

**PROPOSED MARKETING STRATEGY TO INCREASE
SALES AND PROFITABILITY OF DEKULTUR COFFEE
ROASTERY**

FINAL PROJECT

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for the master's degree
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ABSTRACT

PROPOSED MARKETING STRATEGY TO INCREASE SALES AND PROFITABILITY OF DEKULTUR COFFEE ROASTERY

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Dekultur Coffee Roastery, established in Palembang with two outlets, aims to increase its presence and profitability amidst the rapidly growing coffee drinking culture in Indonesia. Despite having a strong brand and high-quality coffee offerings, Dekultur faces challenges such as limited menu diversity, underutilized digital marketing strategies, and inefficiencies in logistics. This research focuses on identifying internal strengths, such as an efficient organizational structure with a clear division of tasks, and a strong reputation among local customers for consistent service and product quality. These strengths support focused and efficient business operations and foster a loyal customer community. However, weaknesses like limited advanced marketing techniques and logistical inefficiencies need to be addressed. Opportunities include capitalizing on the increasing popularity of specialty coffee and sustainable practices. However, threats from competitors with aggressive marketing strategies pose a significant challenge.

The research utilized both qualitative and quantitative methods, including interviews with owners and baristas, as well as questionnaires distributed to 112 respondents, to gather comprehensive insights. The findings indicate the need for diverse product offerings, increased customer engagement, and effective digital marketing strategies. In addition, improving inventory management and exploring strategic partnerships can significantly increase Dekultur's market outreach and improve the quality of its products.

Recommendations for Dekultur include maintaining high-quality offerings and excellent customer service while addressing its weaknesses to seize opportunities and minimize threats. Strategies such as financial stability through funding diversification, optimizing physical resources, integrating advanced logistics systems, and continuous staff training are suggested. By implementing these strategies, Dekultur Coffee Roastery can improve its services, attract a larger market share, and achieve sustainable growth in the competitive coffee industry.

Keywords: Coffee Roastery, Consumer Analysis, Marketing Strategy, Business Improvement

ABSTRAK

USULAN STRATEGI PEMASARAN UNTUK MENINGKATKAN PENJUALAN DAN PROFITABILITAS DEKULTUR COFFEE ROASTERY

Oleh

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Dekultur Coffee Roastery, yang didirikan di Palembang dengan dua gerai, bertujuan untuk meningkatkan eksistensi dan profitabilitasnya di tengah-tengah budaya minum kopi yang berkembang pesat di Indonesia. Meskipun memiliki merek yang kuat dan penawaran kopi berkualitas tinggi, Dekultur menghadapi tantangan seperti keragaman menu yang terbatas, strategi pemasaran digital yang kurang dimanfaatkan, dan ketidakefisienan dalam hal logistik. Penelitian ini berfokus pada identifikasi kekuatan internal, seperti struktur organisasi yang efisien dengan pembagian tugas yang jelas, dan reputasi yang kuat di antara pelanggan lokal untuk layanan dan kualitas produk yang konsisten. Kekuatan-kekuatan ini mendukung operasi bisnis yang terfokus dan efisien serta membina komunitas pelanggan yang loyal. Namun demikian, kelemahan seperti terbatasnya teknik pemasaran yang canggih dan inefisiensi logistik perlu diatasi. Peluang yang ada termasuk memanfaatkan meningkatnya popularitas kopi spesialti dan praktik-praktik berkelanjutan. Namun, ancaman dari para pesaing dengan strategi pemasaran yang agresif menjadi tantangan yang signifikan.

Penelitian ini menggunakan metode kualitatif dan kuantitatif, termasuk wawancara dengan pemilik dan barista, serta kuesioner yang didistribusikan kepada 112 responden, untuk mengumpulkan wawasan yang komprehensif.

Dalam penelitian ini menunjukkan perlunya penawaran produk yang beragam, peningkatan keterlibatan pelanggan, dan strategi pemasaran digital yang efektif. Selain itu, meningkatkan manajemen inventaris dan memperluas kemitraan strategis dapat secara signifikan meningkatkan jangkauan pasar Dekultur dan meningkatkan kualitas produknya. Rekomendasi untuk Dekultur termasuk mempertahankan penawaran berkualitas tinggi dan layanan pelanggan yang sangat baik dengan tetap memperhatikan kelemahannya untuk memanfaatkan peluang dan meminimalkan ancaman. Strategi seperti stabilitas keuangan melalui diversifikasi pendanaan, mengoptimalkan sumber daya fisik, mengintegrasikan sistem logistik yang canggih, dan pelatihan staf yang berkelanjutan juga disarankan. Dengan menerapkan strategi-strategi ini, Dekultur Coffee Roastery dapat meningkatkan layanannya, menarik pangsa pasar yang lebih besar, dan mencapai pertumbuhan yang berkelanjutan dalam industri kopi yang kompetitif.

Kata kunci: Coffee Roastery, Analisis Konsumen, Strategi Pemasaran, Peningkatan Bisnis,

VALIDATION PAGE

PROPOSED MARKETING STRATEGY TO INCREASE SALES AND PROFITABILITY OF DEKULTUR COFFEE ROASTERY

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Chapter I Introduction

1.1 Background

The majority of Indonesians, especially the younger generation have made coffee and hanging out as part of their lifestyle in order to assist with their daily activities. The trend of coffee shops continues to grow, initially only located in shopping centers such as Starbucks or JCO, but now every street corner is filled with coffee shops, ranging from traditional cafes to the latest, the 2-go coffee concept that only provides takeaway service.



Figure I. 1 Consumption Coffee in Indonesia

Source: Data Indonesia (2022)

Indonesian people's interest in coffee is increasing, not only as a necessity but also as a lifestyle. Coffee shops have become the ultimate destination to hang out or spend time with friends. Figure 1 illustrates the pattern of Indonesia's increasing coffee consumption between 2013 and 2023. Coffee consumption reached about 4.2 million bags (60 kg) in 2013 and continues to increase, reaching 5 million bags by the end of 2021 (regardless of the Covid-19 pandemic). This will also have an impact on the data's increasing trend for the upcoming year. Along with the growth in coffee consumption,

coffee shops are also on the rise, leading to a very potential business. At Indonesia, coffee is consumed not only from youths but also by workers and businessmen who meet with clients or conduct business at coffee shops. The main things that individuals do at coffee shops are socializing and relaxing.

According to (Soos, G., & Lugasi, A. (2024), consumer attitudes and purchase decisions are influenced by lifestyle. Consumer happiness has an impact on a customer's loyalty. Loyalty will improve consumer interest in making purchases. Coffee shop is no longer business that provide food and beverages but now turned into creative businesses to attract customer. Start from a fast internet connection and an aesthetic concept room in which people can take photo and post on social media, even a talkative barista now is a must so people who come to cafe will be entertained and back again just to enjoy the chit-chat. All these efforts aim to meet customers' needs so they feel satisfied after spending money to buy coffee at a good cafe. Customers don't just come to coffee shops to get all these facilities. There are many coffee shops whose target market is coffee addicts. For consumers like this, they only pay attention to the way of serving, the quality of coffee provided at a relatively cheaper price compared to luxury coffee shops but still provide satisfaction with the taste of the coffee enjoyed.

1.2 Company Profile

1.2.1 General Description of Dekultur Coffee Roastery

Dekultur is taken from Dutch which means culture, because coffee itself is not just a drink, but has become Indonesian culture from time immemorial. This is the spirit and inspiration to make culture the brand philosophy of Dekultur Coffee. Adopting a minimalist concept and self-service system, with adjustments to the place and the intended market, we implement the concept of a coffee house or semi-house based on business feasibility and available infrastructure. Bimo Ario Tejo, the owner of Dekultur Coffee has the interest in coffee. Dekultur Coffee was established in Palembang with two outlets, in 2019 the first outlet in jakabaring Palembang and the second outlet in Pakjo Palembang. Dekultur Coffee is designed to be a coffee shop that is easy to invest in, scale, generate profits, and acquire customers at the same time. The cafe's

inception stemmed from its love for coffee. Dekultur Coffee operates with a focus on brand development in the service and product areas of the F&B industry.



Figure I. 2 Logo of the Dekultur Coffee Roaster

Dekultur Coffee prioritizes distinctive and high-quality coffee flavors by selecting the best coffee beans and careful roasting processes. Dekultur Coffee also emphasizes its friendly service. The well-trained staff is ready to greet every customer with a smile, provide friendly recommendations, and create a warm personal relationship. The friendly and professional service at Dekultur Coffee aims not only to fulfill customers' needs, but also to create memorable experiences that make customers feel valued and remembered.

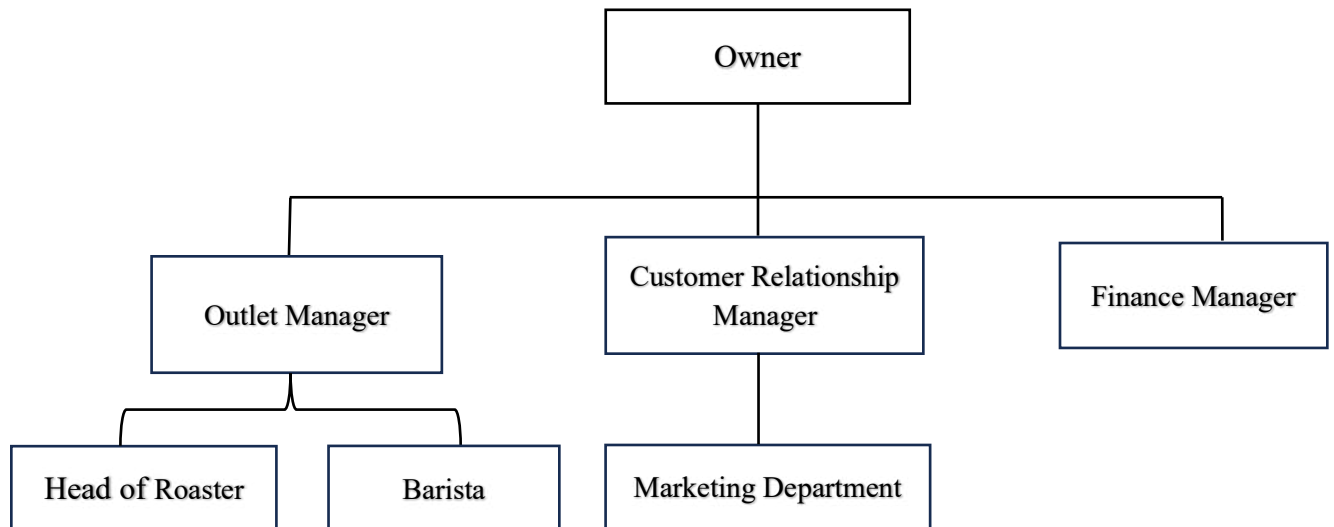


Figure I. 3 Dekultur Coffee Organizational Structure

There is one leader of the company, the owner. Under the owner are three divisions, which are finance, operations, and marketing. Each division has a manager or head, such as outlet manager for the operations division, a finance manager for the finance division, and a customer relations manager for the marketing division. Bimo Ario Tejo is the owner of Dekultur Coffee.

1.1.1 Vision and Mission

Vision:

1. Building an ecosystem with an atmosphere where anyone can start something productive.
2. Become the best local brand for the coffeeshop class, and become an influential space for the development of Indonesian youth.
3. To prosper the company's personnel and their families, the parties who support and benefit the community.

Mission:

1. To build a positive corporate culture that exemplifies Indonesia's progress.
2. Building a business with high value added to become a company with the best welfare
3. Making the companies as a way to receive the blessings of Allah and its existence always provides welfare to the entire team, employees, and benefits for many people.

1.1.2 Company product



Figure I. 4 Coffee Menu

Dekultur Coffee offers a variety of coffee and non-coffee drinks with authentic flavors. The beverage menu consists of various types, ranging from traditional coffee such as tubruk, v60, and japanese drip, to modern coffee such as caramel macchiato, butterscotch latte, and nitro coffee. Besides coffee, Dekultur Coffee also offers non-coffee drinks such as tea, matcha, and chocolate. All drinks are available in two sizes, which are medium and large. Beverage prices at Dekultur Coffee vary, ranging from

Rp20,000 to Rp38,000, and also provide innovation by offering oat drink products. Oat drinks at Dekultur Coffee are made from special barista recipes that make them unique and flavorful.

Below are some photographs of Dekultur Coffee Roastery at Pakjo Outlet and Dekultur Coffee at Jakabaring Outlet

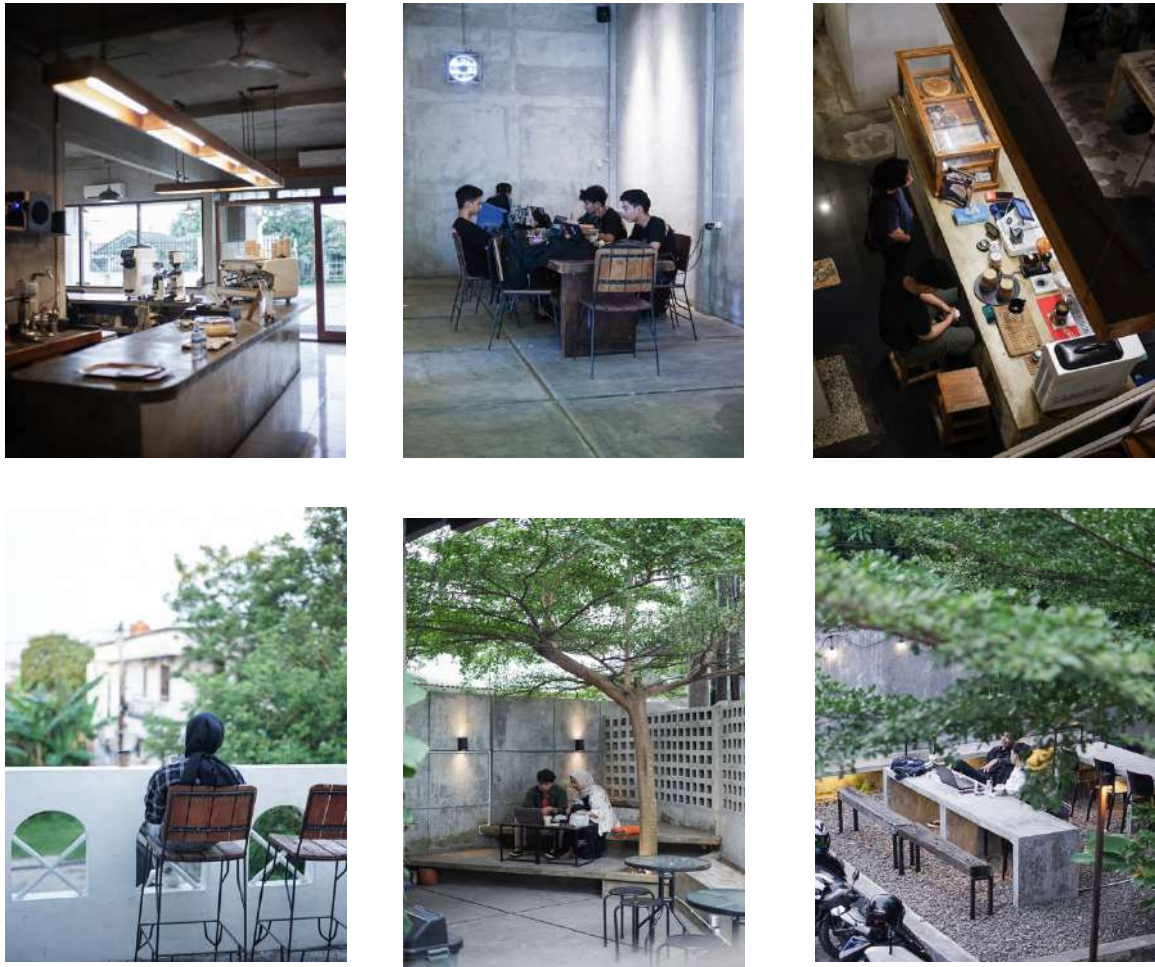


Figure I. 5 Dekultur Coffee Roastery outside and inside view

1.3 Business Issue

According to the interview and survey of Dekultur Coffee Roastery on preliminary research with Bimo (2024), we got the data of Dekultur Coffee Roastery's revenue per month from 2021-2023.

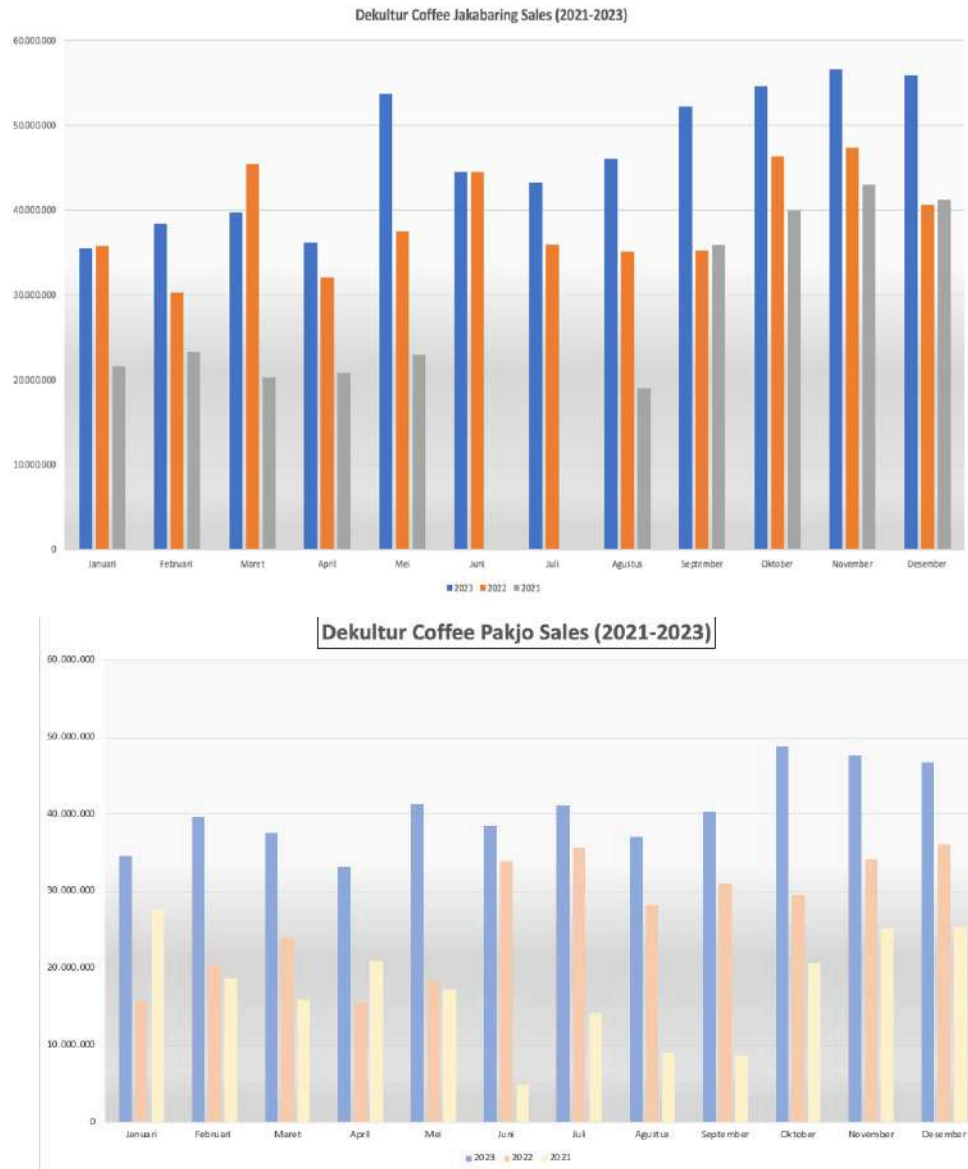


Figure I. 6 Dekultur Coffee Revenue per Month

Sources: Dekultur Coffee Roastery

ROA (Return on Asset)

Based on information from the income statement and balance sheet for the years 2023, 2022, and 2021, the ROA is 38%, 30%, and 16% for the three following years. An improvement in profitability and asset utilization is indicated by the rising trend in ROA over the past three years. A relatively moderate ROA indicates that Dekultur has not fully maximized the use of its assets. This could indicate inefficiencies in day-to-day operations or investments in assets that have not provided significant returns. Despite the improvement, an ROA of only that amount could indicate that operating costs are still high. This includes raw material, labor, and overhead costs that may still be too large compared to the revenue generated.

Profit Margin:

Dekultur Coffee Roastery took a margin between 18% and 26% from the sales of its products based on data of income statement 2021-2023. Although the increase in profit margin from 18.02% in 2021 to 25.61% in 2023 indicates improvements in operational efficiency and pricing strategy, the profit margin of around 25% indicates that Dekultur Coffee Roastery still faces tough competition in a highly competitive industry. The company may have to compete with tight pricing from competitors that have larger economies of scale or more efficient cost structures. In addition, these margins still indicate that operating costs, including raw materials, labors, and overhead costs, are relatively high, which may constrain the company's ability to increase profit margins further. A moderate profit margin can also be a sign that the company is not fully financially stable. Any increase in costs or decrease in revenue could have a significant impact on the company's profitability

Dekultur Coffee is facing several problems that require attention and thorough solutions. In the first year of its establishment, there were problems at the Jakabaring outlet in maintaining consistent turnover. The main cause lay in the lack of implementation of Standard Operating Procedures (SOPs) within the team, which resulted in disruptions to the company's operations. The impact was felt on consumer confidence, which dropped drastically, creating a significant constraint on revenue

growth. Furthermore, problems in service quality management became an urgent focus for improvement. The company needs to improve service quality to rebuild consumer loyalty and improve public perception of the brand.

This is crucial because service quality is directly related to customer trust, which in turn affects customer loyalty and retention. Despite the increase in revenue in 2023, the next problem that arises is the imbalance between revenue growth and profitability. The profit received is inadequate after taking into account expenses and logistical requirements at each outlet. Therefore, a more effective sales strategy needs to be developed to overcome the stagnation in sales and increase profit margins. Then, constraints in inventory management are also a source of problems. Unmaintained stock availability results in overcosts, especially in the purchase of plastic for retail shopping which can add up to 18% to the cost load. Improvement measures in inventory management are needed to reduce operational costs and increase inventory management efficiency.

Finally, an evaluation of the cost structure is essential. The difficulty in achieving optimal profitability creates the need to revisit the cost structure to better balance it with the revenue generated. This may involve restructuring operating costs or identifying other areas that can be optimized to increase efficiency and net profit. Overall, by addressing these issues systematically, Dekultur Coffee can build a more solid foundation for its continued growth and long-term success.

