape consumer perceptions, including interior design, layout, lighting, temperature, aroma, music, and staff interactions. This environment acts as a stimulus influencing cognitive and emotional responses, which ultimately affect purchasing behavior (Kotler & Keller, 2016). Consumers today purchase not only the product but also the overall experience (Tjiptono, 2016). Wakefield and Blodgett (1996) emphasize that the physical environment is closely linked to perceived service quality, with comfortable atmospheres and friendly service enhancing loyalty. Empirical studies support this. Yuliana (2021) found that cleanliness and aesthetic lighting increase satisfaction, while Lesmana et al. (2024) showed that servicescape significantly improves customer experience and revisit intention.

Patella et al. (2020) demonstrated that the physical store environment has a significant effect on customer satisfaction and purchase decisions in both hedonic and utilitarian shopping contexts. The study by Kamila et al. (2024) showed that a well-designed store atmosphere significantly strengthens consumers' purchase decisions by enhancing comfort and overall experiential value. Setiawan and Rinova (2025) found that store atmosphere has a strong and significant positive effect on purchase decisions, indicating that appealing physical cues directly encourage buying behavior. Thus, the physical environment functions as an indirect marketing tool, reinforced by consumers sharing their experiences on social media (Assael, 1998; Alma, 2016; Wirtz et al., 2018).

H2: Physical environment has a significant effect on purchase decisions.

E-Payment and Purchase Decisions

The rise of digital technology has transformed transaction systems, making electronic payments (e-payments) increasingly essential (Wahyudi, 2020). Based on Davis's (1989) Technology Acceptance Model (TAM), consumers adopt technology when they perceive it as useful and easy to use. Millennials, whose lifestyles are highly digital, prefer e-payments because they are fast, secure, and convenient. Bank Indonesia's 2022 report shows a 42% increase in e-wallet usage over five years, reflecting a growing shift toward cashless transactions. Empirical studies also support this trend: Ramadhan and Afandi

(2025) find that coffee shop customers favor places offering diverse digital payment options, while Puspitasari (2025) shows that such options enhance convenience and customer loyalty.

Oyelami et al. (2020) revealed that electronic payment has a significant effect on individual purchase decisions and can increase household consumption levels. Umboh et al. (2024) found that digital payment has a positive and significant influence on purchasing decisions, meaning that the ease and security of digital payment encourage consumers to proceed with transactions. Sari et al. (2021) demonstrated that online shopping combined with e-wallet usage positively affects consumers' impulse buying behaviour, a behaviour closely tied to purchase decisions. Thus, providing e-payment facilities is a strategic advantage for coffee shops in attracting and retaining millennial consumers.

H3: Electronic payment has a significant effect on purchase decisions.

Social Factors as a Moderating Variable

Social factors also influence purchasing decisions. According to Schiffman and Kanuk (2019), these include family, peers, reference groups, and social status, all of which can moderate the impact of psychological variables on consumer choices. Millennials are strongly connected to their social circles, making peer recommendations and reference groups key drivers of their purchasing behavior (Solomon, 2021; Erislan, 2025). In the coffee shop context, visits are often motivated by social trends, friends' invitations, or the desire to follow popular content on social media. Previous studies highlight the importance of these social influences. Ilmi et al. (2021) found that reference groups significantly influence coffee shop consumers in Yogyakarta, while Liu and Du (2020) showed that social status affects preferences for more prestigious coffee shops.

Acar et al. (2024) investigated the relationship between brand lifestyle congruence and purchase intention, finding that social factors (family and peer/friend reference groups) significantly moderate the effect of lifestyle congruence on brand satisfaction and repurchase intentions through multi-group structural equation modeling. Zhao and Furuoka (2025) demonstrated that social influence moderates the relationship between the physical environment (livestreaming interaction) and green purchasing intentions, with social capital and customer inspiration serving as significant mediating mechanisms. Vedala (2025) further found that social influence significantly affects behavioral intention toward digital payment adoption, with perceived risks moderating the impact of social influence on consumers' intention to use UPI and other digital payment systems. These findings indicate that social factors can act as moderating variables that strengthen or weaken the effects of lifestyle, physical environment, and e-payment on purchasing decisions. Thus, this research is supported by a solid theoretical basis, with evidence showing that the three main variables influence consumer decision-making and that social factors may moderate these relationships.