1.4 Research Questions and Research Objectives

Research Questions

1. What are the customer perceptions about the service quality of Dekultur Coffee Roastery?
2. How are the internal and external current conditions of Dekultur Coffee Roastery?
3. What are the formulated marketing strategies for both external and internal aspects of Dekultur Coffee Roastery, and the implementation plans to increase Dekultur Coffee's stagnant sales and gain a sustainable competitive advantage?

Research Objectives

1. To identify and analyze customer perceptions about the service quality of Dekultur Coffee Roastery. This involves understanding how customers view the different aspects of service provided by the coffee roastery.
2. Find the current internal and external conditions of Dekultur Coffee Roastery. This includes evaluating the company's internal strengths and weaknesses as well as external opportunities and threats to better understand its market position and potential for growth.
3. Determination of the most suitable marketing strategy based on the internal and external analysis of Dekultur Coffee Roastery. These strategies aim to address the root causes of stagnant sales and enhance the company's competitive advantage

1.5 Research Scope and Limitations

The research will focus on key areas for Dekultur Coffee Roastery. It includes developing effective marketing strategies to boost sales, understanding market potential, and enhancing competitiveness within Palembang's coffee industry. The study will also tackle inventory management challenges, aiming to reduce external purchases and associated costs. Additionally, a critical evaluation of the cost structure will be conducted to optimize profitability.

This research has several limitations. Firstly, it focuses primarily on Dekultur Coffee's operations in Palembang, so the findings may not be applicable to other regions. Secondly, it covers data from 2021 to 2023, which means recent industry changes may not be reflected. Lastly, the depth of analysis may be affected by limited resources and reliance on available data. Despite these limitations, the research aims to provide valuable insights and practical recommendations.

Chapter II Literature Review

II.1 Theoretical Foundation

The implementation of a marketing strategy will assist companies in overcoming various challenges faced, such as stagnant sales, increased profitability, service quality management, and inventory management. With an effective marketing strategy in place, companies can identify potential market segments, appropriately target them, and uniquely position their products in the market. In particular, through a good marketing strategy, Dekultur Coffee Roastery can respond appropriately to the ever-changing consumer behavior in the coffee industry. They can understand consumer preferences, market trends, and competitive dynamics, to develop products and services that are relevant and attractive to their customers. In addition, effective marketing strategies will also help companies to strengthen their brand image and build strong customer loyalty. In the context of the problems faced by Dekultur Coffee Roastery, marketing strategy will be the main instrument in improving sales performance, increasing profitability, improving service quality, and optimizing inventory management. Thus, the application of the basic theory of marketing strategy will provide a strong foundation for Dekultur Coffee Roastery.

II.1.2 Consumer Analysis

Customers form service expectations from many sources, such as past experiences, word of mouth, and advertising. In general, they compare perceived and expected service. If the perceived service falls below the expected service, customers are disappointed. Successful companies add benefits to their offering that not only satisfy customers but surprise and delight them by exceeding expectations (Kotler, 2015). The STP analysis is undertaken based on the steps of the consumer segmentation process, which consist of:

- Needs-Based Segmentation: Group consumers into segments based on similar needs and benefits sought by consumers in solving a particular consumption problem.

- Segment Identification: For each needs-based segment, determine which demographics, lifestyles, and usage behaviors make the segment distinct and identifiable (actionable).
- Segment Attractiveness: Using predetermined segment attractiveness criteria (such as market growth, competitive intensity, and market access), determine the overall attractiveness of each segment.
- Segment Profitability: Determine segment profitability.
- Segment Positioning: For each segment, create a value proposition and product-price positioning strategy based on that segment's unique consumer needs and characteristics.
- Segment Acid Test: Create a segment storyboard to test the attractiveness of each segment's positioning strategy.
- Marketing-Mix Strategy: Expand segment positioning strategy to include all aspects of the marketing mix: product, price, promotion, and place.

Customer analysis for Dekultur Coffee Roastery is key to understanding the preferences, behaviors, and needs of their customers. In this context, it is important to understand customers' demographic profiles, such as age, gender, income, and geographic location, to identify who their main target market is. In addition, understanding consumer behavior is important to know customers' purchasing habits, product preferences, and frequency of visits. By paying attention to customer preferences for coffee and café experiences, Dekultur Coffee Roastery can adjust its marketing and product development strategies accordingly. Analysis of industry trends is also important, allowing Dekultur to respond quickly to market changes and strengthen their position within it. With a deep understanding of their customers, Dekultur Coffee Roastery can maintain customer loyalty, increase retention, and create a satisfying experience, which in turn will support their long-term growth and success in the coffee industry.

II.1.3 Marketing Strategy

Marketing strategy is the definition of the mission, marketing, and financial objectives, and needs to be satisfied by the market offering and its competitive position. All of this requires input from other areas, such as purchasing, manufacturing, sales, finance, and human resources. All marketing strategy is built on segmentation, targeting, and positioning (STP). A company discovers different needs and groups of consumers in the marketplace, targets those it can satisfy in a superior way, and then positions its offerings so the target market recognizes its distinctive offerings and images. By building customer advantages, companies can deliver high customer value and satisfaction, which leads to high repeat purchases and ultimately to high company profitability (Kotler, 2015).

Marketing strategy something that is consists of decisions and actions focused on building sustainable differential advantage, relative to competitors, in the minds of customers, to create value for stakeholders. A collection of integrated commitments, actions, and decisions is used to investigate superior competencies in obtaining competitive advantage and competitive strategies that are meant to be understood as a strategy (Wandebori, 2019).

II.1.3.1 Segmentation

Market segments must do satisfactorily across five important factors to be relevant. The first one is quantifiable, is possible to quantify the segments' dimensions, purchasing power, and other features. The second one is significant, enough revenue to support the segments given their size and profitability. A segment has to be the biggest, most identical group that is worthwhile pursuing with a customized marketing campaign. The third one is accessible, possible to successfully reach and service the segments. The fourth is differentiable can be conceptually distinguished from one another and react to various components and initiatives of the marketing mix in different ways. The fifth is programs that are actionable and efficient can be created to generate interest in and cater to the various sectors (Kotler, 2015)

In the segmentation process, Dekultur Coffee Roastery can divide the market into several homogeneous segments based on certain characteristics. For example, they can segment based on consumers' preferences towards coffee, such as traditional coffee enthusiasts and consumers who prefer modern coffee. In addition, they can also consider demographic factors such as age, gender, or income to understand consumer needs and preferences more deeply.

II.1.3.2 Targeting

Targeting specific consumer and business market segments and capitalizing on the increasing demand for single, strong, and reasonably priced devices that offer a wide range of communication, organizing, and entertainment advantages. Business marketers must understand which kinds of companies to target with their sales efforts and who to target inside those organizations' buying centers to engage in successful business-to-business marketing. Business marketers can choose which kinds of organizations to sell to by segmenting the market in a variety of ways. It's critical to identify the industries with the most potential for growth, the most lucrative customers, and the most promising growth possibilities for the company (Kotler, 2015).

After segmenting, Dekultur Coffee Roastery needs to select the most attractive and potentially profitable market segment as its primary target. For example, they can target a segment of consumers who value coffee quality and authenticity, and are ready to pay a higher price for a unique and classy experience. By choosing the right target market, Dekultur Coffee Roastery can allocate its resources efficiently and effectively to achieve their business goals.

II.1.3.3 Positioning

Establishing a brand and product for a firm that will make a lasting impression on the target market is known as positioning, to optimize the potential advantage to the company, the aim is to establish the brand in the minds of consumers. By outlining the core of the brand, pointing out the objectives it assists consumers in achieving, and demonstrating how it does so in a distinctive way, a strong brand positioning assists in

directing marketing strategy. The brand positioning should be understood by all members of the organisation and used as a framework for decision-making (Kotler, 2015).

After determining the target market, the next step is to effectively position their brand in the minds of consumers. Dekultur Coffee Roastery can position themselves as a destination for coffee enthusiasts who seek quality and authenticity in their every cup of coffee. They can emphasize aspects such as the quality of the carefully selected coffee beans, the meticulous roasting process, and the welcoming and comfortable atmosphere of the cafe. By building a strong and consistent brand image, Dekultur Coffee Roastery can differentiate themselves from competitors and attract the attention of the right consumers.

II.1.3.3.1 Points-of-Difference (PODs)

Points-of-Difference are attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe they cannot find with a competing brand. For a brand association to truly function as a point-of-difference, it must meet three criteria. Firstly, it must be desirable to consumers, meaning consumers must perceive the brand association as personally relevant to them. Secondly, it must be deliverable by the company, implying that the company must possess the internal resources and demonstrate a strong commitment to feasibly and profitably create and maintain the brand association in consumers' minds. Lastly, it must be differentiating from competitors, indicating that consumers must perceive the brand association as distinctive and superior to relevant competitors. Meeting these criteria ensures that a brand can effectively leverage its unique attributes to stand out in the marketplace (Kotler, 2015).

II.1.3.3.2 Points-of-Parity (POPs)

A brand must also have a point-of-parity (POP) as a fundamental requirement to be accepted by consumers. POPs are usually not the main reason for consumers to choose a brand, but the absence of POPs can significantly decrease brand value. Points-

of-parity are attributes or benefits associated with a brand that are not unique but are shared by other brands. According to Kotler and Keller, there are two basic forms of these associations: category and competitive. Category points-of-parity are attributes or benefits that are considered essential to a legitimate and credible offering in a particular product or service category. In contrast, points of competitive advantage are designed to address perceived brand weaknesses. It is necessary to negate the perceived PODs of competitors or to address the perceived vulnerability of the brand resulting from its own PODs. Ensuring that a brand meets these POP criteria is critical to maintaining its credibility and acceptance in the market (Kotler, 2015).

II.1.2.2 Marketing Mix

a. Product

Effective marketers accomplishes this by gradually promoting and providing the other parties with fair prices for high-quality goods and services. In the service marketing mix, the product is an intangible. Anything that can be made available to the market for consideration, purchase, usage, or consumption in the hopes of fulfilling a need or desire is considered a product (Kotler, 2015).

The products offered by Dekultur Coffee Roastery include a wide range of coffee and coffee drinks, as well as side dishes. They can ensure that their products are of high quality and suit customer preferences, including both traditional and modern coffee options. In addition, they can also offer innovative and unique products to differentiate themselves from the competition.

b. Price

A pricing policy is a plan of action or guiding concept that facilitates a company's efficient and reliable pricing decisions. When a product is a component of a product mix, marketers need to adjust their reasoning for establishing prices. When it comes to product mix pricing, the company looks for a range of prices that would maximise earnings across the board. The different items are subject to varying degrees of competition and have interrelationships between demand and cost, making the process

difficult. Six distinct scenarios can be identified that necessitate product-mix pricing: pricing for product lines, pricing for optional features, pricing for captive products, pricing for two parts, pricing for by products, and pricing for product bundles (Kotler, 2015).

The pricing of products at Dekultur should be competitive but reflect the quality and added value offered by Dekultur Coffee Roastery. They can use different pricing strategies for their products, such as premium pricing for specialty coffee and more affordable pricing for more general products.

c. Place

The operator's job in the place or distribution channel is to make sure that the product is always accessible in the market through using middlemen, retail and wholesale services, and well-chosen locations for marketing purposes. Place in the case of services such as choose the location of the service product. The operator's job is to ensure that the product is always available in the market by employing middlemen, retail, and wholesale services, as well as strategic locations to market the services and products (Kotler, 2015).

Dekultur Coffee Roastery can sell their products through physical cafe outlets as well as delivery services. They can choose strategic locations for their outlets, such as crowded areas or close to campuses or offices. In addition, they can also run online sales operations to increase customer reach and convenience.

d. Promotion

Defining objectives The goals of sales promotion come from communication goals, which come from the product's fundamental marketing goals. Consumer goals include getting nonusers to try the product, getting switchers away from competitors' brands, and encouraging users to buy larger-sized units more frequently. Promotion can result in long-term gains in market share if some of the brand switchers would not have otherwise explored the brand. The goals for retailers are to promote brand loyalty, acquire admission into new retail locations, encourage off-season spending, stock

related items, persuade retailers to carry new items and more inventory, and offset competitor deals. Promoting a new product or model, encouraging more prospecting, and boosting off-season sales are among the goals of promotion for the sales staff (Kotler, 2015).

Promotions can be conducted through various channels, including social media, advertisements, direct promotion to potential customers, and promotional activities in their cafes. They can use eye-catching and attention-grabbing visual content, and offer special promotions or discounts to attract new customers and retain existing ones. Promotions may also include participation in community events or collaboration with local influencers.

II.1.3 Internal Analysis

II.1.3.1 Resources Analysis

Resources are inputs into a firm's production process, such as capital equipment, the skills of individual employees, patents, finances, and talented managers. In general, a firm's resources are classified into three categories: physical, human, and organizational capital. Resources are valuable when they allow a firm to take advantage of opportunities or neutralize threats in its external environment (Hitt et al., 2008).

II.1.3.1.1 Tangible Resources

Tangible resources are assets that can be seen and quantified.

Table II. 1 Tangible Resources

Financial Resources	The firm borrowing capacity The firm's ability to generate internal funds
Organizational Resources	The firm's formal reporting structure and its formal planning, controlling, and coordinating systems
Physical Resources	Sophistication and location of a firm's plant and equipment Access to raw materials
Technological Resources	Stock of technology, such as patents, trademarks, copyrights, and trade secrets

II.1.3.1.2 Intangible Resources

Intangible resources include assets that are rooted deeply in the firm's history and have accumulated over time.

Table II. 2 Intangible Resources

Human Resources	○ Knowledge ○ Trust ○ Managerial capabilities ○ Organizational routines
Innovation Resources	○ Ideas ○ Scientific capabilities ○ Capacity to innovate
Reputational Resources	○ Reputation with customers ○ Brand name ○ Perceptions of product quality, durability, and reliability ○ Reputation with suppliers For efficient, effective, supportive, and mutually beneficial interactions and relationships

II.1.3.2 Value Chain Activities

Value chain activity is the next factor that must be analyzed which consists of primary activities and supporting activities which are part of the activities analyzed with the aim of seeing the entire ability of the company in its activities to increase value or margin to shareholders. Value is defined as the performance of product characteristics and attributes and customers are willing to buy (Wandebori, 2019).

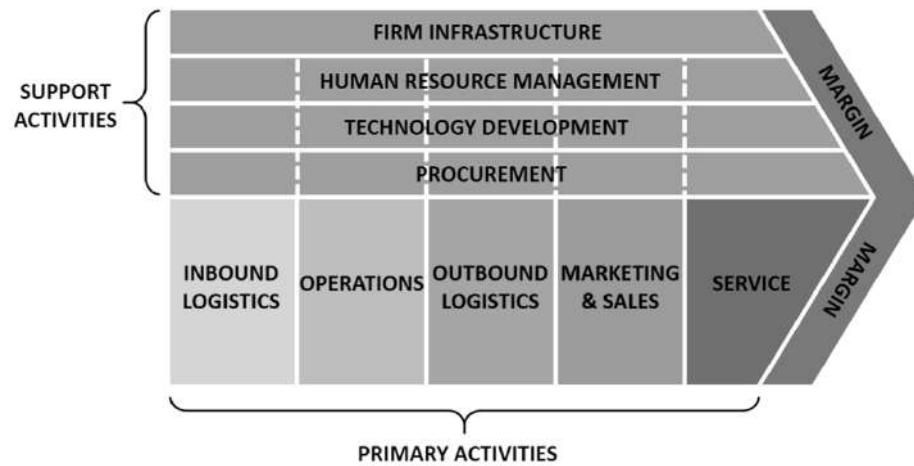


Figure II. 1 Value Chain Activities

Primary Activities

Primary activities are the essential tasks carried out by a business in order to provide value, with an emphasis on providing consumers with a higher level of value than those of competitors (Wandebori, 2019). These activities including:

Inbound Logistics

Activities, such as materials handling, warehousing, and inventory control, used to receive, store, and disseminate inputs to a product.

Operations

Activities necessary to convert the inputs provided by inbound logistics into final product form. Machining, packaging, assembly, and equipment maintenance are examples of operations activities.

Outbound Logistics

Activities involved with collecting, storing, and physically distributing the final product to customers. Examples of these activities include finished-goods warehousing, materials handling, and order processing.

Marketing and Sales

Activities completed to provide means through which customers can purchase products and to induce them to do so. To effectively market and sell products, firms develop advertising and promotional campaigns, select appropriate distribution channels, and select, develop, and support their sales force.

Service

Activities designed to enhance or maintain a product's value. Firms engage in a range of service- related activities, including installation, repair, training, and adjustment. Each activity should be examined relative to competitors' abilities. Accordingly, firms rate each activity as superior, equivalent, or inferior.

Support activities

Support activities are non-production activities that indirectly contribute to increasing efficiency and effectiveness. These activities, as described by (Kotler, 2015) include:

Procurement

Activities completed to purchase the inputs needed to produce a firm's products. Purchased inputs include items fully consumed during the manufacture of products (e.g., raw materials and supplies, as well as fixed assets machinery, laboratory equipment, office equipment, and buildings.

Technological Development

Activities completed to improve a firm's product and the processes used to manufacture it. Technological development takes many forms, such as process equipment, basic research and product design, and servicing procedures.

Human Resource Management

Activities involved with recruiting, hiring, training, developing, and compensating all personnel.

Firm Infrastructure

Firm infrastructure includes activities such as general management, planning, finance, accounting, legal support, and governmental relations that are required to support the work of the entire value chain. Through its infrastructure, the firm strives to effectively and consistently identify external opportunities and threats, identify resources and capabilities, and support core competencies. Each activity should be examined relative to competitors' abilities. Accordingly, firms rate each activity as superior, equivalent, or inferior.

II.1.3.3 VRIO Analysis

A sustained competitive advantage is achieved only when competitors cannot duplicate the benefits of a firm's strategy or when they lack the resources to attempt imitation. For some period of time, the firm may earn a competitive advantage by using capabilities that are, for example, valuable and rare, but imitable. Capabilities that are valuable, rare, costly to imitate, and nonsubstitutable are core competencies. In turn, core competencies are sources of competitive advantage for the firm over its rivals. Capabilities failing to satisfy the four criteria of sustainable competitive advantage are not core competencies, meaning that although every core competence is a capability, not every capability is a core competence. In slightly different words, for a capability to be a core competence, it must be valuable and unique from a customer's point of view. For a competitive advantage to be sustainable, the core competence must be inimitable and nonsubstitutable from a competitor's point of view(Hitt et al, 2018).

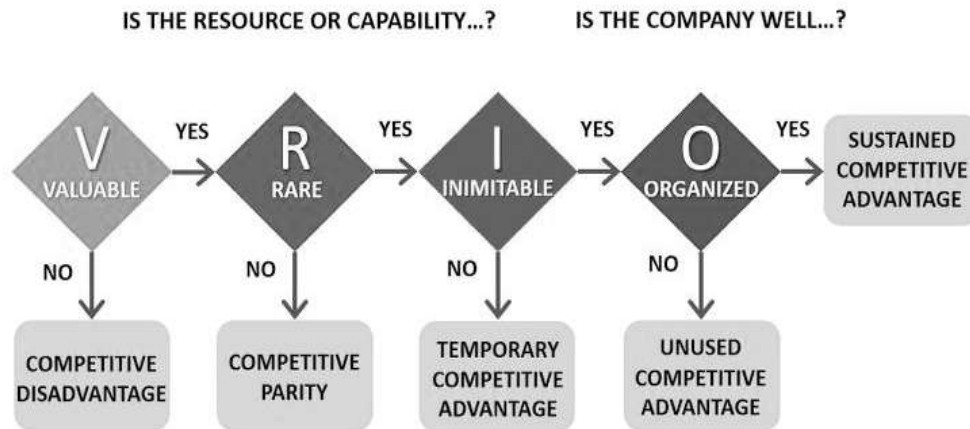


Figure II. 2 VRIO Analysis

II.1.4 External Analysis

External analysis is conducted to determine the opportunities and threats that occur, both in the macro environment, industry, and competition. After conducting an external analysis, variables related to opportunities and threats can be determined. The definition of opportunity is a condition in the environment that if utilized and exploited will be able to provide income and profit for the company. The definition of threats is environmental conditions that if left unchecked will have a negative impact on the company in obtaining revenue and profit (Wandebori, 2019).

II.1.4.1 General Environment Analysis

The general environment consists of dimensions in the macro environment that directly meet the industry and indirectly the companies in the industry. there are seven segments that are analyzed, namely Demographic, Economic, Political/Legal, Social, Technological, Global (Wandebori, 2019).

A. Demographic Segment

The demographic segment is concerned with a population's size, age structure, geographic distribution, ethnic mix, and income distribution, often demographic segments are analyzed on a global basis because of their potential effects across countries borders and because many firms compete in global markets. Observing demographic changes in populations highlights the importance of this environmental segment, aging populations are a significant problem for countries because of the need for workers and the burden of funding retirement programs or the geographic distribution of populations throughout the world is also affected by the capabilities resulting from advances in communications technology. Through computer technologies, for example people can remain in their homes, communicating with others in remote locations to complete their work. Understanding how income is distributed within and across populations informs firms of different groups purchasing power and discretionary income. Studies of income distributions suggest that although living standards have improved over time, variations exist within and between nations (Kotler, 2015).

B. Economic Segment

Analysis of economic segments relates to economic conditions and the direction of the economy in which the company competes. in general, companies look for places with stable economic conditions and growth potential (Wandebori, 2019). From an economic perspective, the growing coffee consumption in Indonesia creates a great business opportunity for Dekultur Coffee Roastery. This phenomenon signals a strong market potential for coffee products, including cafe services. While there is no specific information regarding economic issues affecting the company, macroeconomic factors that support overall economic growth, such as increased income and purchasing power, may contribute to the success of café businesses like Dekultur Coffee Roastery.

C. Political Segment

In the political context, changes in government policies related to food and beverage industry regulations, business licensing, and taxes can be important factors that affect a company's operations (Kotler, 2015). New policies or changes in rules and regulations implemented by the government can affect the way Dekultur Coffee Roastery conducts its business. For example, changes in business licensing requirements may affect the process of opening or operating a cafe, while changes in tax policies may affect the company's operating costs and profitability. Therefore, Dekultur Coffee Roastery needs to pay attention to political and regulatory developments that may affect its operations and adjust its business strategy accordingly

D. Social Segment

The socio-cultural segment is related to the attitudes, behavior of the community and its cultural values. the population of indonesia is currently accustomed to using mobile phones in the era of social media that connects one with another using the internet (Wandebori, 2019). Social coffee drinking has become a popular lifestyle among Indonesians, especially the younger generation. This phenomenon reflects changes in consumer behavior and preferences towards beverages and lifestyle. The need for comfortable hangouts and social spaces has increased the demand for cafés as places to relax and interact. Cafes, such as Dekultur Coffee Roastery, are not only a place to enjoy coffee drinks, but also a place to gather, chat, and create a pleasant social experience. This shows that cafés not only meet functional needs, but also meet consumers' social and psychological needs, such as the desire to socialize and feel connected to their community. Therefore, Dekultur Coffee Roastery can capitalize on this trend by providing a welcoming and engaging environment for customers, as well as creating experiences that fulfill their social and emotional needs.

E. Technological Segment

The technology segment encompasses institutions and activities involved with the creation of new knowledge and translating it into new outputs, products, processes

and materials, for example, how new products, processes or materials are created (Wandebori, 2019). In terms of technology, Dekultur Coffee Roastery can leverage innovations such as fast internet facilities to attract visitors who need a stable internet connection to work or socialize online. An attractive interior design concept can also be an added attraction for visitors who want to share their experiences on social media, expanding the café's reach and brand awareness. In addition, the use of digital payment applications can increase convenience and speed up the transaction process, improving operational efficiency and providing a better customer experience. The use of technology in operational management and customer service can also improve efficiency and service quality, such as the use of inventory management software to optimize raw material inventory and provide customers with faster and more responsive services. By making good use of these technologies, Dekultur Coffee Roastery can increase its competitiveness and create a more satisfying customer experience.

F. Global Segment

The global segment includes relevant new global markets, existing markets that are changing, important international political events, and critical cultural and institutional characteristics of global markets. Globalization of business markets creates both opportunities and challenges for firms. Firms can identify and enter valuable new global markets. In addition to contemplating opportunities, firms should recognize potential competitive threats in these markets (Kotler, 2015). Includes new and changing existing global markets, important international political events, cultural characteristics, and critical institutions (Wandebori, 2019).

II.1.4.2 Industry Environment Analysis (Five Porter's Analysis of Dekultur Coffee Roastery)

a. Threat of New Entrants

A market sector with high entry barriers and low departure barriers is the most desirable. Poorly performing enterprises can simply depart the industry, and few new

firms can enter it. Profit potential is highest when entrance and exit obstacles are high, but enterprises also face increased risk as underperforming firms continue to compete. Firms can enter and quit the industry with ease when entry and exit barriers are minimal, and returns are low but stable. When exit barriers are high and entry barriers are low, the worst case scenario happens. Businesses come here in good times but struggle to depart in bad. Everyone suffers from chronic overcapacity and low incomes as a result. Due to the low entry and high exit barriers in the airline sector, all airlines suffer during recessions (Kotler, 2015)

While barriers to entry into the cafe industry such as the need for large start-up capital and high competition, there is still potential for new competitors to enter the market. To counter these threats, Dekultur Coffee Roastery must continue to strengthen brand differentiation, improve customer experience, and maintain high product quality. By building strong customer loyalty and creating barriers for new competitors, the company can maintain its competitive position in the changing cafe market.

b. Bargaining Power of Buyers

A market niche loses appeal to consumers with significant or increasing negotiating power. Some analysts have concluded that the potential profitability of packaged-goods companies will be constrained due to the development of retail giants like Walmart. When buyers become more organised or concentrated, when the product accounts for a sizable portion of their expenses, when the product is homogeneous, when switching costs for buyers are minimal, or when buyers are able to integrate upstream, their bargaining power increases. Sellers may choose buyers with the least negotiating power or ability to move suppliers in order to protect themselves. Creating exceptional offers that powerful buyers cannot reject is a better line of defence (Kotler, 2015.)

Buyers have significant bargaining power in determining the success of a cafe business. With so many café options in Palembang, Dekultur Coffee Roastery must ensure that they can maintain customer satisfaction and build strong brand loyalty. This can be achieved through improved product quality, unique customer experience, and high quality service.

c. Bargaining Power of Suppliers

The company's suppliers may increase prices or decrease the quantity offered, the segment becomes less appealing. When suppliers are organised or concentrated, have the ability to integrate downstream, have few replacements, have a significant input in the supplied product, and have high switching costs, they are generally considered powerful. Developing win-win partnerships with suppliers or utilising a variety of supply sources are the greatest defences (Kotler, 2015).

Although coffee raw materials are widely available in the market, Dekultur Coffee Roastery may face some dependence on suppliers for other materials such as complementary foods or cafe equipment. To mitigate this risk, the company needs to build strong relationships with suppliers, as well as look for alternative supplier options that can reduce supply risks and provide a competitive advantage.

d. Threat of Substitute Products and Service

There are real or possible alternatives to the product, a segment loses appeal. Profits and prices are constrained by substitutes. Prices and earnings are expected to decline if technology progresses or if competition rises in these replacement industries (Kotler, 2015).

Coffee drinks are unique in experience and flavor, there is still a threat from substitutes such as non-coffee drinks or caffeine alternatives. However, Dekultur Coffee Roastery has the opportunity to strengthen their position by offering a variety of unique products and services, as well as continuously improving the quality and innovation of their products.

e. Rivalry Among Existing Competitors

A segment already has a lot of strong, competitive competitors, it is not enticing. If plant capacity needs to be increased in big steps, if fixed costs or exit barriers are significant, if competitors have a lot riding on their continued presence in the segment, or whether it's stable or declining, all of these factors make it even less appealing. These circumstances will make it costly to compete and will result in recurrent pricing wars,

advertising conflicts, and the launch of new products. Due to segment rivalry, the mobile phone market has experienced intense competition (Kotler, 2016).

The cafe industry in Palembang shows significant competition with the presence of various competitors, ranging from traditional cafes to international coffee chains. Dekultur Coffee Roastery should pay attention to the differentiation of their products and services to win this competition. Despite having a strong focus on coffee culture and product quality, the strategy should include improving customer experience and the ability to appeal to a wider market segment.

II.1.4.3 Competitor Analysis

Managers often conduct customer value analysis to assess the company's competitive position relative to competitors. The process involves several steps: firstly, identifying the key attributes and benefits valued by customers; secondly, evaluating the importance of these attributes through customer ratings, potentially segmenting them if there are divergences; thirdly, assessing the company's and competitors' performance on these attributes based on customer feedback; fourthly, comparing the company's performance with specific competitors on individual attributes or benefits within specific customer segments; finally, monitoring customer values over time to adapt to changing market conditions. By understanding and aligning with customer preferences, the company can make strategic decisions to maintain or enhance its competitive advantage (Kotler, 2015).

Competitor analysis for Dekultur Coffee Roastery is essential in understanding the competitive landscape in the coffee industry. In this context, it is important to identify key competitors, be it local coffee brands or global coffee chains with a presence in their region. Through competitor analysis, Dekultur is able to understand the strengths and weaknesses of competitors, as well as the marketing strategies and services they offer. This allows Dekultur to identify market gaps and adjust their strategies to compete more effectively. In addition, competitor analysis can assist Dekultur in developing a unique value proposition and differentiate themselves from competitors, whether through product quality, customer experience, or innovation in

service. With a deep understanding of their competitors, Dekultur Coffee Roastery can take more targeted strategic steps to achieve competitive advantage and sustainable growth in the local coffee market.

II.1.5 SWOT Analysis

The outcome of the situation analysis is the identification of a firm's strengths and weaknesses and its environmental threats and opportunities. The next step requires that analyze the strengths and weaknesses and the opportunities and threats for configurations that benefit or do not benefit your firm's efforts to perform well. Case analysts and organizational strategists as well, seek to match a firm's strengths with its opportunities. In addition, strengths are chosen to prevent any serious environmental threat from negatively affecting the firm's performance. The key objective of conducting a SWOT analysis is to determine how to position the firm so it can take advantage of opportunities, while simultaneously avoiding or minimizing environmental threats. Results from a SWOT analysis yield valuable insights into the selection of a firm's strategies. The analysis of a case should not be overemphasized relative to the synthesis of results gained from your analytical efforts. There may be a temptation to spend most of an oral or written case analysis on results from the analysis. It is important, however, that make an equal effort to develop and evaluate alternatives and to design implementation of the chosen strategy (Hitt et al, 2008).

II. 2 Previous Research

Title	Author	Year	Objective	Results
A Viewpoint on Digital Marketing and Usage of Social Media Tools During COVID-19 Pandemic	Patil, V., & Kumar, A.	2021	Focus on the usage of digital marketing and social media channels during the COVID-19 pandemic	Digital marketing improved business efficiency and two-way communication, though it also led to an "infodemic" of unnecessary information
Digital Marketing - Opportunities and the Power of Digital Consumers	Dašić, D., Vučić, V., Turčinović, Ž., & Tošić, M.	2023	Contrast digital and conventional marketing, examining the fundamentals and strategies for digital marketing	Digital marketing, driven by internet and mobile device use, has transformed how businesses engage consumers, emphasizing the necessity of customized strategies and the power of digital consumers.
Marketing Strategies- COVID-19: Digital Marketing and Social Media Usage	Patil, V., & Kumar, A.	2021	Explore the role of digital marketing during COVID-19, with a focus on SMEs and universities	Digital marketing played a crucial role in enhancing marketing opportunities and reaching a global audience, helping SMEs and universities adapt during the pandemic.
Strategic dialogic communication through digital media during COVID-19	Camilleri, M. A.	2020	Investigate how strategic communication through digital media can address challenges posed by COVID-19	Digital media improved organizational efficiency and communication with customers, crucial during the pandemic.
Revealing Social Media Phenomenon in Time of COVID-19 Pandemic for Boosting Start-Up Businesses	Susanto, H., et al.	2021	Examine how social media usage boosted start-up businesses during the COVID-19 pandemic	Social media helped start-ups increase sales, build customer relationships, and innovate, proving essential for business continuity during the pandemic.

II.3 Conceptual Framework

The use of conceptual framework on this research connecting several context or marketing strategies theories into business solutions.

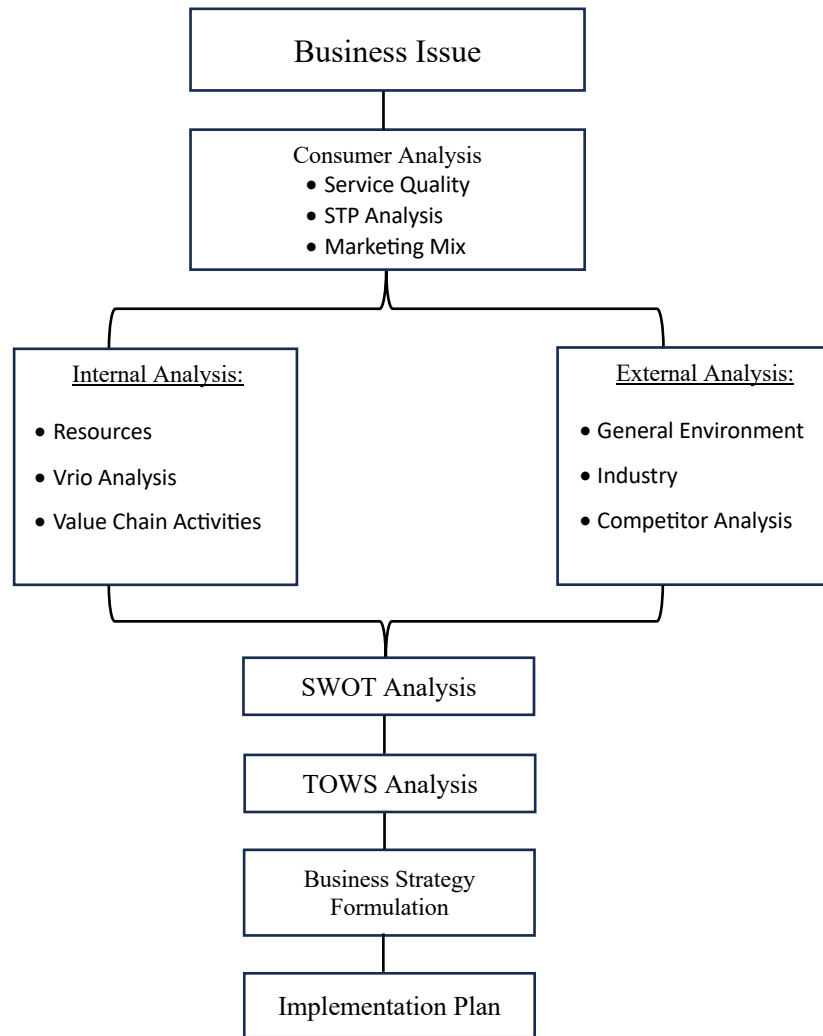


Figure II. 3 Conceptual Framework Diagram

Chapter III Research Methodology

This chapter explains how the research for this study was conducted. It covers the research methods and design used to collect the needed data, combining theories from earlier chapters for a thorough analysis. The chapter details the research design, data collection methods, and analysis procedures to show how the study was carried out. The research design includes both exploratory and descriptive elements, starting with research questions to identify key business issues at Dekultur Coffee Roastery. A conceptual framework was created using primary and secondary data to ensure a solid foundation for analysis, leading to strategic solutions based on the findings.

Data collection methods included both qualitative and quantitative approaches. Primary data came from in-depth interviews with key staff at Dekultur, providing insights into operational challenges and goals. Additionally, questionnaires were given to 112 respondents to capture customer opinions. Secondary data were gathered from books, academic journals, and internal documents to ensure reliable and valid results. Data analysis involved thematic analysis for qualitative data and statistical analysis using SPSS for quantitative data, helping to identify patterns and trends. The study applied several theoretical frameworks, including SWOT analysis and value chain analysis to assess Dekultur's strengths, weaknesses, opportunities, and threats, guiding the development of strategic recommendations. In summary, this chapter outlines the research methods used to gather and analyze data, providing strategic insights into Dekultur Coffee Roastery's business challenges and offering actionable recommendations.

III.1 Research Design

Research design refers to the overall plan that integrates the various components of a study in a coherent and logical manner to answer the research question. Research design is the process of determining research methods and procedures with the aim of answering specific research questions. This design includes decisions about how data will be collected, measured, and analyzed. First, the research design begins with determining the specific research question and operationalizing the variables involved

in the form of measurable hypotheses. Next, data collection methods are determined, which can vary from laboratory experiments to field surveys, depending on the type of design used. Data measurement and analysis is also an important part of the research design, which includes the use of reliable and valid measurement tools and appropriate statistical analysis techniques (Marczyk et al., 2005).

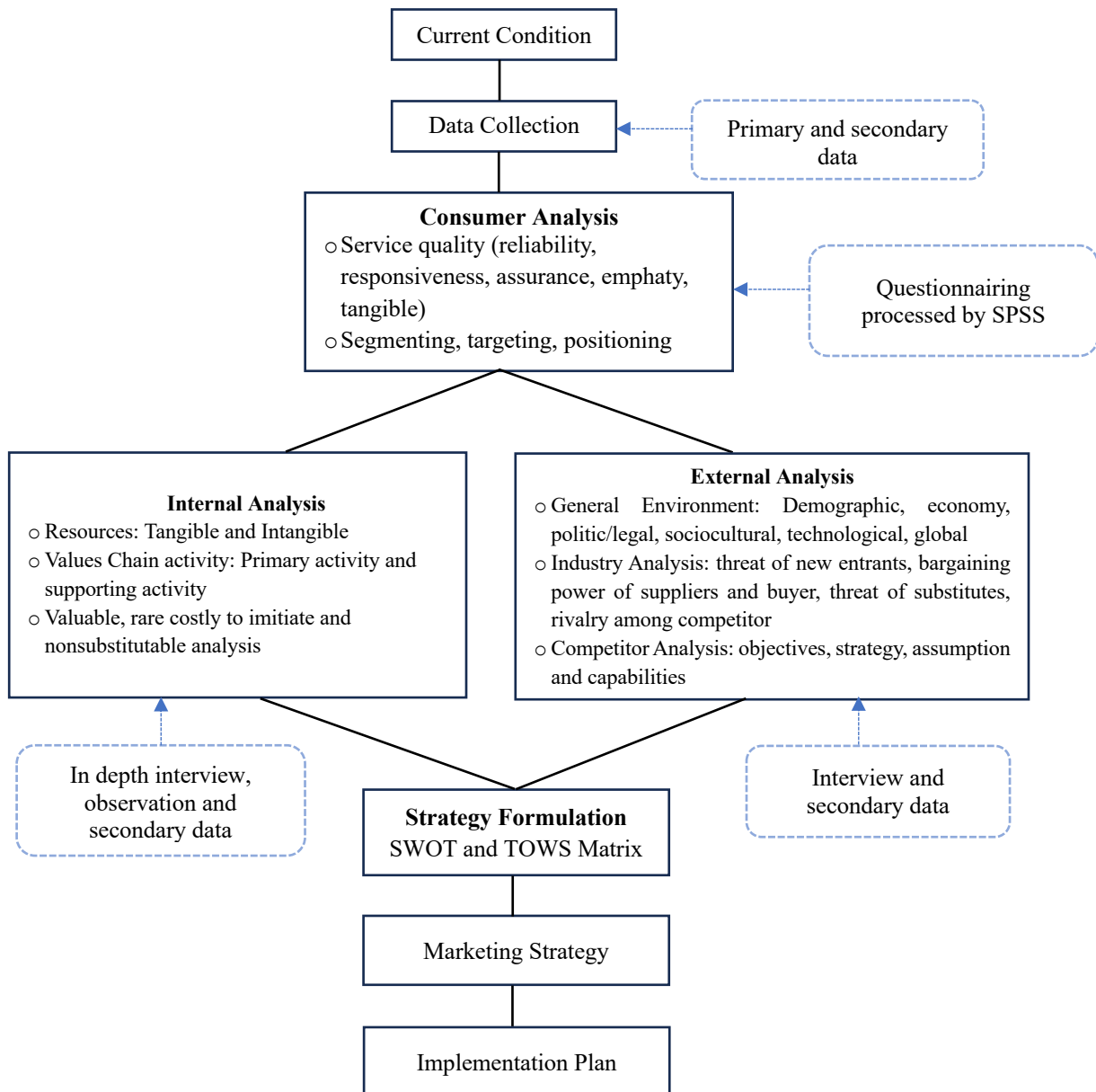


Figure III 1 Research Design

III.2 Data Collection Method

Data collection is a systematic and structured process of gathering the information needed to answer research questions, test hypotheses, and evaluate overall research results. This process is critical in ensuring that the data collected is relevant, accurate, and reliable, thus enabling the researcher to make valid and generalizable conclusions. Data collection encompasses a variety of methods and strategies that have been designed to measure and collect information about the variables that are the focus of the research (Marczyk et al., 2005).

This final project uses the primary data and secondary data. Primary data was carried out through in-depth interviews with the owner, the employees and the existing and potential customers as well as questionnaires. Secondary data was collected from the website of Badan Pusat Statistik (BPS) and other supporting websites, and also social media to observe what became dekultur's consumer needs and wants. Below are the methods of primary data collection which were performed in this research

III.2.1 Primary Data

Primary data was used as the main supporting data. In collecting primary data, the author gathered through interviews and questionnaires.

a. Interview with the owner

An interview with Bimo Ario Tejo, owner of Dekultur Coffee Roastery, provides valuable insights into the operational and strategic aspects of the business. Bimo, who has a deep passion for coffee, shares the journey of Dekultur Coffee from its inception in 2019 with the first outlet in Jakabaring, Palembang, to its expansion with a second outlet in Pakjo, Palembang, in 2020. He discussed the challenges faced during the early years, particularly the issue of maintaining consistent turnover and the importance of implementing Standard Operating Procedures (SOPs) to ensure smooth operations and maintain consumer trust. Bimo highlighted the company's focus on building a strong ecosystem and a positive company culture that supports both employees and customers. He emphasized the importance of maintaining consistent coffee

quality and service to build customer loyalty. In addition, Bimo also touched on the financial aspects, including seed funding, asset acquisition, and challenges faced in terms of logistics and inventory management. His vision for the future includes expanding product offerings and improving the overall customer experience to sustain growth and profitability.

b. Interview with the employee

Interviews with baristas, provided a comprehensive understanding of the working environment and employee satisfaction at Dekultur Coffee Roastery. Employees shared their experiences, describing how they manage the daily tasks and routines involved in their roles. They highlighted the supportive work culture and the importance of teamwork in ensuring smooth operations. The employees also discussed the challenges they face, such as the need for more knowledge and training to improve their skills and quality of service. Despite these challenges, they expressed satisfaction with their jobs, citing consistency in receiving bonuses, meal allowances, and transportation funds, which contributed to their overall job satisfaction. Interviews revealed employees' hopes for future growth, including better facilities and more opportunities for professional development. Through their perspectives, it is clear that maintaining a positive and motivated workforce is crucial to the success of Dekultur Coffee Roastery.

c. Questionnaire

To obtain data about what people in general need and want from coffee shop services, a questionnaire was used as a research instrument. The respondents are general respondents who are 15 years old or older, have visited coffee shops, and are located in Indonesia. The aim of the questionnaire is to obtain a general understanding of what consumers need and want from a coffee shop service.

Number of sample

According to the data from BPS, the total population of South Sumatra in 2023 is 8.743.522 people. With coffee consumption being a popular trend, the sample size for this research was determined using Slovin's formula with a $\pm 10\%$ precision level. The number of respondents (n) in this research is calculated to be 100 persons.

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{8,743,522}{1 + 8,743,522 (0,1)^2} = 100$$

n = sample size N = population size e = precision level

Questionnaire design

The questionnaire consists of questions covering various attributes such as service quality (reliability, responsiveness, assurance, empathy, and tangibles), place, promotion, and price attributes. Each attribute includes questions related to activities performed by coffee shops according to consumer needs and wants. There are 12 basic questions like gender, age, and some personal data and preferences, plus 23 questions with the following composition:

- 3 questions under product attributes.
- 3 questions under reliability.
- 1 question under responsiveness.
- 1 question under assurance.
- 1 question under empathy.
- 4 questions under tangibility.
- 2 questions under price attributes.
- 4 questions under place attributes.
- 4 questions under promotion attributes.