H4: Social factors moderate the relationship between lifestyle and purchase decisions.

H5: Social factors moderate the relationship between the physical environment and purchase decisions.

H6: Social factors moderate the relationship between electronic payments and purchase decisions.

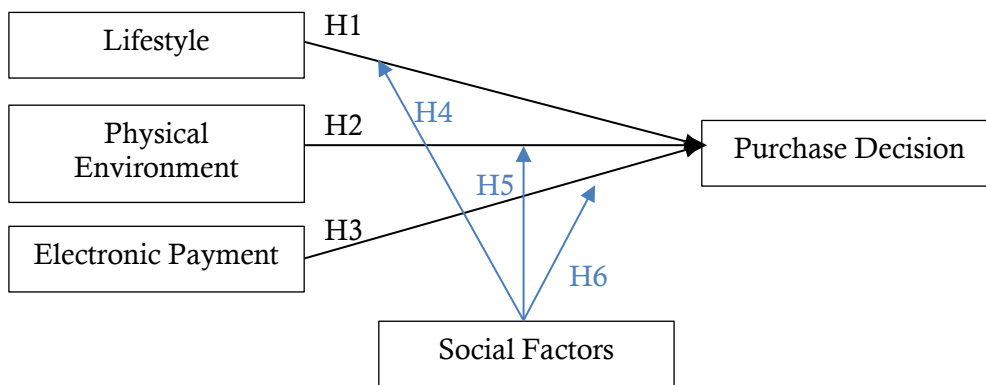


Figure 1. Research Framework

Figure 1 shows the research framework. This research framework highlights the influence of lifestyle, physical environment, and e-payment on purchasing decisions, with social factors as the moderating variable. Lifestyle reflects consumer identity, the physical environment creates a service experience, and e-payment makes transactions easier. Social factors strengthen the relationship between the three and the purchase decision, so that consumer decisions are formed from the interaction of individual, situational, and social factors.

RESEARCH METHODS

In this study, the approach used was quantitative, with data analysis techniques using Structural Equation Modeling-Partial Least Squares (SEM-PLS). This approach was chosen because it aligns with the research objective, which is to analyze causal relationships between variables involving moderating variables. The population of this study consisted of millennial consumers who had visited Dreezel Coffee Bandung, a coffee shop with a colonial concept that is popular among young people. Bandung was chosen as the research context because it is one of the fastest-growing coffee shop markets in Indonesia, dominated by millennials. A purposive sampling technique was applied based on specific inclusion criteria, including age (20–40 years), being part of the millennial generation, having visited Dreezel Coffee at least once in the last six months, and having made transactions using e-Payment (Sugiyono, 2017; Wijaya, 2018).

Based on these criteria, 306 respondents were obtained, which meets the minimum requirement for SEM-PLS analysis. The demographic profile shows that the majority of respondents were aged 21–30, balanced in gender distribution, with most being students or young professionals accustomed to using e-Payment, aligning well with the research objectives. Data were collected through closed questionnaires using a five-point Likert scale, covering indicators of lifestyle, physical environment, e-Payment, social factors, and purchase decisions. The questionnaires were distributed via Google Forms and printed copies at Dreezel Coffee over two months. Ethical considerations were ensured by maintaining respondent anonymity and voluntary participation.

The data analysis followed SEM-PLS procedures using SmartPLS 3.0, beginning with outer model testing for convergent validity, discriminant validity, and reliability, all based on standard thresholds (Ghozali & Latan, 2015; Hair et al., 2021). The inner model testing then examined the explanatory power (R^2), path coefficients, moderation effects of social factors, and Goodness of Fit (Fornell & Larcker, 1981). This approach ensured rigorous evaluation of causal relationships while accommodating a moderately sized sample and potential deviations from normal data distribution. The use of SmartPLS allowed for comprehensive and replicable findings regarding the role of lifestyle, physical environment, e-Payment, and social factors in influencing purchase decisions.

RESULTS

The results section presents information obtained from the research data in both descriptive and inferential statistics. The data presented includes respondent profiles, data processing results using validity and reliability tests, and hypothesis testing using SEM-PLS. The presentation is done through tables accompanied by a detailed analysis so that readers can understand the relationship between the empirical data and the research problem formulation.