III.2.2 Secondary Data

In addition to direct data collection, secondary data is also used to obtain more in-depth and comprehensive information. This was done by using various documents obtained from sources that support the research, including company data such as historical operational data of Dekultur Coffee Roastery, annual reports, books, and journals related to the research needs. These secondary sources provided valuable insights into the operational, financial, and strategic aspects of Dekultur Coffee Roastery, helping to enrich the research findings and support the analysis.

III.2.2.3 Validity and Reliability test

Before the questionnaire distributed randomly to 100 persons, the questionnaire underwent validity and reliability test using SPSS

- **Validity**

Validity in the context of research refers to the extent to which a measurement instrument can measure what should be measured. Measurement validity is often tested using item-total correlation analysis. An item is said to be valid if the correlation coefficient (r total) of the item is greater than the r table value at a certain level of significance. This means that the item is significantly related to the total score of the instrument, indicating that the item is able to measure the intended construct. For example, if the total r value of an item is 0.35 and the r table value at the 0.05 significance level is 0.30, then the item is said to be valid because r total (0.35) $>$ r table (0.30). This validity is important to ensure that each item in the instrument actually measures the relevant aspects of the construct being evaluated, so that the measurement results are reliable and accurate (Sugiyono, 2013).

- **Reliability**

Reliability refers to the consistency and stability of the measurement results of a research instrument. reliable instruments will provide consistent results despite repeated measurements. To test reliability, several methods are

used such as the split-half technique, Spearman-Brown formula, or Cronbach's Alpha reliability coefficient. Cronbach's Alpha values above 0.70 are usually considered to indicate a good level of reliability, which means that the instrument can be relied upon to provide consistent results. In these two aspects, validity and reliability are key in ensuring the quality of a research instrument. Validity ensures that the instrument measures what it is intended to measure, while reliability ensures that the measurement results are consistent and stable (Sugiyono, 2013).

III.3 Data Analysis Method

III.3.1 Analysis method for qualitative research

Qualitative methods focus on an in-depth understanding of the phenomenon under study through descriptive analysis. This research usually involves non-numerical data collection, such as in-depth interviews, participant observation, and document analysis. Researchers use this approach to explore deeper insights and meanings about the subject under study, by paying attention to the context and experiences of individuals or groups (Marczyk et al, 2005). The qualitative method used in this thesis involved in-depth interviews with the owner, employees. These interviews aimed to gain a deeper insight into the operational challenges and business goals, of Dekultur Coffee Roastery.

III.3.2 Analysis method for quantitative research

Quantitative methods involve collecting and analyzing numerical data to test hypotheses or answer research questions. This approach uses statistics to analyze data and generate conclusions that can be generalized to a broader population. Quantitative research often uses surveys, experiments and psychometric measurements as data collection techniques (Marczyk et al., 2005). The quantitative method used in this thesis was collected through questionnaires distributed to 112 respondents, consisting of 57 women and 55 men. These respondents were divided into two groups: customers who had visited Dekultur Coffee Roastery and those who had not. The purpose of the questionnaire was to collect customer opinions regarding various service attributes

such as reliability, responsiveness, assurance, empathy, and dependability. The data obtained from this questionnaire was analyzed using SPSS statistical software to identify patterns and trends in customer perceptions and satisfaction.

III.3.3 Analysis method for mixed method

After obtaining the results from the qualitative and quantitative research, the author compared the results. The in-depth interviews yielded information about the operational challenges and business objectives faced by Dekultur Coffee Roastery as well as customers' perceptions of the services provided. Meanwhile, the questionnaires generated information on customers' needs and wants regarding service attributes such as reliability, responsiveness, assurance, empathy, and tangible and then compared the results of these qualitative and quantitative studies, and analyzed the gaps between the services required by general customers and the services that Dekultur Coffee Roastery has provided to its customers. This analysis helps to identify areas where services need to be improved to better meet customer needs and expectations, and provides strategic recommendations based on the data collected through both research methods.

Chapter IV Results and Discussion

This chapter focuses on the analytical framework of the research, outlining and analysing the results to derive meaningful conclusions, examine trends, and conduct comprehensive inquiries into the implications and importance of the research findings. The following types of analysis are used in this research: consumer analysis, internal analysis, external analysis, and swot analysis,

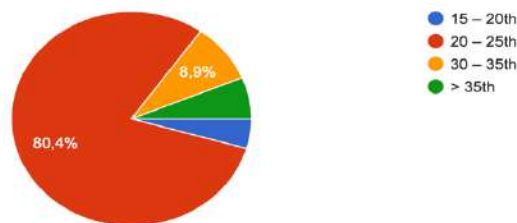
IV.1 Analysis

IV.1.1 Consumer Analysis

Consumers may choose the channels they prefer based on price, product assortment, and convenience as well as their own shopping goals (economic, social, or experiential). Channel segmentation exists, and marketers must be aware that different consumers have different needs during the purchase process. Even the same consumer, though, may choose different channels for different reasons. Consumer analysis is a fundamental aspect of market research, delving into target audience characteristics, behaviors, and preference to provide business with critical insight that guide product development, marketing strategies, and overall effort to meet and exceed consumer expectations in a market dynamics (Kotler, 2016).

This research has selected a sampling of 100 respondents consumers who have been to a coffee shop, where the sampling of each consisted of 50 respondents who had been to dekultur coffee roastery and 50 respondents who had never been to dekultur coffee roastery. In this way, the author can obtain a comprehensive picture of both existing and non-existing customer perceptions, 112 respondents participated in this research which consists of 57 females and 55 males.

Figure IV 1 Age group of the respondents



There are 9 attributes have been questioned in the questionnaire, they are: reliability, responsiveness, assurance, empathy, tangibles, product, place, promotion, and price. All the questions under these attributes aim to obtain customer perspective of dekultur coffeeshop and what become their needs and wants regarding services. The results are listed below:

Table IV. 1 Questions in questionnaire under reliability

Reliability Attribute	Strongly Disagree	Disagree	Slightly Disagree	Moderately Agree	Agree	Strongly Agree
A barista must be able to serve drinks quickly according to the time standards set by Dekultur Coffee Roastery.	0%	0%	0%	14,8%	34,4%	50,8%
The barista staff at Dekultur Coffee Roastery must consistently serve drinks that match customers' orders, ensuring every detail is as requested.	1,6%	0%	0%	18%	29,5%	50,8%
Dekultur Coffee Roastery staff should have the ability to effectively resolve service issues that arise, with the aim of providing satisfactory solutions for customers.	0%	0%	0%	14,8%	29,5%	55,7%

At Dekultur Coffee Roastery, speed of serving and accuracy in fulfilling customer orders are important elements that have been recognized by almost all customers. The survey results show that most customers (85.2%) agreed or strongly agreed that baristas are able to serve drinks quickly according to the set time standards. This shows a high commitment to operational efficiency and responsiveness to customer needs. Furthermore, the data shows that most customers (80.3%) also agree or strongly agree that baristas consistently serve drinks that are exactly what was ordered. This indicates a high level of attention to detail and accuracy in order fulfillment, which is an important factor in ensuring customer satisfaction.

In addition, more than 85% of customers agreed or strongly agreed that Dekultur Coffee Roastery staff are effective in handling and resolving service issues that arise. This reflects the staff's expertise and professionalism in managing unexpected situations, which is critical to maintaining customer satisfaction. Thus, this conclusion shows that Dekultur Coffee Roastery successfully maintains high service standards through speed, accuracy, and effectiveness in resolving issues. This commitment not only increases customer satisfaction, but also strengthens their loyalty in a highly competitive industry.

Table IV. 2 Questions in questionnaire under reliability

Reliability Attribute	Strongly Disagree	Disagree	Slightly Disagree	Moderately Agree	Agree	Strongly Agree
A coffeeshop must be able to provide consistent and reliable service every time a consumer visits.	0%	0%	9,3%	11,1%	27,8%	51,9%

The reliability attribute aimed at potential customers or visitors who have never visited the cafe shows that reliability and consistency in service are very important aspects for them. This is evident from the 79.7% of respondents (27.8% agree and 51.9% strongly agree) who considered that the cafe should be able to provide consistent and reliable services every time they visit. This consistency and reliability of service is a key factor that is considered important in attracting and retaining new customers. Low disagreement (only 9.3% slightly disagree and 11.1% moderately agree) indicates high expectations of consistent and reliable service standards from potential customers. This conclusion suggests that Dekultur Coffee Roastery has the potential to meet and exceed these expectations, which can contribute significantly to customer satisfaction and customer retention in the long run. Therefore, it is imperative for Dekultur Coffee Roastery to continuously strive for improvements in their service consistency to ensure that every new customer experience is positive, meeting or even exceeding the set

expectations, which will greatly support their growth and popularity in the competitive market.

Table IV. 3 Questions in questionnaire under responsiveness attribute for existing customer

Responsiveness Attribute	Strongly Disagree	Disagree	Slightly Disagree	Moderately Agree	Agree	Strongly Agree
Dekultur Coffee Roastery staff should be able to respond quickly and effectively when customers request assistance or service.	0%	0%	0%	13,1%	31,1%	55,7%

Responses from customers indicate that the majority are very satisfied with the speed and effectiveness of staff responses when requesting assistance or services. A total of 86.8% of respondents (31.1% agreed and 55.7% strongly agreed) viewed positively the staff's ability to respond quickly and effectively, indicating that Dekultur Coffee Roastery successfully met customer expectations in terms of responsiveness. Only 13.1% of respondents felt moderate towards this aspect, suggesting there is little room for improvement. In conclusion, Dekultur Coffee Roastery is considered to have provided responsive service, crucial for maintaining customer satisfaction and loyalty.

Table IV. 4 Questions in questionnaire under responsiveness attribute for non-existing customer

Responsiveness Attribute	Strongly Disagree	Disagree	Slightly Disagree	Moderately Agree	Agree	Strongly Agree
Cafe staff should respond quickly when you have requests or questions.	0%	1,9%	5,6%	11,1%	27,8%	53,7%

Most potential customers emphasize the importance of a quick response from the staff when they have requests or questions. The data shows that 81.5% of

respondents (27.8% agreed and 53.7% strongly agreed) rated it as very important that the cafe staff respond quickly. Only a small proportion, 7.5% (1.9% disagree and 5.6% slightly disagree), considered it less important, indicating high expectations of responsive service. This conclusion suggests that staff responsiveness is considered very important by potential customers, which emphasizes the importance of efficient and prompt customer service as a key factor in choosing to visit the cafe. Dekultur Coffee Roastery can utilize this information to ensure that staff training includes effective responsiveness as part of their service standards, increasing the potential of attracting new customers and building a positive reputation in the market.

Table IV. 5 Questions in questionnaire under assurance attribute for existing customer

Assurance Attribute	Strongly Disagree	Disagree	Slightly Disagree	Moderately Agree	Agree	Strongly Agree
What is the level of hospitality and courtesy of service at Dekultur Coffee Roastery	0%	0%	0%	11,5%	21,3%	67,2%

Dekultur Coffee Roastery customers are very satisfied with the level of friendliness and courtesy of the service they receive. A total of 88.5% of respondents (21.3% agreed and 67.2% strongly agreed) rated the friendliness and courtesy aspects of the staff highly. This indicates that Dekultur Coffee Roastery staff consistently provide friendly and courteous service, an aspect that is highly valued by customers. The absence of disagreeing percentages (0% for strongly disagree, disagree and 0% for slightly disagree) confirms that there is almost no disappointment among customers regarding this aspect. This performance reflects excellent service standards in terms of making customers feel valued and welcome, which is important for maintaining customer loyalty and promoting the cafe's positive reputation.

Table IV. 6 Questions in questionnaire under assurance attribute for non-existing customer

Assurance Attribute	Strongly Disagree	Disagree	Slightly Disagree	Moderately Agree	Agree	Strongly Agree
The professionalism and ability of staff to provide satisfactory service is very important	0%	0%	5,6%	3,7%	31,5%	59,3%

The professionalism and ability of staff to provide satisfactory service is considered very important by potential customers. The majority of respondents, 90.8% (31.5% agreed and 59.3% strongly agreed), rated these aspects as very important in their assessment of the expected service. Only 9.3% of respondents moderately or less agreed with the importance of staff professionalism and ability. This conclusion suggests that expectations of professionalism and service capabilities at Dekultur Coffee Roastery are very high among potential customers. This emphasizes the importance of training staff to meet and exceed these standards in order to attract and retain potential customers when they decide to visit the cafe for the first time.

Table IV. 7 Questions in questionnaire under empathy attribute for existing customer

Empathy Attribute	Strongly Disagree	Disagree	Slightly Disagree	Moderately Agree	Agree	Strongly Agree
Dekultur Coffee Roastery staff should always be ready to help and provide any additional services you need.	0%	0%	0%	11,5%	34,4%	54,1%

Dekultur Coffee Roastery customers highly appreciate the staff's willingness to help and provide additional services. A total of 88.5% of respondents (34.4% agreed

and 54.1% strongly agreed) indicated that they were satisfied with the availability and responsiveness of staff in assisting their needs. This suggests that Dekultur Coffee Roastery has a highly empathetic and responsive team, an aspect that the majority of customers consider important. The absence of a percentage who disagree or only slightly disagree (0% in total) confirms that Dekultur has successfully created a supportive and helpful environment, enhancing the overall customer experience. It also shows that the cafe has done a good job in meeting and exceeding customer expectations when it comes to friendly and proactive customer service.

Table IV. 8 Questions in questionnaire under empathy attribute for non-existing customer

Empathy Attribute	Strongly Disagree	Disagree	Slightly Disagree	Moderately Agree	Agree	Strongly Agree
Staff at cafes should proactively offer assistance and additional services to meet consumer needs in a friendly and considerate manner.	0%	0%	5,6%	5,6%	31,5%	57,4%

The majority of potential customers emphasized the importance of cafe staff being proactive in offering assistance and additional services to meet their needs in a friendly and considerate manner. The data showed that 89% of respondents (31.5% agreed and 57.4% strongly agreed) appreciated the initiative and friendly approach of the staff. This suggests that empathetic and proactive service is considered important by potential customers. Only 11.2% of respondents moderately or less valued this aspect, indicating widespread agreement on the importance of effective and attentive customer service from staff. This emphasizes that for potential customers, proactive attitudes and the ability of staff to understand and meet their needs are key to creating a positive impression that can motivate them to visit the cafe. Dekultur Coffee Roastery

can utilize this information to ensure that all staff are trained in providing services that not only meet but also exceed customer expectations.

Table IV. 9 Questions in questionnaire under tangible attribute for existing customer

Tangible Attribute	Strongly Disagree	Disagree	Slightly Disagree	Moderately Agree	Agree	Strongly Agree
How would you rate the condition and cleanliness of the facilities at Dekultur Coffee Roastery?	0%	0%	0%	21,3%	32,8%	45,9%
The facilities provided by Dekultur Coffee Roastery, including WiFi, prayer room, beverage serving equipment, and seating, are considered very adequate.	0%	1,6%	4,9%	19,7%	26,2%	47,5%
The decoration and interior design of Dekultur Coffee Roastery are very appealing to consumers.	0%	1,6%	3,3%	27,9%	29,5%	37,7%
The lighting at Dekultur Coffee Roastery is considered very adequate and pleasant.	0%	0%	4,9%	32,8%	31,1%	31,1%

Based on survey data for customers who have visited Dekultur Coffee Roastery, it can be concluded that the cafe received very positive ratings in terms of the condition and cleanliness of the facilities, the appropriateness of the facilities, and the interior decoration and design. The majority of customers are satisfied with the adequate condition and cleanliness (78.1% agree or strongly agree), the facilities that cover their needs (73.8% agree or strongly agree), and the attractive and pleasant decor and lighting (67.6% and 64% agree or strongly agree). This shows that Dekultur Coffee Roastery succeeds in creating a comfortable, functional, and aesthetically appealing cafe environment for its visitors.

Table IV. 10 Questions in questionnaire under tangible attribute for non-existing customer

Tangible Attribute	Strongly Disagree	Disagree	Slightly Disagree	Moderately Agree	Agree	Strongly Agree
Based on the images you see, you get the feeling that Dekultur Coffee offers a clean, cozy, and fun cafe environment.	0%	0%	5,6%	5,6%	31,5%	57,4%

Most potential customers feel that Dekultur Coffee Roastery offers a clean, comfortable and pleasant cafe environment. Of the respondents, 88.9% (31.5% agreed and 57.4% strongly agreed) gave positive ratings, indicating that the images successfully highlighted the positive aspects of the cafe. Only 11.2% gave a moderate response or disagreed, indicating that the images have generally succeeded in communicating the desired atmosphere of the cafe.

Validity Test Result

No	Dimension	Attributes	r total	r tabel	Validity
1	Reliability	P1	0,731	0,2521	Valid
		P2	0,715	0,2521	Valid
		P3	0,852	0,2521	Valid
2	Responsive	P4	0,826	0,2521	Valid
3	Assurance	P5	0,801	0,2521	Valid
4	Emphaty	P6	0,786	0,2521	Valid
5	Tangibility	P7	0,831	0,2521	Valid
		P8	0,742	0,2521	Valid
		P9	0,716	0,2521	Valid
		P10	0,720	0,2521	Valid

All items (P1 to P10) have a total r value greater than the table r value of 0.2521, which indicates that each item is significantly correlated to the total score of the instrument and therefore can accurately measure the desired construct. Thus, all items in the questionnaire are valid.

Reliability Test Result

Cronbach's Alpha	No of Items	Reliability
0,775	14	Strong

The overall Cronbach's Alpha for the questionnaire is 0.775, which is above the threshold of 0.70, indicating a strong level of reliability. This means that the instrument can be relied upon to provide consistent results despite repeated measurements.

IV. 1. 2 External Analysis

The majority of businesses operate in extremely unstable, complicated, and global external contexts, which make it increasingly difficult to understand it. Companies do external environmental analysis to deal with frequently ambiguous and lacking environmental data and to enhance their understanding of the environment. Examining the external environment is a challenging but important task, the external environment is divided into three main areas: general environment, industry, and competitors (Hitt et al, 2009).

Dekultur Coffee Roastery emphasises external analysis because it examines outside forces that impact the company's ongoing operations. Opportunities and threats for a market or segment that could impact growth, profitability, and stability are identified in this research. Dekultur Coffee Roastery is able to create its knowledge base and capabilities by consistently obtaining information and insights about competitors, customers, and various stakeholders in order to comprehend the external environment. This is possible because the company analyses external factors that influence the business.

IV.1.2.1 General Environment Analysis

The larger elements of society that impact an industry and the businesses that operate within it that create the general environment. Six environmental components comprise these dimensions: demographic, economic, political/legal, sociocultural, technological, and global. Firms cannot directly control the general environment's

segments and elements. As a result, profitable companies acquire the data necessary to comprehend every market niche and the ways in which it affects the choice and application of suitable strategies. The majority of businesses have minimal impact on the economy or economies in which they operate, yet every economy has a significant impact on each business's capacity to function and even thrive. Therefore, when individual economies decline businesses all over the world face a challenge in understanding how it will affect their current and future strategy (Hitt et al, 2009).

a). Demographic Segment

The demographic segment concerns a population's size, age structure, geographic distribution, ethnic mix, and income distribution, often demographic segments are analyzed on a global basis because of their potential effects across countries borders and because many firms compete in global markets. (Hitt et al, 2009).

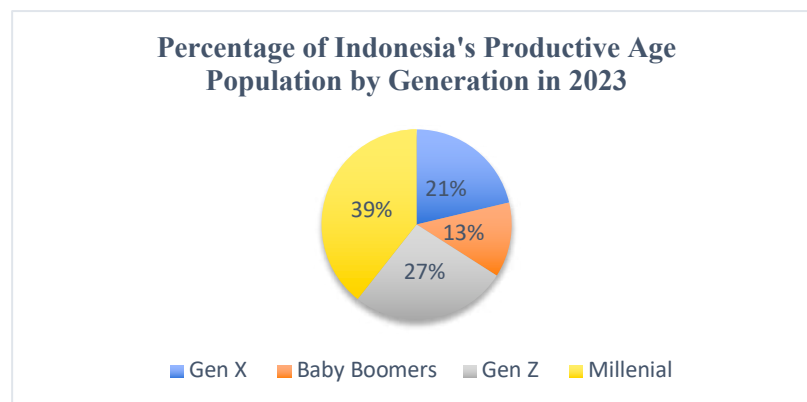


Figure IV 2 Percentage of Indonesia's Productive Age

Sources: (Badan Pusat Statistik, 2023)

Based on the latest data from the Badan Pusat Statistik (BPS) in 2023, the majority of Indonesia's productive-age population consists of the Millennial and Gen Z generations, which together account for 66% of Indonesia's total population of 278.696.2 million. This equates to approximately 176.529 million people. With more than half of Indonesia's population in the productive age range (15-64 years old), these

two generations have great potential as current and future economic drivers. This shows that they have significant purchasing power capacity, signaling that this productive age group has a major impact on economic growth. In contrast to Gen X which currently accounts for 20.29% and Baby Boomers which is 12%, Gen Z alone accounts for 25.66% of the population. Although the number of Gen Z members of productive age is still lower than Gen X, in the coming years, the proportion of Gen Z will continue to grow as more Gen Z members enter productive age. Meanwhile, some members of Gen X will start to enter retirement age in the next few years.

Dekultur Coffee Roastery can utilize this information to target their products and marketing more effectively to Millennials and Gen Z, who are dominant in today's demographics and have a high consumption propensity towards food and beverage trends, including specialty coffee. By understanding these demographic dynamics, Dekultur can develop strategies to appeal to younger generations with product innovations and cafe experiences that suit their dynamic lifestyles.

This generation, which is dynamic and growing, offers great opportunities for the food and beverage industry, including coffee shops. Their modern and innovative preferences can be leveraged to develop interesting products and services, such as specialty coffee or unique cafe experiences that target their lifestyle. Coffee shops can attract this group with experiences that not only rely on products, but also social environments that support their digital lifestyle, such as providing co-working spaces or facilities that support social and professional activities.

b). Economic Segment



Figure IV 3 Indonesian Economic Growth (2013-2023)

Sources: (Badan Pusat Statistik, 2024)

Based on data from the Badan Pusat Statistik (BPS), Indonesia's steady economic growth of around 5% per year showed economic resilience despite a contraction in 2020 due to the Covid-19 pandemic that lowered growth to -2.07%. The economic recovery continued with growth reaching 3.70% in 2021 and surging to 5.31% in 2022, marking the highest economic growth in the last decade. This recovery and growth creates a favorable environment for businesses like Dekultur Coffee Roastery.