Table 1. Respondent Characteristics

Respondent Characteristic	Characteristics	Amount	Percentage
Gender	Man	145	47.39%
	Woman	161	52.61%
Age	20–25 years	112	36.60%
	26–30 years	98	32.03%
	31–35 years	62	20.26%
	36–40 years	34	11.11%

Table 1 shows that the majority of research respondents were female (52.61%), while males accounted for 47.39%. This indicates that millennial female consumers have a higher participation rate in visiting Dreezel Coffee. This phenomenon is in line with research by Engel et al. (2022), which states that women more often use coffee shops as a social space, a means of self-expression, and as part of an urban lifestyle.

In terms of age, most respondents were in the 20–25 years range (36.60%), followed by 26–30 years (32.03%), then 31–35 years (20.26%), and finally 36–40 years (11.11%). This data shows that Dreezel Coffee’s main market share is young consumers in early adulthood, who are generally still in the stage of exploring lifestyle, work, and social relationships. This result is consistent with the findings of Kotler and Keller (2016), that young consumers tend to be interested in visiting coffee shops as a form of social experience as well as self-image. Thus, the demographics of respondents support the research assumption that coffee shops have become an integral part of the millennial generation’s lifestyle.

Table 2. Validity and Reliability Test

Construct	Item Indicator	Loading Factor	P-values	AVE	CR	CA
Lifestyle (LF)	LF1	0.736	0.000	0.629	0.835	0.704
	LF2	0.872	0.000			
	LF3	0.766	0.000			
Physical Environment (PE)	PE1	0.822	0.000	0.633	0.896	0.856
	PE2	0.827	0.000			
	PE3	0.768	0.000			
	PE4	0.778	0.000			
	PE5	0.782	0.000			
E-Payment (EP)	EP1	0.952	0.000	0.926	0.974	0.960
	EP2	0.979	0.000			
	EP3	0.956	0.000			
Purchase Decision (PD)	PD1	0.933	0.000	0.850	0.966	0.956
	PD2	0.910	0.000			
	PD3	0.914	0.000			
	PD4	0.934	0.000			
	PD5	0.919	0.000			
Social Factor (SF)	FS1	0.733	0.000	0.662	0.853	0.764
	FS2	0.774	0.000			
	FS3	0.922	0.000			

According to Table 2, the results of the validity and reliability testing indicate that all indicators meet the criteria for convergent validity, as reflected by loading factor values above 0.7 (ranging from 0.733 to 0.979) and AVE values greater than 0.5. This confirms that the indicators strongly and accurately represent their respective latent variables. Additionally, the composite reliability values for all variables fall between 0.835 and

0.974, and Cronbach’s Alpha values exceed 0.7, demonstrating that the measurement model is reliable and appropriate for use.

Table 3. HTMT Test

Construct	E-Payment	Social Factors	Lifestyle	Purchase Decision
E-Payment				
Social Factors	0.319			
Lifestyle	0.354	0.249		
Purchase Decision	0.487	0.205	0.777	
Physical Environment	0.347	0.132	0.415	0.624

The discriminant validity assessment using the Heterotrait-Monotrait Ratio (HTMT) in Table 3 shows that all indicators have values below 0.90, indicating that the HTMT criteria have been met. This confirms that the constructs demonstrate consistency in both convergent and discriminant aspects. Based on the results of the second-stage analysis, the model meets the required criteria, and therefore, the evaluation of the structural model (inner model) can be conducted.

Table 4. R Square, Q Square, and F Test

Test	Variable	Value	Category
R Square	Purchasing Decision	0.800	Strong
Q ² (=1-SSE/SSO)		0.688	Strong
	Lifestyle → Purchase Decisions	0.380	
	Physical Environment → Purchasing Decision	0.035	
	Electronic Payments → Purchase Decisions	0.086	
F Square	Social Factors → Purchase Decisions	0.035	
	Social Moderation (Lifestyle → Decisions)	0.286	
	Social Moderation (Environment → Decision)	0.402	
	Social Moderation (Electronic Payments → Decisions)	0.007	

Based on Table 4, the R-square test shows that the purchasing decision variable has a value of 0.800 (80%), indicating a strong explanatory power, meaning that lifestyle, physical environment, and e-payment collectively account for 80% of the variance in purchasing decisions, while the remaining 20% is influenced by other factors. The Q-square value of 0.668 (66.8%) also demonstrates strong predictive relevance, confirming that the model has a high predictive capability and that the independent variables exert a substantial impact on purchasing decisions.