Increased income nationwide triggers higher consumption of premium goods, including high-quality coffee. This allows Dekultur to target a wider market segment with innovative marketing strategies and customize products according to dynamic market tastes. However, economic growth also brings challenges, such as inflationary pressures that may increase operational and raw material costs, as well as intensification of competition due to new players entering the market. Dekultur must be proactive in its analysis of market trends and quick adaptation to economic conditions to maximize profits and long-term sustainability.

Based on inflation data published by BPS-Statistik Indonesia, CPI inflation in April 2024 was recorded at 0.25% (mtm), or 3.00% (yoy) on an annual basis. When the inflation rate in Indonesia increases, several impacts can be felt by MSMEs, including the coffee industry such as Dekultur Coffee Roastery. Here are some important implications:

- Rising Operating Costs: Increased costs for raw materials, electricity, rent, and salaries can reduce profit margins unless offset by higher selling prices.
- Effect on Selling Price: Prices may need to rise to cope with costs, but this risks reducing demand if consumers seek cheaper alternatives due to decreased purchasing power.
- Consumer Purchasing Power: Inflation reduces purchasing power, potentially lowering visit frequency and spending on specialty coffee.
- Economic Uncertainty: Inflation causes economic instability, making consumers and businesses cautious, potentially affecting Dekultur's expansion and facility renewal plans.
- Adjustment Strategy: Dekultur should diversify suppliers, leverage technology for efficiency, and develop higher margin products to manage inflation impacts.
- Innovation and Adaptation: Innovate product offerings, create special promotions, and adjust menus to include lower-cost items while maintaining appeal.

Overall, MSEs like Dekultur must be responsive to economic changes and flexible in their business strategies to survive and thrive despite the challenges of rising inflation.

South Sumatra's open unemployment rate of 3.97%, according to BPS data for February 2024, is relatively low compared to national standards in some countries. This indicates a stable economy with high consumption potential. In the context of Palembang as the capital city of South Sumatra, the low unemployment rate could be a positive indicator of the market potential for Dekultur Coffee Roastery. Relationship between unemployment rate and business opportunities for Dekultur:

- Purchasing Power: A stable local economy with low unemployment tends to increase people's income. This increases consumer purchasing power, which can directly impact sales at Dekultur Coffee Roastery.

- Frequency of Visits: With better incomes, consumers tend to visit cafes more often for leisure or social gatherings, which may increase the frequency of visits to Dekultur Coffee Roastery.
- Marketing Opportunities: The favorable economic situation allows Dekultur to implement more aggressive marketing strategies, as consumers are more willing to try new products or unique coffee experiences.
- Investment: Economic stability allows Dekultur to invest more in facilities, product innovation, and customer service to attract and retain consumers.

Based on reports from the Badan Pusat Statistik, an unemployment rate lower than 5% is often considered an indicator of a healthy economy. It indicates that a large portion of the working population is able to find work, which supports strong purchasing power in society. In the context of Dekultur Coffee Roastery, the low unemployment rate in Palembang represents a significant opportunity to increase sales. This not only increases the potential for daily consumption but also opens up opportunities for long-term development such as location expansion or service improvements. However, it is important for Dekultur to continuously monitor the dynamics of the local economy to ensure that they can quickly adjust their strategy in the event of economic changes. Kredit Usaha Rakyat (KUR) program designed by the Indonesian government through the Coordinating Ministry for Economic Affairs aims to increase access to financing for Micro, Small, and Medium Enterprises (MSMEs).

According to the Coordinating Ministry for Economic Affairs, KUR strengthens the capital capacity of businesses to support the accelerated development of the real sector and the empowerment of MSMEs, which was launched on November 5, 2007. This program provides funds for working capital and investment to MSMEs that are productive and viable but not yet bankable. The presence of the KUR program opens up great opportunities for MSMEs such as Dekultur Coffee Roastery to expand and innovate their operations. Easier accessibility to capital allows Dekultur to increase production capacity or update facilities, providing a much-needed competitive edge in a competitive market. However, it is important to note that these loans also pose

potential financial risks if not managed wisely, as the interest and repayments could affect Dekultur's long-term financial stability.

c. Political/ legal Segment

Organizations and interest groups compete for attention, resources, and a voice in overseeing the laws and regulations that govern interactions between nations in the political and legal area. Firms must carefully analyze a new political administration's business-related policies and philosophies. Antitrust laws, taxation laws, labor training laws, Often, firms develop a political strategy to influence governmental policies and actions that might affect them. The effects of global governmental policies on a firm's competitive position increase the importance of forming an effective political strategy (Hitt et al, 2009).

In a highly regulated business environment, a deep understanding of government regulations and compliance with applicable laws is crucial for any business including in the coffee industry. Dekultur Coffee Roastery as a premium coffee provider in Indonesia faces both challenges and opportunities in navigating the complex legal framework to ensure that its operations are not only effective but also compliant with all applicable regulations. Indonesian National Standard (SNI) 01-2907-2008 on Coffee Beans is one key example of this regulation. It sets the minimum standards for coffee beans circulating in Indonesia, including aspects such as quality, hygiene, and classification of coffee beans, for Dekultur Coffee Roastery, which is committed to providing high-quality coffee, compliance with this SNI is crucial to ensure that they not only meet the expectations of local consumers but also position themselves as a serious contender in the global coffee market. SNI 01-2907-2008 helps Dekultur maintain high product standards, while increasing customer confidence and satisfaction.

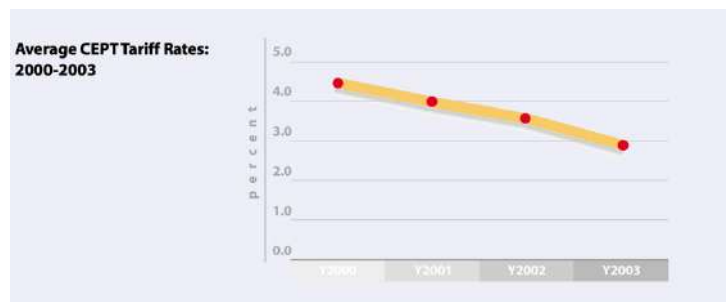


Figure IV 4 Southeast Asia a Free Trade Area

Sources: The Association of Southeast Asian Nations (2003)

The ASEAN Free Trade Agreement has successfully implemented significant tariff reductions on intra-ASEAN trade through the Common Effective Preferential Tariff (CEPT) scheme which aims to reduce tariffs on intra-regional trade within ASEAN to a maximum of 5% or eliminate them altogether for almost all products. This includes coffee beans, allowing Dekultur Coffee Roastery to enjoy lower import costs from ASEAN countries such as Vietnam and Thailand, which can help lower production costs and increase profit margins. This provides a great opportunity for Dekultur to improve production efficiency and market competitiveness while providing consumers with higher quality product options.

Micro, Small and Medium Enterprises (MSMEs) are one of the pillars of the economy in Indonesia. Based on data from the Ministry of Cooperatives and SMEs in 2021, the number of MSMEs in Indonesia reached 64.2 million with a contribution to GDP of 61.07% or Rp 8.573.89 trillion. The contribution of MSMEs to the Indonesian economy includes the ability to absorb 97% of the total workforce and can raise up to 60.4% of total investment. The government continues to strive to maintain and encourage the growth of MSMEs in Indonesia. One of the steps taken by the government is to provide tax incentives to MSMEs by reducing the Final Income Tax rate from 1% to 0.5% and the exemption of Final Income Tax for entrepreneurs with a turnover of up to Rp500 million per year. The government hopes that this policy can help MSME players maintain their business and be able to develop their business even bigger (Kementrian Keuangan Republik Indonesia, 2023).

This advantage is clearly a great opportunity for Dekultur Coffee Roastery. As an MSME, Dekultur can utilize this incentive to reduce its tax expenses. This reduced tax expense can help Dekultur increase liquidity and allocate more funds for investment in product innovation, marketing, or business expansion, which in turn can support the long-term growth and sustainability of their business. In the context of the general political/legal environment, this policy offers a significant opportunity for Dekultur Coffee Roastery to optimize their operations and strengthen their financial base. Lower taxes mean more resources can be allocated to aggressive and innovative growth strategies, allowing Dekultur to compete more effectively in a competitive market. These factors are particularly important in today's business environment, where operational efficiency and continuous innovation are key to success.

d). Sociocultural Segment

According to (Badan Pusat Statistik, 2023) in the report Statistics on Eating and Drinking Business Activities 2022, Coffee consumption trends in Indonesia that represent an opportunity for Dekultur Coffee Roastery in a socio-cultural context. The growing cafe culture as a place of socialization and work, especially in big cities, reflects a growing demand for high-quality coffee. This provides an opportunity for Dekultur to increase their market share by offering a unique and quality coffee experience that suits the lifestyle of today's consumers.

Social media has become a key tool in influencing purchasing decisions, especially among the younger generation. An effective marketing strategy through social media, which includes the use of influencers and engaging content, can increase brand visibility and strengthen customer loyalty. At the start of 2024, Instagram had 100.9 million users in Indonesia. This figure accounts for 36.2% of the entire population, rising to 46.0% if only those aged 13 and above are counted. Furthermore, around 54.5% of the total internet users in Indonesia use Instagram. Of these, 54.5% are female users, while 45.5% are male users (Data Reportal Indonesia Digital, 2021).

This opportunity can be utilized by Dekultur Coffee Roastery to increase interaction with customers and expand their market reach, with smart content strategies and attractive visuals, Dekultur can increase their followers, promote new products,

and attract young consumers who are very active on social media. The utilization of effective digital marketing strategies will help Dekultur not only in increasing brand awareness but also in converting interactions into profitable sales.

The importance of integrating a sustainability approach in a company's business strategy, not just as an additional program but as a core element of business activities. This approach allows companies to not only meet environmental standards but also optimize economic and social performance. As consumer awareness of sustainable products increases, sustainability strategies in business are very relevant for Dekultur Coffee Roastery to have the opportunity to lead the ethical and environmentally friendly coffee market (Gutterman, 2023).

This awareness provides an opportunity for Dekultur Coffee Roastery to become a market leader in the sustainable coffee category. By highlighting ethical coffee sourcing, fair trade practices, and environmental initiatives in their operations, Dekultur can attract a growing market segment of environmentally conscious consumers. This commitment not only enhances the brand image but also builds customer loyalty and may allow Dekultur to charge a premium on their products due to the added value provided.

e). Technological Segment

The application of digital technology in marketing activities has become the norm, allowing businesses to interact with customers across various social media platforms and websites. Digital marketing allows companies to stay connected with consumers over the internet, build product awareness, and increase brand loyalty through integrated channels. For example, social media, content marketing, and email marketing can effectively reach customers in a more personalized and effective way (Dasic et al., 2023).

Digital marketing allows companies to connect with consumers over the internet, build product awareness, and increase brand loyalty through integrated channels. For example, promotional techniques such as SEO (Search Engine Optimization), SEM (Search Engine Marketing), and SMM (Social Media Marketing) are essential to

maximize interaction with customers and optimize a company's online presence (Setiadi, E., & Asri, K. H. (2023).

Dekultur Coffee Roastery can adopt digital technology in their marketing strategy to increase customer engagement and build stronger brand loyalty. The use of techniques such as SEO, SEM, and SMM will help Dekultur reach a wider audience and optimize their online presence, thus increasing their brand awareness and product sales. Through content marketing and social media, Dekultur can reach out to customers in a more personalized and effective manner, creating a more immersive and satisfying experience for customers. The integration of these digital marketing channels will enable Dekultur to remain relevant and competitive in the increasingly digitized coffee market.

f).Global Segment

The global coffee market continues to grow with demand increasing by more than 60% since the 1990s, driving production and export expansion. With more than 70% of green coffee production exported, coffee remains a major export commodity. The international coffee market has become more complex, with more countries participating in the trade, some non-producing countries increasing their exports, and the processed coffee trade increasing (Catalan et al., 2022).

International trade policies and tariffs have a significant impact on coffee imports and exports. Coffee trade liberalization has changed the way coffee trade is organized, affecting the lives of farmers in producing countries, especially in middle- and low-income countries. These changes have caused the international coffee market to become more concentrated in the hands of large producers and some non-producing countries, creating inequities between producing and importing countries (Jose, Hernandez, 2022).

This represents a great opportunity for Dekultur Coffee Roastery to introduce specialty coffee products that meet sustainability and high-quality standards. Global consumers increasingly prefer sustainably produced high-quality coffee, creating an

opportunity for Dekultur to emphasize environmentally friendly production practices and superior quality in its marketing strategy.

IV.1.2.2 Industry Analysis

An industry is a collection of businesses that generate very similar items. These businesses impact one another during competition. Industries often contain an extensive variety of competitive strategies that businesses implement to strive for above-average returns. These strategies are selected, due to the effect of the characteristics of an industry. The industry environment frequently has a more immediate effect on a firm's above-average returns and strategic competitiveness than the general environment does. The intensity of industry competition and an industry's profit potential are functions of five forces of competition: the threat of new entrants, the power of suppliers, the power of buyers, product substitutes, and the level of rivalry among competitors determine the intensity of rivalry among competitors (Hitt et al, 2009).

A). The Threat of New Entrants

Threat of Newcomers: High

In the coffee shop industry, the threat of new entrants is high due to the ease of entry. Setting up a coffee shop requires relatively low upfront investment, as essential equipment and appealing interior designs are widely available and affordable. The growing popularity of coffee culture and the proliferation of specialty coffee shops make it an attractive business venture. Social media and digital marketing tools enable new entrants to build their brand and attract customers without significant costs. The availability of flexible leasing options and simplified licensing processes further lower the barriers to entry, leading to a surge in new coffee shops. Thus, the ease of establishing a coffee shop and the high demand for unique coffee experiences make the threat of new entrants high.

.B). The Power of Suppliers

Bargaining Power of Suppliers: High

The bargaining power of suppliers in the coffee shop industry is very high, as coffee shops rely heavily on the quality of their raw materials, especially coffee beans. The market for premium coffee beans is controlled by a limited number of suppliers, who have specialized knowledge and expertise in coffee cultivation and processing, making them indispensable. This limited supply chain forces coffee shops to rely on a few suppliers, thus increasing their bargaining power. In addition, the unique flavors and quality requirements of premium coffee beans make switching suppliers a challenge, thus further strengthening the position of suppliers in the industry.

C). The Power of Buyers

Bargaining Power of Buyers: high

Buyers in the coffee shop industry have significant power, driven by high competition and wide market choice. The saturation of the market with many coffee shops gives consumers many choices, allowing them to switch brands easily if they are not satisfied with the quality or service. Modern consumers are well-informed about coffee quality, sourcing, and pricing due to the wide availability of information online, so they can demand better quality and value for their money. While some customers are willing to pay a premium for quality coffee, many are price-sensitive and tend to switch to competitors that offer the same quality at a lower price. This dynamic makes it imperative for coffee shops to constantly innovate and deliver great customer experiences to retain their customers.

D). Product Substitutes

Threat of Substitutes: High

The threat of substitutes in the coffee shop industry is high, primarily due to the diverse range of beverage options available to consumers. Customers can choose from various alternatives such as tea, smoothies, energy drinks, and other non-caffeinated beverages, which can easily replace coffee, especially if these substitutes offer health

benefits or unique flavors. Additionally, the rising popularity of home brewing equipment and access to high-quality coffee beans empower consumers to prepare cafe-quality coffee at home, reducing the necessity of visiting coffee shops. This trend further amplifies the threat of substitutes, compelling coffee shops to continuously innovate their offerings to stay relevant.

E). The Intensity of Rivalry Among Competitors

Intensity of Rivalry Among Competitors: High

The intensity of rivalry among competitors in the coffee shop industry is exceptionally high due to several factors. The market is filled with numerous local coffee shops and international chains, creating intense competition for customer loyalty. Many coffee shops offer similar products, making differentiation purely based on product offerings a challenging task. This competitive landscape is further intensified by aggressive marketing campaigns, promotional activities, and loyalty programs aimed at attracting and retaining customers. Moreover, the need for continuous innovation in coffee flavors, brewing techniques, and overall cafe experiences requires constant improvement and differentiation. Coffee shops must leverage their unique strengths and innovate regularly to maintain a competitive edge in this dynamic and highly competitive industry.

IV.1.2.3 Competitors Analysis

The competitor environment is the final part of the external environment requiring study. Competitor analysis focuses on each company against which a firm directly competes. In a competitor analysis, the firm seeks to understand the following, What drives the competitor, as shown by its future objectives, What the competitor is doing and can do, as revealed by its current strategy, What the competitor believes about the industry, as shown by its assumptions, What the competitor's capabilities are, as shown by its strengths and weaknesses. The results of an effective competitor analysis help a firm understand, interpret, and predict its competitors' actions and responses (Hitt et al., 2008).

Table IV. 11 Competitor analysis of Dekultur Coffee Roastery

	Rumah Loer	Dekultur Coffee Roastery	Mutual	Memory
Objectives	Expand outlets in various strategic locations and offer a diverse range of beverage options, including cakes and substantial meals, as well as litersized coffee options.	Improve menu diversity to cater to broader customer preferences, enhance digital marketing strategies, and streamline logistics to increase efficiency and customer satisfaction.	Strengthen sustainability initiatives and community events, and tighten partnerships with business partners such as restaurants that also serve Mutual coffee.	Continuously innovate their product menu by offering coffee and food bundle packages and providing discounts in collaboration with GoFood partners.
Strategies	To address these weaknesses, Rumah Loer could implement loyalty programs and offer occasional discounts to attract and retain price-sensitive customers. They could also expand their menu to include more affordable options,	Introduce healthy drinks and seasonal beverages, expand food menu, implement advanced inventory management systems (SAP), and enhance digital marketing and customer engagement.	To overcome these weaknesses, Mutual should consider expanding their product range by introducing new items based on customer preferences and market trends. Maintaining competitive pricing and offering value bundles can further attract and retain customers. Enhancing regional marketing efforts and collaborating with local	Memory should continue to innovate and regularly introduce new menu items to keep their offerings fresh and exciting. Collaborating with partners like GoFood to offer discounts and attract more customers can help mitigate some of the operational costs. Expanding physical store

	appealing to a wider customer base. Additionally, introducing seasonal and promotional items can attract different customer segments and enhance their appeal.		businesses can improve brand recognition and reach. Implementing training programs to address service inconsistencies can also improve overall customer satisfaction.	locations in high-potential areas will increase their market reach and accessibility. Introducing more diverse menu items can attract a wider customer base.
Strength	Rumah Loer is recognized for offering high-quality beverages and food items, including cakes and substantial meals, which cater to a wide range of customer preferences. Their locations are strategically placed to ensure easy accessibility for customers, contributing to their convenience and satisfaction. Additionally,	High-quality coffee and service, strong local reputation, efficient organizational structure, and emphasis on product consistency.	Mutual has built strong customer loyalty through their high-quality offerings and effective pricing strategy, which appeals to a wide range of customers. Their involvement in sustainability initiatives and community events further enhances their brand image and loyalty among customers. Additionally, Mutual's service quality is consistent and reliable, ensuring a positive customer experience.	Memory stands out for its unique and innovative product offerings, which differentiate it from competitors and attract a niche market. Their strong presence and high engagement levels on social media channels further amplify their brand visibility and customer interaction. Memory also maintains high standards of service quality,

	their service quality is appreciated, with customers noting the friendly and efficient service.			ensuring customer satisfaction and fostering loyalty.
Weakness	Based on customer feedback, one of Rumah Loer's main drawbacks is their higher prices, which may not appeal to price-sensitive customers. Some respondents also mentioned that there is room for improvement in the variety of their product offerings, suggesting that expanding the menu could cater to more diverse tastes.	Limited menu diversity, underutilized digital marketing, and logistical inefficiencies.	A key weakness for Mutual, as identified in the responses, is its limited range of products compared to competitors, which could restrict its appeal to a broader customer base. Additionally, some customers mentioned that while their service is generally good, there are occasional inconsistencies that need to be addressed.	The focus on innovation, while a strength, also leads to higher operational costs, which can be a significant challenge for Memory. Additionally, their pricing strategy might not be competitive enough for price-sensitive customers. Some respondents also pointed out that while the quality is high, the product variety could be improved.

Reaction patterns (assumption)	If competitors lower their prices, Rumah Loer is likely to respond with targeted discounts and promotional offers to retain their customer base. In the event of new entrants in the market, they might increase their marketing efforts and promotional activities to reinforce their brand presence and customer loyalty. If faced with product variety complaints, Rumah Loer would likely act quickly to introduce new menu items that cater to diversetas	If competitors enhance digital marketing or introduce new products, likely to respond by further diversifying menu, improving logistics, and increasing digital marketing efforts. Address any feedback promptly to maintain customer satisfaction.	In response to competitors launching innovative products, Mutual would likely expedite its product development plans to stay competitive. If competitors engage in aggressive marketing campaigns, Mutual might increase its own marketing and promotional activities. Any negative feedback regarding service inconsistencies would prompt Mutual to implement immediate improvements to maintain their high service standards.	If competitors enhance their product offerings, Memory is likely to increase its innovation efforts to maintain its competitive edge. In response to competitors ramping up their social media presence, Memory might increase its content frequency and engagement activities to sustain its high engagement levels. Any feedback about pricing or product variety issues would prompt Memory to adjust their strategies accordingly, ensuring they remain competitive and appealing to their target market.
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IV. 1. 3 Internal Analysis

Strategic management includes internal analysis, or the assessment of a company's internal resources and competencies. In the internal analysis, the author identified Dekultur coffee's strengths and weaknesses in resources, capabilities and core competencies. This research provides a crucial foundation for achieving a competitive advantage. One way to explain the relationship between these characteristics is that capacity bundling affects company capabilities. A company's ability is the primary source of its core competency, which serves as the basis for gaining an advantage over competitors. Internal analysis based on resource and value chain analysis will be done in this research.