Table 4 shows that Lifestyle has the strongest influence on Purchasing Decisions, with an F-squared value of 0.380 (large effect). Physical Environment and E-Payment demonstrate smaller effects with f-square values of 0.035 and 0.086. The interaction of Social Factors with Lifestyle and Physical Environment indicates moderate contributions with f-square values of 0.286 and 0.402, while the interaction between Social Factors and E-Payment shows a negligible effect (0.007), indicating minimal moderating impact on Purchasing Decisions.

Table 5. Model Fit Test

Test	Saturated Model	Estimated Model
SRMR	0.060	0.062
d_ ULS	0.693	0.735
d_ G	0.307	0.355
Chi-Square	577.510	600.649
NFI	0.870	0.865
Goodness of Fit		0.769

Based on Table 5, the model demonstrates a good fit, as indicated by the SRMR value of 0.062, below the 0.08 threshold, and supporting fit indices d_ ULS (0.693–0.735) and d_ G (0.307–0.355), which fall within acceptable ranges, indicating minimal discrepancy. Although the Chi-Square values (577.510 and 600.649) are relatively high, this is common

with large samples and not a sole indicator of poor fit. The NFI values of 0.870 and 0.865 exceed the minimum standard of 0.80, confirming adequate model fit. The structural model meets good-fit criteria, and the GoF value above 0.36 indicates a strong overall model performance.

Table 6. Summary of Hypothesis Test

Hypothesis	Variable Relationship	Coefficient (β)	P-value	Information
H1	Lifestyle → Purchase Decisions	0.421	<0.001	Significantly accepted
H2	Physical Environment → Purchasing Decision	0.387	<0.001	Significantly accepted
H3	Electronic Payments → Purchase Decisions	0.274	<0.001	Significantly accepted

Table 6 displays the results of the hypothesis test using the SEM-PLS approach. All main independent variables have a significant positive influence on millennial consumers' purchasing decisions at Dreezel Coffee. The results showed that lifestyle had a significant effect on purchasing decisions with a path coefficient of 0.421 and $p < 0.001$. Furthermore, the physical environment was also proven to have a significant effect on purchasing decisions with a coefficient of 0.387 and $p < 0.001$. The e-Payment factor has a significant influence with a coefficient of 0.274 and $p < 0.001$.

Table 7. Moderating Effect

Hypothesis	Variable Relationship	Coefficient (β)	P-value	Information
H4	Social Moderation (Lifestyle → Decisions)	0.198	<0.001	Significantly accepted
H5	Social Moderation (Environment → Decision)	0.152	<0.001	Significantly accepted
H6	Social Moderation (Electronic Payments → Decisions)	0.043	0.224	Not significant

Based on Table 7, the moderation test showed that social factors strengthened the influence of lifestyle on purchase decisions with a coefficient of 0.198 and $p < 0.001$, as well as strengthened the influence of the physical environment on purchase decisions with a coefficient of 0.152 and $p < 0.001$. However, social factors did not have a significant effect in moderating the relationship between e-Payment and purchase decisions, with a coefficient of 0.043 and $p = 0.224$.

DISCUSSION

The results showed that lifestyle had a significant influence on purchase decisions, with a path coefficient of 0.421 and $p < 0.001$. These findings confirm that millennial consumers, in making purchasing decisions, not only consider the quality of the product, but also the symbolic value and lifestyle representation offered by the coffee shop. In line with Engel et al. (2022), the consumption patterns of the younger generation are closely related to social identity, where activities such as visiting coffee shops are part of the construction of self-image and social status that want to be displayed in public spaces and social media. Thus, coffee shops become more than just a place to enjoy drinks, but an arena to show a modern lifestyle

The physical environment factor (servicescape) was also shown to have a significant effect on the purchase decision, with a coefficient of 0.387 and $p < 0.001$. Dreezel Coffee, which carries a classic colonial interior concept, is able to create a unique experience that distinguishes it from other coffee shops. This supports the servicescape theory put forward by Bitner (1992), that physical elements such as interior design, lighting, cleanliness, smell, and staff interaction can influence consumers' perception of service quality. A well-designed physical environment not only creates comfort but also reinforces positive consumer impressions, which ultimately drives purchase decisions and potential repeat visits (Paramita et al., 2021; Eklund et al., 2024)

In addition, e-Payment has a significant effect on purchase decisions with a coefficient of 0.274 and $p < 0.001$. Millennial consumers prioritize practicality, speed, and security in transactions, so digital payments are an important factor in making their choices. This is consistent with the Technology Acceptance Model (TAM) developed by Davis (1989), which states that the acceptance of technology is influenced by the perception of its usability and ease of use (Parasuraman et al. 1988; Venkatesh & Davis, 2000).