Table IV. 12 Resources Analysis

Tangible Resources	
Financial	The firm's borrowing capacity Dekultur Coffee Roastery has sufficient capacity to access Kredit Usaha Rakyat (KUR), a loan program designed by the Indonesian government to help MSMEs improve access to financing. With stable financial performance and good business prospects, Dekultur is able to apply for a KUR loan to support operational expansion and innovation. Dekultur's ability to borrow KUR is supported by a fairly consistent monthly turnover revenue. Stable revenue indicates that the company has sufficient cash flow to fulfill its loan repayment obligations. Based on the income statement, the following is a breakdown of Dekultur Coffee Roastery's monthly revenue for the period 2021 to 2023. Net profit increased from Rp 93.468.077 in 2021 to Rp 196.806.369 in 2022, and Rp 267.205.512 in 2023. This shows that despite the increase in operating expenses, the company is still able to maintain healthy profitability. Considering Dekultur's consistent and increasing monthly income, as well as its ability to manage its finances effectively, the company has a strong capacity to apply for and obtain a KUR loan. This loan can be used to support operational expansion and innovation, ensuring

	sustainable growth and improved competitiveness in the market. Dekultur can utilize this stable income to fulfill the KUR loan requirements and manage the loan repayments smoothly, supporting the company's long-term growth and success. The firm's ability to generate internal funds Dekultur Coffee Roastery's initial funding came from a combination of personal funds and loans from investor. The initial funds used to set up the first outlet in Jakabaring amounted to Rp 70 million from funds raised by investor, as well as additional personal capital from the owner himself of Rp 100 million. Since then, the company has managed to make internal funding through business revenue. Dekultur's business funding comes mostly from organic revenue, which includes product sales at the shop and roastery. However, monthly revenue only reached Rp 50 million a few times in 2023, and that was only at the Jakabaring outlet. Dependence on organic funding refers to a situation where the funding of a business is significantly dependent on the revenue generated from daily sales without any funding reserves or alternative sources that can be used to address unexpected costs. This over-reliance can be a critical weakness for Dekultur Coffee Roastery as daily revenue can be highly fluctuating and cannot always be relied on to meet urgent financial needs or unexpected operational costs. Without a backup funding system or robust financial management strategy in place, the company risks facing financial difficulties that could destabilize operations. This also limits the company's ability to invest in expansion or innovation, as a large portion of revenue must be allocated to cover day-to-day operational costs. Therefore, it is important for Dekultur to develop a financial strategy that includes the creation of emergency fund reserves and diversification of funding sources to ensure long-term sustainability and growth.
Organization	The firm's formal reporting structure and its formal planning, controlling, and coordinating systems Dekultur Coffee Roastery has an organizational structure consisting of several key divisions that ensure focused and efficient business operations. Dekultur's owner and founder, Bimo Ario Tejo, leads the entire business operations, strategic planning,

	brand development, and ensures the alignment of the company's vision and mission with daily operations. The Financial Management Division, led by the Finance Manager, is responsible for managing financial resources, budgeting, financial reporting, cash flow management, and risk assessment. It ensures the company's financial health and compliance with financial regulations. The Operational Management Division, led by the Outlet Manager, oversees the daily operations of the outlets, ensuring service smoothness, managing inventory, and maintaining operational efficiency. It also handles logistics, supply chain, and procurement processes. The Customer Relations and Marketing Division, led by the Customer Relations Manager, manages customer interactions, handles feedback and complaints, and ensures customer satisfaction. It also develops and executes marketing strategies, manages social media presence, and increases customer engagement. The Roastery Management Division, led by the Roastery Section Head, oversees the roasting process, ensures quality control of roasted coffee beans, manages roasting schedules, and maintains equipment. It also develops new roasting profiles and manages the supply of green coffee beans.
Physical Resources	Sophistication and location of a firm's plant and equipment Dekultur Coffee Roastery has invested high-quality physical resources to ensure premium customer experience and efficient operations. These resources include strategic locations in Jakabaring and Pakjo, Palembang, as well as high-quality coffee equipment such as Simonelli Appia II coffee machine, Simonelli Appia II grinder, Latina 600N grinder, SAS roasting machine with 3-7 kg capacity, and WE Suji roasting machine for coffee bean samples. In addition, Dekultur is also equipped with a chiller, cashier system, coffee moisture meter, and various serving tools such as coffee cups and other equipment. Customer facilities include free WiFi, prayer space (musholla), comfortable seating, attractive interior design, and clean and well-maintained bathrooms. The strategic location and high-quality equipment enable Dekultur to provide excellent service and maintain high product quality standards, as well as provide convenience to customers.

	Access to raw materials Dekultur Coffee Roastery has good access to quality raw materials, especially green coffee beans. This access is gained through strong relationships with local coffee farmers and trusted suppliers. By developing a solid supply network, Dekultur can ensure a consistent and high-quality supply of green coffee beans. This not only helps maintain the quality of the end product but also allows Dekultur to experiment with different flavor profiles and coffee types from farmers in South Sumatra, providing variety and choice to customers. Good relationships with local suppliers also allow Dekultur to support sustainable agricultural practices and empower local farming communities. Based on the interview with Mas Bimo, although Dekultur has invested in high-quality equipment, there are issues with overuse and maintenance. For example, the coffee machine requires periodic downtime to avoid frequent replacement of parts due to excessive use. This points to the need for better maintenance schedules and possibly additional machines to share the load and ensure longer equipment life.
Technology	Stock of technology, such as patents, trademarks, copyrights, and trade secrets Dekultur Coffee Roastery utilizes various technological resources to support its operations and enhance its competitiveness in the coffee market. The company has state-of-the-art equipment such as Simonelli Appia II coffee machines, grinders, cash register systems and machines, and roasting machines. This equipment allows Dekultur to maintain high quality in their coffee production, ensuring every cup of coffee served meets the best standards. In addition, Dekultur Coffee has secured patents and trademarks that provide legal protection for 10 years, from October 5, 2022 to October 5, 2032, with renewal options. The brand covers a wide range of coffee-related services, including procurement, distribution, sales, and retail and wholesale store services. This protection not only provides legal security but also strengthens Dekultur's position in the market, allowing them to develop and protect their brand from imitation and unfair competition. To support daily operations, Dekultur uses the Moka cashier system that is integrated with a customer relationship management (CRM) system. This system helps in

	managing daily transactions, tracking customer preferences, and improving overall customer service. However, despite having adopted some efficient operational management technologies, Dekultur has yet to fully implement a structured logistics system. Logistics and raw material procurement processes were still done manually and lacked organization, which sometimes led to stock mismatches and challenges in fulfilling demand. By incorporating technology in their operations, Dekultur Coffee Roastery is committed to continuously improving efficiency and service quality. Going forward, the implementation of a more structured logistics system could be an important next step to ensure sustainability and more stable growth in the long run. The logistics system at Dekultur Coffee Roastery, especially in terms of forecasting and inventory management, still faces significant challenges. Until now, Dekultur has not implemented a structured and integrated logistics system. The inventory management and procurement process is still done manually by the head roaster and outlet manager, who have to physically monitor the stock of raw materials and place orders via phone or email to suppliers. This manual process is prone to inefficiencies and human errors, such as stock mismatches and delays in demand fulfillment. These stock mismatches can lead to raw material deficiencies that affect operational efficiency and the quality of service provided to customers. Without a structured logistics system in place, Dekultur faces major challenges in ensuring that all raw materials are available on time and in sufficient quantities, which can affect overall operational efficiency. To overcome this challenge, it is important for Dekultur to consider implementing a more modern and integrated logistics system to improve efficiency and accuracy in inventory management and raw material procurement.
Intangible Resources	
Human Resources	Knowledge The team at Dekultur Coffee has an in-depth knowledge of coffee, from bean selection, roasting process, to serving high-quality coffee. The head roaster and baristas are professionally trained to ensure every cup of coffee served meets the best

	standards. This knowledge allows Dekultur to maintain high product and service quality. Trust Trust between management and employees as well as between employees and customers is one of the core values at Dekultur. For example, baristas have a good relationship with customers, who often return because they feel comfortable and valued. This trust is also reinforced through consistency in products and services, which ensures that customers always have a satisfying experience every time they visit. Organizational Routines Dekultur has well-established organizational routines that help maintain operational efficiency and consistency. These routines include performance evaluation processes, as well as the daily routine of serving coffee. However, the ordering and procurement procedures for raw materials still face some challenges as Dekultur does not yet have a well-structured logistics system. This process is often time-consuming and can lead to human error, such as stock out or delivery delays. Without an integrated logistics system, inventory management and raw material procurement becomes more difficult and inefficient, requiring Dekultur to always be aware and proactive in ensuring raw material availability to keep operations running smoothly according to set standards. Managerial Capabilities Dekultur's management, including outlet owners and managers, have good managerial capabilities in managing day-to-day operations and long-term business strategies. This effective management is reflected in their ability to manage two different outlets and maintain consistent operational standards across both venues. However, in terms of financial management, Dekultur still relies on organic business, where funding for unexpected costs only comes from sales in that month. This results in less profit as most of the revenue has to be allocated to cover unexpected costs, disrupting financial stability and the potential for greater profits from sales.
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	Based on interviews with the owner, there are some shortcomings that need to be addressed. One of the main challenges is the limited advanced training for staff. Although baristas and head roasters have been professionally trained, ongoing training to update their skills and knowledge is not always available. This can limit the ability of staff to adapt to new techniques and trends in the coffee industry. Trust between management and employees as well as between employees and customers is a core value at Dekultur. Although good relationships with customers have been established, efforts to deepen these relationships through loyalty programs or community activities are still lacking.
Innovation	Scientific Capabilities The scientific capabilities at Dekultur Coffee are reflected in their approach to bean selection and the roasting process, including quality beans selection where Dekultur works together with local farmers to select high-quality beans, ensuring superior consistency and flavor. Precision roasting techniques that the head roaster at Dekultur has in-depth knowledge of roasting techniques and how these techniques affect the taste of coffee. They use advanced equipment such as Simonelli Appia II coffee machines and precision roasting machines to achieve high quality. Capacity to Innovate Limited Resources for Innovation Implementation, both financial and human, are often a barrier to the implementation of such innovations. While there are many ideas generated, not all ideas can be properly implemented due to the lack of a systematic structure for innovation management and execution. This includes the lack of a dedicated team focused on research and development, as well as the lack of a structured process to effectively test and implement new ideas.
Reputation	Reputation with Customers Dekultur Coffee has built a strong reputation with customers through consistent service and high-quality products. Customers often return because they feel comfortable and satisfied with the coffee and service provided. The good relationship between baristas and customers also strengthens this reputation, creating a loyal community around Dekultur.

	Brand Name Dekultur Coffee's brand name has been officially registered with the ministry of law and human rights of the Republic of Indonesia. This brand certificate provides legal protection for 10 years and is renewable. This protection helps maintain the integrity of the brand and ensures their can continue to build and strengthen their position in the market without fear of imitation or brand violations. Reputation with Suppliers Dekultur Coffee has good relationships with its coffee bean suppliers, most of whom come from local farmers in South Sumatra. Direct cooperation with farmers ensures the quality of raw materials and supports sustainable business practices. This good reputation with suppliers also enables Dekultur to obtain consistently highquality raw materials. For Efficient, Effective, Supportive, and Mutually Beneficial Interactions and Relationships Dekultur strives to build mutually beneficial relationships with all stakeholders, including customers, suppliers. This approach not only helps in maintaining efficient and effective business operations but also enhances support and cooperation from the various parties involved.
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IV. 1. 3.1 Capabilites

Table IV. 13 Capabilities

Functional Areas	Capabilities
Human resources	Motivating, empowering, and retaining employees
Marketing	Effective customer service
Operations	Maintaining high-quality products through the use of high-quality equipment and proper maintenance
Reputation	Building and maintaining strong relationships with customers and suppliers

a. Human Resources:

Dekultur is able to motivate, empower, and retain their employees. Dekultur's team, including baristas and roasters, have in-depth knowledge of coffee and roasting techniques that ensure high product quality. High employee engagement and a supportive work environment reinforce this capability.

b. Marketing:

Dekultur has the ability to provide effective customer service. Dekultur's customer relations and marketing divisions successfully manage interactions with customers, handle feedback and complaints, and ensure customer satisfaction. Marketing strategies that focus on increasing customer engagement through social media and membership programs also demonstrate strong marketing capabilities.

c. Operations:

Dekultur can maintain high product quality through efficient operational processes. Investment in high-quality equipment and proper maintenance ensure that every cup of coffee served meets the best standards. The Operations Management Division at Dekultur oversees the daily operations that support this capability.

d. Reputation:

Dekultur has built and maintained strong relationships with customers and suppliers. Consistency in product and service quality has created a loyal customer community. Good relationships with local suppliers ensure continuous supply of high quality raw materials, which supports sustainable business practices and empowerment of local farming communities.

IV. 1. 3.2 Competitive Advantage

Table IV. 14 VRIN analysis of Dekultur Coffee Roastery

Capabilities	Valuable	Rare	Costly to Imitate	Non substitutable	Competitive Consequences	Performance Implications
High Quality Coffee	Yes	No	Yes	Yes	Sustainable competitive advantage	Above-average returns
Innovative product offerings	Yes	Yes	Yes	No	Temporary competitive advantage	Average returns to above-average returns
Effective customer service	Yes	No	No	Yes	Competitive parity	Average returns
Direct sourcing from local farmers	Yes	Yes	Yes	Yes	Sustainable competitive advantage	Above-average returns
Strong brand reputation	Yes	Yes	Yes	No	Temporary competitive advantage	Average returns to above-average returns

a. High-quality coffee

Dekultur Coffee Roastery offers high-quality coffee produced from carefully selected beans and precision roasting. This is a valuable, rare, hard-to-imitate and irreplaceable capability, providing a sustainable competitive advantage and generating above-average profits.

b. Innovative Product Offerings

Dekultur continuously develops and offers innovative new coffee products. This is a capability that is valuable, rare, and difficult for competitors to replicate, but may not be completely irreplaceable, thus providing a temporary competitive advantage with average to above average performance

c. Effective Customer Service

Excellent customer service increases customer loyalty. However, it is not a rare or difficult capability to replicate, thus providing competitive parity with average performance implications.

d. Direct Sourcing from Local Farmers

Direct sourcing from local farmers ensures raw material quality and supports business sustainability. This is a valuable, rare, hard-to-imitate and non-substitutable capability, providing a sustainable competitive advantage.

e. Strong Brand Reputation

Dekultur Coffee Roastery's strong brand reputation is built through consistent product quality and excellent customer service. Dekultur is known for its high-quality coffee produced from selected beans and precision roasting process. In addition, friendly and responsive service increases customer satisfaction and loyalty.

IV. 1. 4 Value Chain Activity

IV.1.4.1 Primary activities:

a. Inbound Logistics

Dekultur Coffee manages the flow of incoming goods from suppliers to the production or storage site. This includes the receiving and handling of coffee beans, as well as other raw materials required for daily operations. Inbound logistics ensures that all raw materials arrive in good condition and on time, so that the production process can run smoothly.

b. Operations

Operations at Dekultur covers the entire process from roasting coffee beans to serving coffee to customers. They use sophisticated coffee machines and roasting machines to ensure the quality of the coffee remains high. Trained baristas who understand how to brew coffee properly, ensure every cup of coffee served meets the standards that customers expect.

c. Outbound Logistics

In the context of a service company like Dekultur, outbound logistics includes serving coffee directly to customers at their stores. Dekultur strives to ensure that coffee is served as soon as it is ordered, so that customers do not have to wait for a long time

d. Marketing & Sales

Dekultur Coffee has a dedicated marketing team consisting of one person with an additional person for design. Although this team focuses on social media development, including collaboration with a dedicated team on social media, the main goal at the moment is to build an image through engaging photos and content, not for direct sales. Their marketing strategy focuses more on word of mouth, referrals from repeat customers, and membership programs. Social media such as Instagram is used to increase brand awareness, although the impact on sales is not very significant.

e. Service

Dekultur Coffee focuses heavily on good customer relations. They ensure that customers feel comfortable and valued, which helps build customer loyalty. Each barista and staff has a close relationship with their loyal customers, creating a friendly and family-like atmosphere in the shop.

IV.1.4.2 Supporting Activities:

a. Firm Infrastructure

Dekultur is managed by the owner who is also a practitioner. He is responsible for the financial management, division of tasks, and overall organization of the shop. Nonetheless, there are some weaknesses in implementation and control due to limited management knowledge and physical fatigue.

b. Human Resource Management

Dekultur Coffee has 10 people working in their two outlets, with 5 baristas in Jakabaring outlet and 5 baristas in Pakjo outlet. In addition, they have one customer relationship manager, one finance manager, and one outlet manager. Dekultur creates a family-like work environment, where everyone feels valued even though their salary is below the regional minimum wage but their working hours below 8 hours per day.

c. Technology Development

Dekultur Coffee continues to adopt the latest technology in their coffee roasting and serving process. They use modern coffee equipment to ensure that they are always at the forefront in terms of quality and efficiency. This effort reflects their commitment to continuously improve and maintain high quality standards.

d. Procurement

Dekultur Coffee not only focuses on procuring high-quality coffee beans but also other raw materials such as syrups, cups, straws, milk, and other kitchen ingredients needed for daily operations. The procurement of these raw materials is done by ensuring quality and continuous supply to support the consistent production of coffee and other beverages.

IV.1.5 Strategy Formulations

IV.1.5.1 SWOT Analysis

After analysing consumers, external and internal factors, competitors, the analysis of strength, weakness, opportunity and threat Dekultur Coffee Roastery could be performed. The result of SWOT analysis as described below in table 15.

Table IV. 15 SWOT analysis of Dekultur Coffee Roastery

STRENGTH	WEAKNESS
- Organization: Dekultur has an efficient organizational structure with clear division of duties, which enables focused and efficient business operations. Divisions such as Financial Management, Operations, Customer Relations and Marketing, and Roastery Management function well in supporting daily operations and long-term strategy development. - Reputation: Dekultur has a good reputation among local customers for consistency in service and product quality. Good relationships with local customers and suppliers strengthen this reputation, creating a loyal customer community and supporting sustainable business practices. - Service: Dekultur focuses heavily on good customer relations, ensuring that customers feel comfortable and valued, which helps build customer loyalty. Each barista and staff has a close relationship with their loyal customers, creating a friendly and family-like atmosphere in the shop. - Direct Sourcing from Local Farmers: Dekultur sources its coffee beans directly from local farmers, which helps support the local economy and ensures a fresh supply of raw materials. This practice strengthens relationships with farmers and can lead to more consistent quality control. - Inbound Logistics: Efficient management of incoming goods from suppliers to production or storage sites ensures smooth operations. - Outbound Logistics: Serving coffee directly to customers promptly ensures high customer satisfaction	- Financial: Deculture relies heavily on organic funding from daily revenue without an adequate backup funding system to cope with unexpected costs. This reliance can compromise financial stability and limit the company's ability to invest in expansion or innovation. - Physical Resources: Despite having invested in high-quality equipment, Dekultur faces challenges in terms of equipment utilization and maintenance. Some equipment is not optimally utilized and lack of maintenance can reduce operational efficiency. - Technology: Dekultur has not yet fully implemented a structured and integrated logistics system. Inventory management and procurement processes are still done manually, which is prone to inefficiencies and human error. This can lead to stock mismatches and delays in demand fulfillment. - Human Resources: While baristas and roasters are professionally trained, further training to update their skills and knowledge is not always available. This can limit the ability of staff to adapt to new techniques and trends in the coffee industry. - Operations: Some processes could be more optimized, as not all equipment is fully utilized and there are maintenance challenges.

- Marketing & Sales: Focus on building a strong brand image through social media and customer loyalty programs. - Firm Infrastructure: Efficient organizational structure and clear division of duties. - Procurement: Direct sourcing from local farmers ensures quality and supports the local economy.	- Innovation: Limited resources for the implementation of innovations, both in terms of financial and human resources, are often a bottleneck. Not all ideas can be implemented properly due to the lack of a systematic structure for innovation management and execution.
OPPORTUNITY	THREAT
- Specialty Coffee Market Growth: Growing consumer interest in specialty coffee provides an opportunity for Dekultur to expand its market share by offering high-quality and unique coffee products. - Technological Advancements: Innovations in roasting and coffee-making technology can improve operational efficiency and product quality, helping Dekultur remain competitive. - Sustainability Trends: Consumers are increasingly concerned with sustainable business practices and local products, which align with Dekultur's values. This could increase the brand's appeal among environmentally conscious consumers. - Increased Interest in Local Products: Increased support for local products could help Dekultur build a stronger customer base in the local community. - Collaboration with Local Suppliers: Opportunities to strengthen partnerships with local coffee farmers can ensure the supply of quality raw materials and support sustainable agricultural practices.	- Intense Competition: The high level of competition in the local coffee industry may affect Dekultur's market share and profitability, forcing them to constantly innovate and maintain quality. - Raw Material Price Fluctuations: Changes in coffee bean prices may affect production costs and profit margins, making financial stability a challenge. - Changing Consumer Preferences: Shifting consumer tastes towards alternative beverages such as herbal teas or health drinks may reduce demand for coffee. - Economic Uncertainty: Economic fluctuations may affect consumer purchasing power, potentially reducing sales of premium coffee products.

IV.1.5.2 TOWS Matrix

The following is a TOWS analysis for Dekultur Coffee Roastery based on the SWOT that has been made previously:

Internal Factors (IFAS)	Strength	Weakness
	- (S1) Dekultur has an efficient organizational structure with clear division of duties, which enables focused and efficient business operations. Divisions such as Financial Management, Operations, Customer Relations and Marketing, and Roastery Management function well in supporting daily operations and long-term strategy development. - (S2) Dekultur has a good reputation among local customers for consistency in service and product quality. Good relationships with local customers and suppliers strengthen this reputation, creating a loyal customer community and supporting sustainable business practices.	- (W1) Deculture relies heavily on organic funding from daily revenue without an adequate backup funding system to cope with unexpected costs. This reliance can compromise financial stability and limit the company's ability to invest in expansion or innovation. - (W2) Despite having invested in high-quality equipment, Dekultur faces challenges in terms of equipment utilization and maintenance. Some equipment is not optimally utilized and lack of maintenance can reduce operational efficiency - (W3) Dekultur has not yet fully implemented a structured and integrated logistics system. Inventory management and procurement processes are still done manually, which is prone to inefficiencies and human error. This can lead to stock mismatches and delays in demand fulfillment. - (W4) While baristas and roasters are professionally trained, further training to update their skills and knowledge is not always available. This can limit the ability of staff to adapt to new techniques and trends in the coffee industry. - (W5) Limited resources for the implementation of innovations, both in terms of financial and human resources, are often a bottleneck. Not all ideas can be implemented properly due to the lack of a systematic structure for innovation management and execution.

External Factors (EFAS)		
Opportunity - (O1) Growing consumer interest in specialty coffee provides an opportunity for Dekultur to expand its market share by offering high-quality and unique coffee products - (O2) Innovations in roasting and coffee-making technology can improve operational efficiency and product quality, helping Dekultur remain competitive. - (O3) Consumers are increasingly concerned with sustainable business practices and local products, which align with Dekultur's values. This could increase the brand's appeal among environmentally conscious consumers. - (O4) Increased support for local products could help Dekultur build a stronger customer base in the local community. - (O5) Opportunities to strengthen partnerships with local coffee farmers can ensure the supply of quality raw materials and support sustainable agricultural practices.	SO Strategy (S1) (S2) (O1) (O3) Expand Market Reach (S1) (S2) (O2) Leverage technological advancement (S2) (O3) (O4) Promote Sustainability	WO Strategy (W1) (W2) (W3) (O2) (O3) Improve Financial Management and Logistics Systems (W4) (O2) Enhance Training and Development (W3) (O1) (O4) Optimize SocialMedia and Marketing Efforts

Threat		WT Strategy
- (T1) The high level of competition in the local coffee industry may affect Dekultur's market share and profitability, forcing them to constantly innovate and maintain quality. - (T2) Changes in coffee bean prices may affect production costs and profit margins, making financial stability a challenge. - (T3) Shifting consumer tastes towards alternative beverages such as herbal teas or health drinks may reduce demand for coffee. - (T4) Economic fluctuations may affect consumer purchasing power, potentially reducing sales of premium coffee products	ST Strategy (S1) (S2) (T1) Differentiate Through Quality (S2) (T2) Stabilize Supply Chain (S2, T3) Maintain Brand Loyalty	(W1) (W2) (T1) (T4) Enhance Operational Efficiency (W3) (T3) Adapt to Market Changes (W5) (T2) (T3) Develop a Diversified Product Portfolio

SO Strategies (Strengths-Opportunities)

- **Expand Market Reach:** Capitalize on the growing interest in specialty coffee and sustainability trends to expand Dekultur's market by opening new outlets or introducing an online sales platform. This can be supported by a good reputation and efficient organization. (S1, S2, O1, O3)
- **Leverage Technological Advancements:** Use technological innovations in the roasting and coffee-making process to improve operational efficiency and product quality, keeping Dekultur competitive in the market. (S1, S2, O2)
- **Promote Sustainability:** Using sustainability values and local products to attract increasingly environmentally conscious consumers, strengthening the brand's reputation among environmentally conscious consumers. (S2, O3, O4)

ST Strategies (Strengths-Threats)

- **Differentiate Through Quality:** Differentiate Dekultur from competitors by emphasizing high coffee quality and direct sourcing from local farmers. This is important to maintain market share in the face of intense competition. (S1, S2, T1)
- **Stabilize Supply Chain:** Secure the supply chain by establishing long-term contracts with suppliers to reduce the impact of raw material price fluctuations. (S2, T2)
- **Maintain Brand Loyalty:** Continue to build and maintain a strong brand reputation to maintain customer loyalty despite changes in consumer preferences. (S2, T3)

WO Strategies (Weaknesses-Opportunities)

- **Improve Financial Management and Logistics Systems:** Develop a structured logistics system and standardize financial management practices to improve operational efficiency. This will support the implementation of technological innovations and adaptation to sustainability trends. (W1, W2, W3, O2, O3)
- **Enhance Training and Development:** Enhance training and development for baristas and roasters to ensure they are continuously updated with the latest techniques and trends in the coffee industry. (W4, O2)
- **Optimize Social Media and Marketing Efforts:** Strengthen social media promotions to increase brand awareness and attract more customers, supported by increased public interest in specialty coffee and local products. (W3, O1, O4)

WT Strategies (Weaknesses-Threats)

- **Enhance Operational Efficiency:** Focus on improving internal efficiency and reducing costs to maintain profitability despite increased competition and economic fluctuations. (W1, W2, T1, T4)

- **Adapt to Market Changes:** Remain agile and responsive to changing consumer preferences by continuously monitoring market trends and adjusting product offerings as needed. (W3, T3)
- **Develop a Diversified Product Portfolio:** Develop a more diversified product portfolio beyond coffee to mitigate risks related to changes in consumer preferences and fluctuations in raw material prices. (W5, T2, T3)

This TOWS analysis provides a strategic framework for Dekultur Coffee Roastery to leverage its strengths, address its weaknesses, capitalize on opportunities, and mitigate threats in the market.

IV.1.6 Marketing Strategies

IV.1.6.1 Segmentation

Needs based segmentation

The segments of Dekultur Coffee Roastery can be determined by using needs-based segmentation and below are the results of a questionnaire with 112 respondents. Regardless of which type of segmentation scheme use, the key is adjusting the marketing program to recognize customer differences. The major segmentation variables geographic, demographic, psychographic, and behavioral segmentation.

a. Demographic

From 113 respondents, 51.3% are female and 48.7% are male.

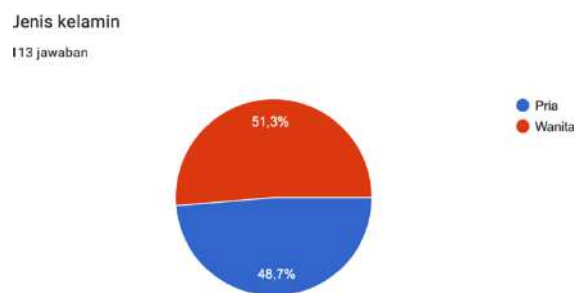


Figure IV 5 Gender of the respondents

The group age of the respondents as follows

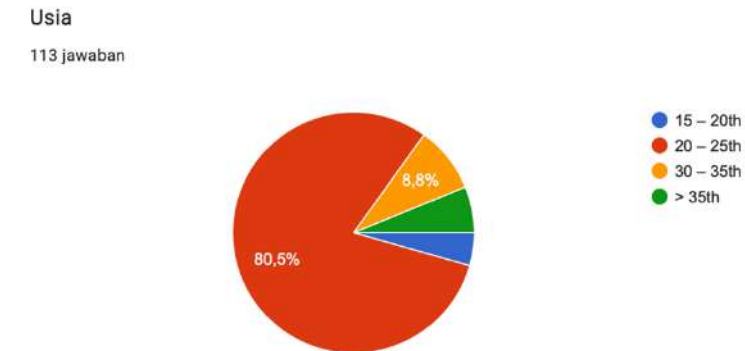


Figure IV 6 Question about respondents’ age.

From the questionnaire, **the group age of the respondents as follows:**

- Between 20-25 years old (91 persons) 80.5% considered Gen Z
- Between 30-35 years old (10 persons) 8.8% considered Gen Y (Millenials)
- More than 35 years old (7 persons) 6.2% considered Gen X
- Between 15-20 years old (5 persons) 4.4% considered Gen Z

Gen Z in total (96 persons) 84.9%, and Gen Y (Millenials) (10 persons) in total 8.8 %.

Job distribution of the respondents based on the results of the questionnaire are:

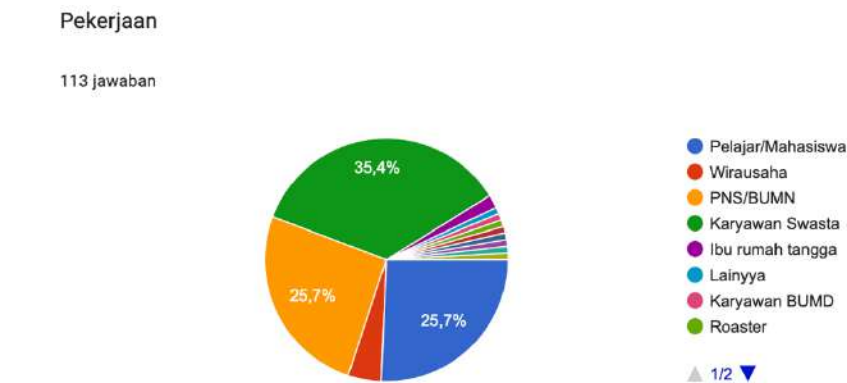


Figure IV 7 Job distribution of respondents

- Consumers with occupations as private employees 40 people (35.4%)
- Consumers with occupations as Civil Servants/National Government 29 people (25.7%)
- Consumers with occupations as student 29 people (25.7%)
- Consumers with occupations as entrepreneur 5 people (4.4%)
- Consumers with occupations as other occupation 9 people (8.03%)

Estimated average monthly income of the respondents based on the results of the questionnaire

Perkiraan rata-rata pemasukan perbulan

113 jawaban

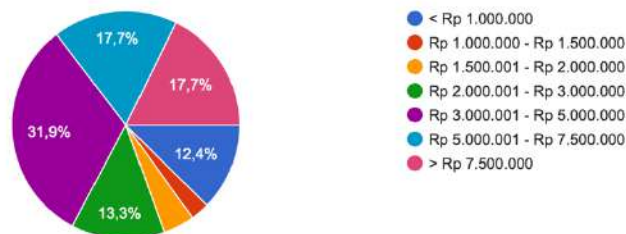


Figure IV 8 Estimated Average Monthly Income

- Consumers with an income range of Rp 3.000.001-Rp 5.000.000: 31.9% (36 people)
- Consumers with an income range of Rp 5.000.001-Rp 7.500.000: 17.7% (20 people)
- Consumers with an income range of more than Rp 7.500.000: 17.7% (20 people)
- Consumers with an income range of Rp 2.000.001-Rp 3.000.000: 13.3% (15 people)
- Consumers with an income range of less than Rp 1.000.000: 12.4% (14 people)
- Consumers with an income range of Rp 1.500.001-Rp 2.000.000: 4.4% (5 people)
- Consumers with an income range of Rp 1.000.000-Rp 1.500.000: 2.7 % (3 people)

b. Geographic

Preferred locations for drinking coffee



Figure IV 9 the place where respondents most often drink coffee

- Preferred location at coffee shops: 80.5% (91 people)
- Preferred location at home : 10.6% (12 people)
- Preferred location at office : 8% (9 people)
- Doesn't like coffee : 0.9% (1 people)

c. Psychographic

Motivation consumers to Drink Coffee at a Coffee Shop

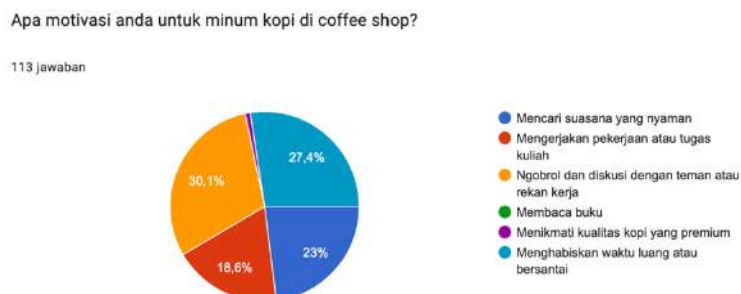


Figure IV 10 Question about motivation consumers

- Consumers who chat and discuss with friends or colleagues: 30.1% (34 people)
- Consumers who spend leisure time or relax: 27.4% (31 people)
- Consumers who seek a comfortable atmosphere: 23% (26 people)
- Consumers who work on assignments or study: 18.6% (21 people)
- Consumers who enjoy premium quality coffee: : 0.9% (1 people).

Consumer's reasons for Drinking Coffee:

Apa alasan anda untuk minum kopi?
113 jawaban

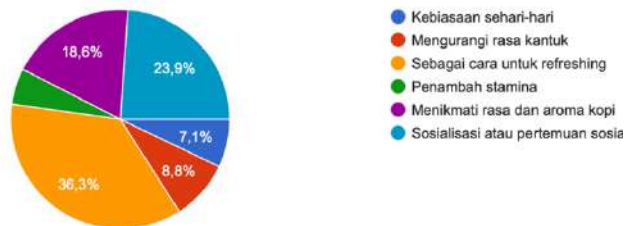


Figure IV 11 Question about consumer's reason for drinking coffee

- Consumer's reasons for drinking coffee as a Refreshing Activity: 36.3% (41 people)
- Consumer's reasons for drinking coffee as a Socializing or Social Meetings: 23.9% (27 people)
- Consumer's reasons for drinking coffee as a Enjoying the Taste and Aroma of Coffee: 18.6% (21 people)
- Consumer's reasons for drinking coffee as a Reducing Sleepiness: 8.8% (10 people)
- Consumer's reasons for drinking coffee as a daily habit: 7.1% (8 people)
- Consumer's reasons for drinking coffee as a Boosting Stamina: 5.3% (6 people)

Consumer's Preference When Choosing Coffee:

Apa yang paling Anda cari saat memilih kopi?

113 jawaban

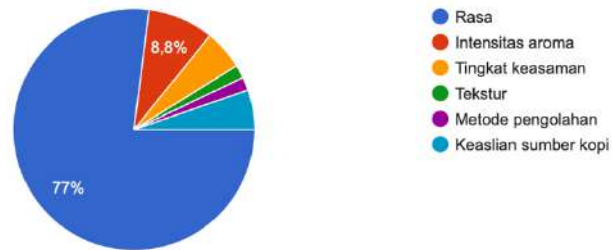


Figure IV 12 Question about consumer's Preference When Choosing Coffee

- Consumers prefer coffee based on its taste : 77% (87 people)
- Consumers prioritize the intensity of the coffee's aroma : 8.8% (10 people)
- Consumers consider the acidity level when choosing coffee : 5.3% (6 people)
- Consumers value the authenticity of the coffee source: 5.3% (6 people)
- Consumers focus on the texture of the coffee : 1.8% (2 people)
- Consumers look at the processing method of the coffee : 1.8% (2 people)

Importance of Attractive and Modern Interior Design in Coffee Shops:

Seberapa penting bagi Anda bahwa coffeeshop memiliki desain interior yang menarik dan modern?

Salin

113 jawaban

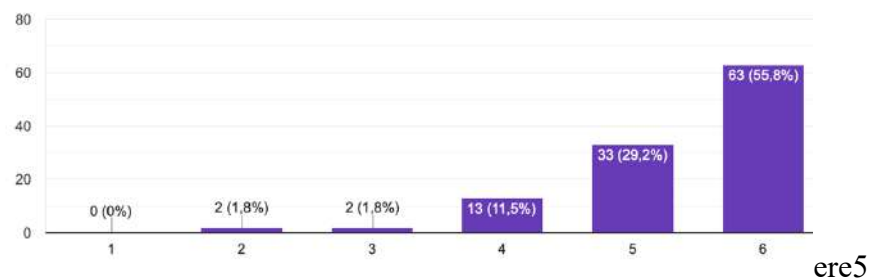


Figure IV 13 Question about Importance of Attractive and Modern Interior Design

- Consumers consider an attractive and modern interior design in coffee shops to be very important : 55.8% (63 people)
- Consumers think it is important: 29.2% (33 people)
- Consumers find it moderately important: 11.5% (13 people)
- Consumers consider it slightly important : 1.8% (2 people)
- Consumers are neutral about the importance of interior design: 1.8% (2 people)
- Consumers believe that an attractive and modern interior design in coffee shops is not important : 0% (1 people)

d. Behavioral

Consumer's frequency of drinking coffee:

Seberapa sering biasanya anda minum kopi?

113 jawaban

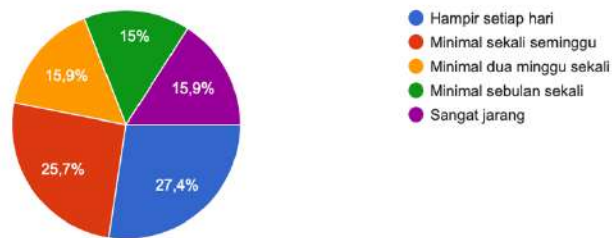


Figure IV 14 Frequency of Drinking Coffee

- Consumers drink coffee almost every day : 27.4% (31 people)
- Consumers drink coffee at least once a week : 25.7% (29 people)
- Consumers drink coffee at least once every two weeks: 15.9% (18 people)
- Consumers drink coffee very rarely: 15.9% (18 people)
- Consumers drink coffee at least once a month.: 15% (17 people)

Estimated Monthly Consumer Spending on Hangout:

Perkiraan rata-rata pengeluaran untuk "Nongkrong" per bulan ?

113 jawaban

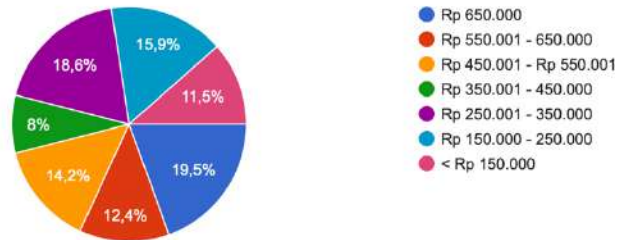


Figure IV 15 Estimated Monthly Expenditure for Hanging Out

- Consumers spend Rp 650,000 on hangouts per month : 19.5% (22 people)
- Consumers spend between Rp 250,001 and Rp 350,000 on hangouts per month : 18.6% (21 people)
- Consumers spend between Rp 150,000 and Rp 250,000 on hangouts per month: 15.9% (18 people)
- Consumers spend between Rp 450,001 and Rp 550,001 on hangouts per month: 14.2% (16 people)
- Consumers spend between Rp 550,001 and Rp 650,000 on hangouts per month: 12.4% (14 people)
- Consumers spend less than Rp 150,000 on hangouts per month: 11.5% (13 people)
- Consumers spend between Rp 350,001 and Rp 450,000 on hangouts per month: 8% (9 people)

Consumer's Frequency of Trying New Types of Coffee:

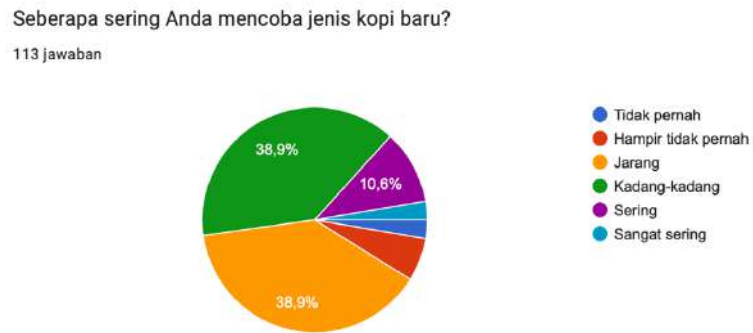


Figure IV 16 Frequency of Trying New Types of Coffee

- Consumers rarely try new types of coffee: 38.9% (44 people)
- Consumers occasionally try new types of coffee: 38.9% (44 people)
- Consumers often try new types of coffee: 10.6% (12 people)
- Consumers almost never try new types of coffee: 6.2% (7 people)
- Consumers never try new types of coffee : 2.7% (3 people)
- Consumers very often try new types of coffee: 2.7% (3 people)

Consumer's Frequency of Posting Photos or Updating Status on Social Media While at a Coffee Shop:

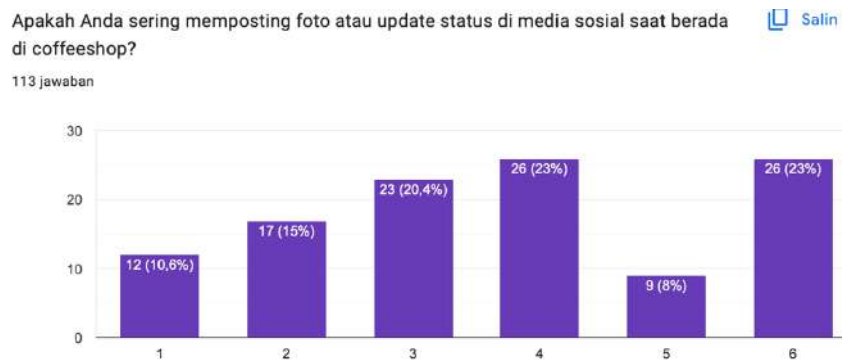


Figure IV 17 Frequency of Posting Photos or Updating Status on Social Media

- Consumers always post photos or update their status on social media while at a coffee shop: 23% (26 people)

- Consumers often post photos or update their status on social media while at a coffee shop: 23% (26 people)
- Consumers sometimes post photos or update their status on social media while at a coffee shop: 20.4% (23 people)
- Consumers rarely post photos or update their status on social media while at a coffee shop: 15% (17 people)
- Consumers never post photos or update their status on social media while at a coffee shop: 10.6% (12 people)
- Consumers very often post photos or update their status on social media while at a coffee shop: 8% (9 people)

Segment Identification

After determining segmentation based on needs, from the results of the segment identification questionnaire, it can be determined based on the results of spss that there are 3 clusters consisting of for each segment based on needs, which determines the demographics, lifestyle, and usage behavior that make the segment different and identifiable (actionable).

a. Cluster 1

Cluster 1 consisted of 35 people, with 20 men and 15 women. Most of them are college students. The dominant age range in this cluster is 20-25 years old which includes 21 people, followed by 15-20 years old with 14 people. The largest monthly income is in the range of Rp 1,000,000 - Rp 1,500,000 as many as 20 people, while the rest have varying incomes. Their habitual place to drink coffee is at a coffee shop, with 25 people choosing this place. Their main motivations for drinking coffee at coffee shops are to do work or college assignments (13 people) and to enjoy the premium quality of coffee (17 people). The main reason they drink coffee is as a way to refresh which was chosen by 16 people, as well as as a daily habit chosen by 9 people. The main preference in choosing coffee is based on flavor with 21 people choosing this option, and aroma intensity with 10 people. The interior design of the coffee shop is

considered important by the majority of them, with 22 people considering it important. They usually drink coffee at least once a week, with 20 people reporting this frequency. Monthly spending on hanging out is mostly in the range of Rp 250.001 - Rp 350.000 selected by 10 people and Rp 150.000 - Rp 250.000 selected by 8 people. A total of 20 people in this cluster sometimes try new types of coffee and 18 people sometimes post photos or status updates on social media while at a coffee shop.

b. Cluster 2:

Cluster 2 consists of 30 people, with 20 men and 10 women. The majority of them work as private employees. The dominant age range in this cluster is 20-25 years old with 24 people, followed by the 30-35 years old range with 6 people. The largest monthly income is in the range of Rp 1.000.000 - Rp 1.500.000 with 20 people, followed by the range of Rp 2.000.001 - Rp 3.000.000 with 10 people. Their habitual place to drink coffee is at a coffee shop with 20 people choosing this place, and 10 people choosing to drink coffee at the office. Their main motivations for drinking coffee at coffee shops are to spend their free time or relax (10 people) and to do work or college assignments (8 people). Their main reasons for drinking coffee are to refresh (15 people) and to reduce sleepiness (5 people). The main preferences in choosing coffee are based on taste with 15 people and aroma intensity with 10 people. The importance of coffee shop interior design to this cluster is also high, with the majority (16 people) considering it important. They usually drink coffee at least once a week with 15 people, and monthly spending on hanging out is mostly in the range of Rp 150.000 - Rp 250.000 with 10 people and Rp 250.001 - Rp 350.000 with 8 people. A total of 15 people in this cluster sometimes try new types of coffee and 10 people sometimes post photos or status updates on social media while at a coffee shop.

c. Cluster 3

Consists of 47 people with 15 men and 32 women. The majority of them work as private employees. The dominant age range in this cluster is 30-35 years with 45 people, followed by the 20-25 years age range with 2 people. The largest monthly income is in the range of Rp 7.500.000 with 19 people followed by the range of Rp 3.500.001 - Rp 5.000.000 with 10 people. Their habitual place to drink coffee is at a coffee shop with 44 people choosing this place and 2 people choose to drink coffee at the office. Their main motivations for drinking coffee at coffee shops are to spend their free time or relax (16 people) and to do work or college assignments (10 people). Their main reasons for drinking coffee are refreshing (17 people) and socialization or social gatherings (17 people). The main preference in choosing coffee is based on taste with 43 people and aroma intensity with 10 people. The importance of coffee shop interior design to this cluster is also high, with the majority (30 people) considering it important. They usually drink coffee at least once a week with 20 people, and monthly spending on hanging out is mostly in the range of Rp 250.001 - Rp 350.000 with 13 people and Rp 350.001 - Rp 450.000 with 10 people. A total of 20 people in this cluster sometimes try new types of coffee and 25 people sometimes post photos or status updates on social media while at a coffee shop.