However, in contrast to lifestyle and physical environment variables, the findings of the study showed that social factors did not play a significant role in moderating the relationship between e-Payment and purchase decisions (coefficient 0.043; $p = 0.224$). This means that the decision to use e-Payment is more determined by individual internal factors, such as digital literacy levels, convenience, and personal experience, rather than by social group pressure or influence (Barkhordari et al., 2017; Gaur & Verma, 2025).

The moderation test on other variables showed that social factors strengthened the influence of lifestyle on purchase decisions with a coefficient of 0.198 and $p < 0.001$, and strengthened the influence of the physical environment with a coefficient of 0.152 and $p < 0.001$. These findings indicate that peer groups, families, and social trends circulating on social media can magnify the influence of a coffee shop's lifestyle and physical environment on millennial consumers' purchasing decisions. Friend recommendations, photo uploads on social media, and positive experiences from others contribute to strengthening consumers' decisions to choose and visit certain coffee shops (Kotler & Armstrong, 2018; Voramontri & Klieb, 2019; Rahayu et al., 2024).

This study emphasizes that coffee shop marketing strategies must integrate three main factors, namely consumer lifestyle, physical environment design, and digital payment system innovation. Theoretical implications of this study highlight the integrative role of lifestyle, servicescape, and digital technology in shaping millennial purchase decisions, extending prior research by combining behavioral, environmental, and technological perspectives. Managerial implications suggest that coffee shop managers, particularly at Dreezel Coffee, should optimize three core areas: designing appealing physical spaces, aligning offerings with millennial lifestyle preferences, and providing diverse e-payment options. Strategically integrating these elements can enhance customer experiences, foster loyalty, and maintain competitiveness in a rapidly growing coffee shop industry. For coffee shop managers, it is also important to understand more deeply the segmentation of millennial consumers by strengthening physical attractiveness, creating an atmosphere that suits the tastes of the younger generation, and providing a variety of e-payment options. This effort will provide a comprehensive experience that suits the needs of modern consumers, as well as increase the competitiveness of coffee shops in the midst of increasingly competitive industry growth.

CONCLUSION

This study confirms that millennial consumers' purchasing decisions in coffee shops are not only influenced by product factors, but also by lifestyle, the physical environment (servicescape), and the ease of transactions through e-Payment. The main findings indicate that lifestyle is a significant determinant, where millennial consumers consider coffee shops as part of their social identity, urban lifestyle, and status symbol. A comfortable, artistic, and aesthetic physical environment has been proven to enhance the consumer experience, supporting the servicescape theory. Meanwhile, e-Payment provides added value through practicality and efficiency, in accordance with the principles of the Technology Acceptance Model. Social factors act as moderators, strengthening the relationship between lifestyle and physical environment and purchasing decisions. Interestingly, however, social factors did not significantly moderate the relationship between e-Payment and purchasing decisions. This suggests that preference for digital payment methods is more influenced by individual convenience than social pressure or peer group influence. Therefore, this study broadens our understanding of millennial consumer behavior, particularly in the context of Indonesia's rapidly growing coffee shops.

This study has several limitations that need to be acknowledged. Conducted only at Dreezel Coffee Bandung, the findings may not fully represent other coffee shops or regions, especially given Bandung's unique cultural context. The purposive sampling method may also limit representativeness, and the study variables, lifestyle, physical environment, e-Payment, and social factors exclude other potential influences such as product quality, digital promotions, or psychological factors. Future research is recommended to expand across multiple locations, use probability sampling, and consider additional variables to refine the model. Employing mixed methods could also provide richer insights. Despite these limitations, the study offers practical implications for coffee shops, particularly Dreezel Coffee, to enhance physical design, diversify e-payment options, and strengthen lifestyle-based experiences for millennial consumers.

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