Segment attractiveness

The process of evaluating various market segments to determine which segment is the most profitable and promising for the business. In the context of Dekultur Coffee Roastery, this evaluation is conducted using predetermined segment attractiveness criteria, such as market growth, competitive intensity, and market access. This segment attractiveness analysis aims to identify customer segments that provide the best opportunity for Dekultur Coffee Roastery to achieve its business objectives, such as increasing sales, increasing brand awareness, and strengthening market position.

Jumlah Penduduk menurut Kelompok Umur dan Jenis Kelamin, Provinsi SUMATERA SELATAN, Tahun 2022				
Klasifikasi Kelompok Umur	Laki-laki	Perempuan	Total	
Total	4.411.612	4.245.396	8.657.008	
5-9	399.078	381.815	780.893	
0-4	390.910	372.542	763.452	
10-14	377.229	355.891	733.120	
20-24	360.566	341.677	702.243	
25-29	358.317	342.500	701.877	
30-34	355.929	340.580	696.509	
15-19	358.125	335.668	693.793	
35-39	342.361	326.698	671.059	
40-44	322.053	309.207	631.260	
45-49	290.852	280.240	571.092	
50-54	247.222	236.992	487.214	

Table IV.16 Population of South Sumatra by age group and sex

Sources: Badan Pusat Statistik (2022)

The total population in South Sumatra for the 25-29 age group is 701.877 people and for the 20-24 age group is 702.243. This figure reflects a significant young adult population, which has great potential as a major consumer of coffee in cafes. This age group tends to spend time in cafes to socialize, do assignments, or just relax. This population growth indicates a potential market for Dekultur Coffee Roastery to target this segment, with a large population in this age group, Dekultur Coffee Roastery can develop marketing strategies that focus on the preferences and needs of young consumers, such as providing a comfortable cafe environment, high-quality coffee, and facilities for work or study. An increase in the population in the 20-25 age group also indicates a growing customer base, which could contribute to increased sales and customer loyalty for Dekultur Coffee Roastery.

This promising market followed by increasing of the competitive intensity. In the coffee industry, especially in Palembang, there are several big players that have dominated the market. Players such as Starbucks and Kopi Kenangan have extensive networks and large customer bases. They often have sufficient capital to support massive promotions and create a consistent customer experience across multiple

locations. Their focus is on operational efficiency and economies of scale to maximize profits.

There are also many small independent cafes in Palembang that offer a unique atmosphere and high-quality products. These cafes often focus on the more personalized and unique aspects of the customer experience. They may not prioritize competing with the big players too much as long as they can cover their operational costs and attract a loyal customer base through different and distinctive offerings. Market Access for Dekultur Coffee Roastery based on Generation Y and Generation Z.

Generation Y (Millennials)

Demographics and Lifestyle:

Generation Y or Millennials (born between 1981-1996) are generally between 27-42 years old. They are at the peak of their careers and often have higher incomes than previous generations. Based on BPS 2022 data, the population in the 25-29 age group is 701.877 people, most of whom belong to this generation. This generation tends to value quality and experience including in choosing a coffee place.

Consumption Preferences and Habits

Millennials are known as consumers who value coffee quality and the cafe experience. They tend to look for a comfortable place to work or socialize. They are also more likely to participate in loyalty programs and community events held by cafes, for marketing strategy using platforms like instagram to reach out and engage with these customers. Marketing campaigns that highlight the quality of the coffee, the ambience of the cafe and customer testimonials can capture their attention. Organize networking events or workshops related to career and personal development, which this generation is often interested in.

Generation Z:

Demographics and Lifestyle:

Generation Z (born after 1996) is between 7-26 years old. The main focus for this generation is the 20-25 age group, which is a significant population of young adult consumers. Based on BPS data, the 20-25 age group amounted to approximately 702.243 people in 2022.

Consumption Preferences and Habits:

Generation Z is more likely to look for instagrammable places and often use social media to share their experiences. They are more interested in innovation and variety in coffee menus as well as interesting and different atmospheres. They are also more open to digital payments and loyalty apps, for social media platforms using tiktok, and instagram to promote the cafe. Create engaging content such as short videos, challenges, and collaborations with gen z influencers. Create events and activities organize events that are relevant to their interests, such as live music or other creative events. Offer a varied and innovative menu to engage their attention and create an app or loyalty program that offers exclusive promotions and discounts for app users.

IV.1.6.2 Segment Profitability (Targeting)

Segment profitability is the process of determining the profitability of each identified market segment. In the context of Dekultur Coffee Roastery, segment profitability aims to measure the profit potential of different consumer segments.

a. Sales Growth from 2022 to 2023

$$\begin{aligned} &= \frac{\text{Sales in Current Period} - \text{Sales in Previous Period}}{\text{Sales in Previous Period}} \times 100\% \\ &= \frac{267.205.512 - 196.806.369}{196.806.369} \times 100\% \\ &= \frac{70.399.143}{196.806.369} \times 100\% \\ &= 0.3576 \times 100\% \\ &= \mathbf{35.76} \end{aligned}$$

Sales Growth from 2021 to 2022

$$\begin{aligned}
 &= \frac{\text{Sales in Current Period} - \text{Sales in Previous Period}}{\text{Sales in Previous Period}} \times 100\% \\
 &= \frac{196.806.369 - 93.468.077}{93.468.077} \times 100\% \\
 &= \frac{103.338.292}{93.468.077} \times 100\% \\
 &= 1.1056 \times 100\% \\
 &= \mathbf{110.56\%}
 \end{aligned}$$

Trend Analysis:

Year 2021 to 2022: Sales growth of 110.57%, showing a very significant increase.

Year 2022 to 2023 : Sales growth of 35.76%, still showing an increase, but lower than the previous year.

b. Market Share

Calculated total market sales based on data from BPS, it can be use data on average monthly per capita expenditure food and beverages and population from the province of South Sumatra. Based on the results from BPS in 2023, Average monthly expenditure on food and beverages in South Sumatra is Rp 1.209.986 and the population of South Sumatra is 8.600.000 people.

$$\begin{aligned}
 \text{Total Market Sales} &= \text{Average monthly expenditure on food and beverages} \\
 &\quad \times 12 \times \text{Population} \\
 &= 1.209.986 \times 12 \times 8.600.000 \\
 &= \text{Rp}124.882.555.200.000
 \end{aligned}$$

$$\begin{aligned}
 \text{Market share} &= \frac{\text{Company's Sales 2023}}{\text{Total Market Sales}} \times 100\% \\
 \text{Market share} &= \frac{267.205.512}{124.882.555.200.000} \times 100\% \\
 &= 0.000214
 \end{aligned}$$

From this calculation, we can see that Dekultur's market share is very small compared to the total market sales in South Sumatra. This shows that Dekultur

has a great opportunity to increase its market share with more effective marketing strategies and proper market expansion.

c. Compound Annual Growth Rate

Sales in 2023 = Rp 267.205.512

Sales in 2021 = Rp 93.468.077

n = 2 (number of years between 2021 and 2023)

$$\begin{aligned} \text{Cagr} &= \left(\frac{\text{Sales in 2023}}{\text{Sales in 2021}} \right)^{1/n} - 1 \\ &= \left(\frac{267,205,512}{93,468,077} \right)^{1/2} - 1 \\ &= (2.859)^{0,5} - 1 \\ &= 1.690 - 1 \\ &= 0.690 \\ &= \mathbf{69\%} \end{aligned}$$

d. Projected Sales

Projected sales = Current sales x (1 + CAGR)ⁿ

where:

- current sales 2023 = Rp 267.205.512
- CAGR = 0.690
- n = 1 (projecting for one year ahead)

$$\begin{aligned} \text{Projected sales} &= \text{Rp } 267.205.512 \times (1 + 0.690)^1 \\ &= \text{Rp } 451.561.316.28 \end{aligned}$$

So, the projected sales for Dekultur in 2024, based on the latest CAGR of 69.0%, is approximately Rp 451.561.316.28.

Based on the results of this analysis, Dekultur Coffee Roastery is in a fairly good position with some positive performance indicators. However, there are some areas that need attention and improvement:

Despite high sales growth and CAGR, Dekultur's market share is still very small. This suggests that Dekultur should focus on strategies to increase their market share, such as outlet expansion, more aggressive promotion, or improved customer service. Slowing sales growth indicates the need for further analysis of factors that may be hindering growth, such as increased competition, changing consumer preferences, or operational challenges. High sales projections indicate that Dekultur has great potential for growth. However, they must ensure that they can overcome challenges that may arise as they grow, such as maintaining product quality, supply chain management, and operational efficiency.

IV.1.6.3 Positioning

Segment positioning involves creating a value proposition and product-pricing strategy that is based on the unique needs and characteristics of customers within the segment. The function of segment positioning in steps in the segmentation process is to ensure that each targeted market segment receives appropriate and relevant value from the products or services offered. This enables businesses to more effectively attract and retain customers by offering solutions that best suit their specific needs, as well as creating clear differentiation from competitors. Thus, segment positioning helps in building a sustainable competitive advantage in the market.

For Gen Y (Millennials) segment

The component of the service that have to be provided :

- High quality coffee offerings with traditional and innovative brewing methods, providing a unique experience for coffee drinking
- Active presence on social media with engaging content and targeted promotions
- Digital wallet and loyalty app integrated with the membership program for easy transactions and additional benefits

- Community engagement through career and personal development events and workshops.
- Sales of grinded coffee beans for consumers who enjoy making their own coffee at home.
- Indoor meeting rooms for presentations with minimum order.

Value Proposition for this segment:

"A modern coffee place that combines high quality and a cafe experience, tailored to the dynamic lifestyle of today's millennials, and provides the option to enjoy your favorite coffee at home."

For Gen Z segment

The component of the service that have to be provided:

- Trendy and innovative coffee selections with a focus on visual appeal.
- Instagrammable spaces with interesting photo spots and modern decor.
- Engaging and interactive social media content, including collaborations with influencers and user-generated content.
- Customizable drinks and meals, such as choosing milk type, sweetness level, and additional toppings.
- Exclusive app-based promotions, such as student card promos with a minimum purchase.
- Events and activities that match their interests, such as live music.

Value Proposition for this segment:

"An exciting and trendy coffee place where innovation meets convenience, providing a unique experience for the digitally-savvy generation."

Value Proposition on Product Price Positioning

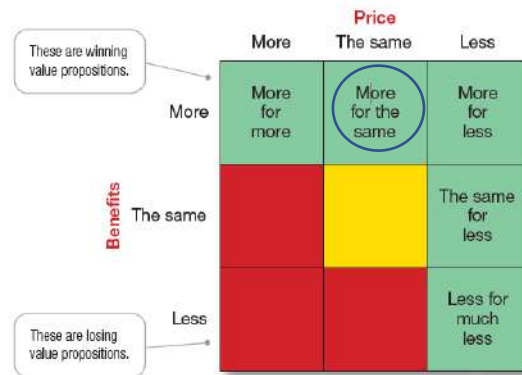


Figure IV 18 Value proposition of Dekultur Coffee Roastery (in blue circle)

Dekultur Coffee Roastery is positioned in the "More for the same" which is marked with a blue circle indicating that they offer more benefits at the same price than competitors. Benefits offered include high-quality coffee with traditional and innovative brewing methods, an active presence on social media, an integrated digital wallet and loyalty app, community events and workshops, home sales of coffee grinds, and indoor meeting rooms. This matrix illustrates how Dekultur Coffee Roastery positions itself in the coffee market by providing superior benefits at the same price as competitors.

Points of Difference for Dekultur Coffee Roastery

Desirable to Consumer:

- Consumers desire high-quality coffee brewed with traditional and innovative methods, which provide a unique coffee experience.
- Engaging and interactive social media content attracts consumers, especially millennials and Gen Z who are highly active on digital platforms.
- A roastery laboratory that allows customers to see the roasting process and taste freshly roasted coffee while learning about the origin of coffee beans, creating an experience that is not only fun but also educational.

Deliverables by the Company:

- Dekultur's internal resources (baristas, staff, and managers) have a strong commitment to maintaining excellent service to create strong brand associations in the minds of consumers. Dekultur is still in the stage of building a strong brand by delivering exceptional service.

Differentiating from Competitors:

- Not many coffee shops offer a direct experience of the coffee roasting process. This gives Dekultur a unique competitive advantage.
- A digital app that offers cashback, special discounts such as discounts on all purchases on members' birthdays, and exclusive access to special events such as coffee workshops, new product launches, and community events. This provides significant added value compared to competitors' loyalty programs.
- Through community events and workshops, Dekultur builds deeper relationships with customers, creating stronger loyalty.

Points of Parity for Dekultur Coffee Roastery

Category Points of Parity:

- Dekultur fulfills this category of coffee shops by offering facilities such as: baristas as operators, coffee machines as essential equipment for brewing coffee, other coffee equipment to help baristas do their jobs, and coffee ingredients as materials needed to serve coffee drinks.

Competitive Points of Parity:

- The toughest competitors for Dekultur Coffee Roastery are big coffee shops like Starbucks and Kopi Kenangan, as well as local coffee shops like Rumah Loer Mutual and Memory. The PoDs of Starbucks and Kopi Kenangan are marketing capabilities, human resource management, and operational management. Rumah Loer Mutual and Memory also have advantages in terms

of strong local networks and loyal communities. If Dekultur wants to balance its capabilities with these competitors, it should increase knowledge to learn more and increase marketing budget to expand promotions.

Segment Acid Test

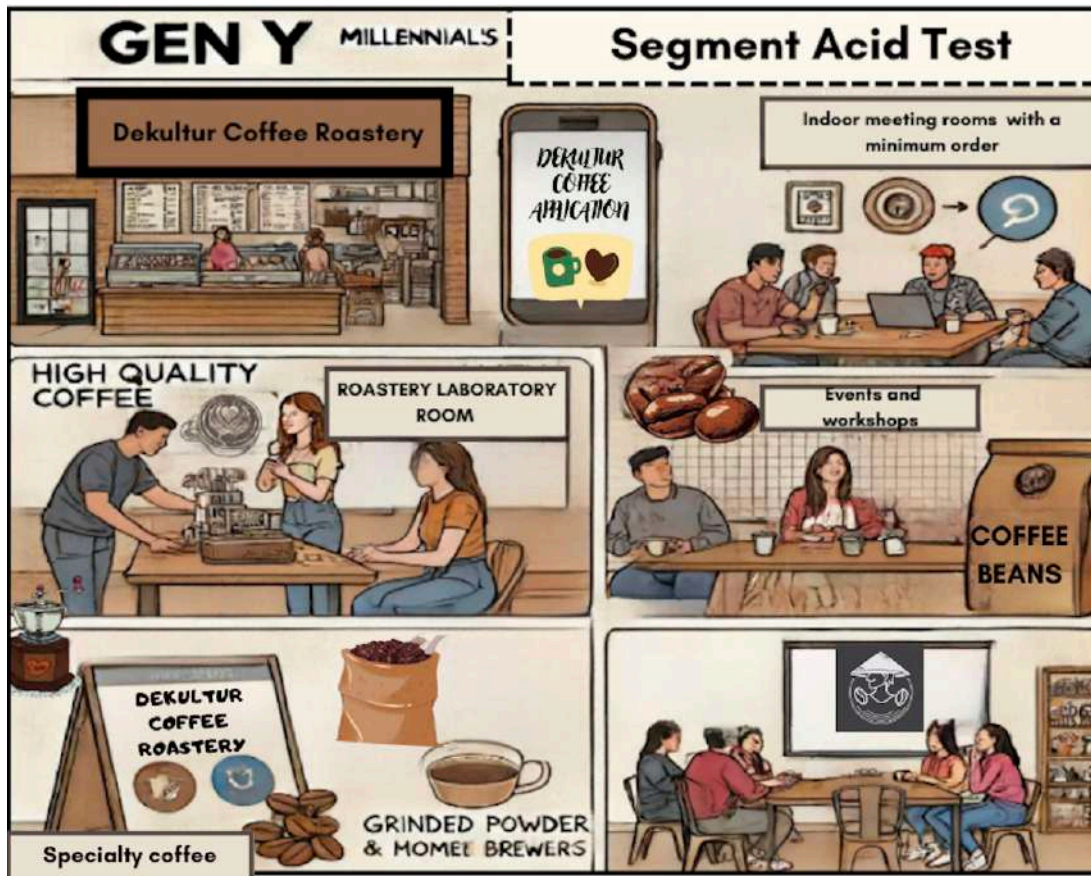


Figure IV 19 Story Board of Gen Y (Millennials).

Gen Y (Millennials) Segment:

- High quality coffee with traditional and innovative brewing methods.
- Active social media presence with engaging content and targeted promotions.
- Digital wallet and loyalty app integrated with membership program for easy transactions and additional benefits.
- Community engagement through career and personal development related events and workshops.

- Sales of ground coffee powder for consumers who enjoy making their own coffee at home.
- Indoor meeting rooms for presentations with a minimum order.

This storyboard illustrates how Dekultur Coffee Roastery offers benefits tailored to the needs and preferences of each segment.



Figure IV 20 Story Board of Gen Z

Gen Z Segment:

- Featuring trendy and innovative coffee that is visually appealing.
- Instagrammable spaces such as spaces with interesting photo spots and modern decor.
- Engaging and interactive social media content, including collaboration with influencers.
- Customizable drinks and meals, such as choosing milk type, sweetness level, and additional toppings.
- Exclusive app-based promotions, such as student card promos with minimum purchase.
- Events and activities that match their interests, such as live music.

IV.1.7 Marketing Mix

Marketing mix is a strategic concept used to determine and implement marketing strategies by utilizing various interrelated marketing elements. The marketing mix consists of four main components known as the 4Ps, namely product, price, promotion, and place.

Product

Dekultur Coffee Roastery has successfully attracted customers with its high quality drinks and tempting coffee aroma. Based on the questionnaire results, the majority of respondents gave a positive response to the aroma of coffee when they first entered Dekultur Coffee Roastery, indicating that the strong aroma of coffee is a major attraction for customers. In addition, a high level of satisfaction with the quality of the drinks in terms of taste and serving was also reflected in the questionnaire results, where most respondents were satisfied with the quality of the drinks served. However, although the menu variations received positive feedback, there is still an opportunity to improve the menu variations to better suit the preferences of a wider market. This shows that although Dekultur has done many things well, there is an opportunity for

further development, especially in adding menu variations to meet the needs and preferences of various customer segments.

After conducting the Segmentation, Targeting, and Positioning (STP) process, the following are the steps that Dekultur Coffee Roastery needs to take to expand their segment positioning strategy by covering all aspects of the marketing mix, especially products. New Product Development involves adding healthy drinks that can be enjoyed by all ages, such as fresh fruit juices, low-sugar drinks, and coffee with plant-based milk. Product Innovation involves seasonal or limited edition beverage programs and coffee education workshops to attract customers. For Quality and Consistency Improvement, Dekultur should ensure each beverage has consistent quality standards and provide intensive training to baristas and staff. Menu Diversification can be done by adding a variety of side dishes such as pastries, sandwiches, and salads. Through collaborations and partnerships with other food or beverage brands, Dekultur can create unique and interesting collaboration menus. Other recommendations include periodic evaluation of customer feedback and product performance, as well as promotion of new and seasonal products through social media and digital platforms. With these strategies, Dekultur Coffee Roastery can strengthen its position in the market, increase product appeal, and meet evolving customer expectations.

Price

Based on the results of the questionnaire, the majority of respondents gave positive responses regarding the suitability of prices at Dekultur Coffee Roastery with the purchasing power of the general public and the quality received. Dekultur has successfully set prices that reflect the quality and variety of their menu, creating a positive value perception in the mind of customers. However, there are some challenges, such as a more price-sensitive customer segment (around 4.9% of respondents gave a score of 3) and the need to monitor competitors' prices to remain competitive. Positive value perception must be maintained by ensuring consistent product and service quality.

Dekultur Coffee Roastery needs to expand their segment positioning strategy to include all aspects of the marketing mix, especially price. Dekultur should maintain a competitive pricing strategy to attract customers who are price-sensitive but still desire high quality. In addition, implementing periodic promotions and discounts, especially during off-peak hours or low seasons, can help attract new customers and encourage repeat visits. Strengthening loyalty programs by offering price incentives such as discounts for large purchases and exclusive pricing for members on new products is also very important. With the right pricing strategy and regular evaluation, Dekultur can continue to provide value to customers, increase satisfaction, and maintain competitiveness in the market.

Place

Dekultur Coffee Roastery has successfully chosen a strategic and easily accessible location, contributing to positive perceptions from customers. The majority of respondents gave positive responses regarding the location strategy and ease of access, indicating that Dekultur's location is considered easily accessible and strategic. Respondents also positively assessed Dekultur's position with the crowd center as well as the availability of parking area, indicating that this location is quite close to the crowd center and has adequate parking area. In addition, the cleanliness and comfortable atmosphere at Dekultur was highly appreciated by customers, indicating that they are comfortable and satisfied with the cleanliness and atmosphere offered. Security is also rated very well, giving customers a positive experience. However, there are some negatives that need to be noted. Some customers may feel that the parking area could be larger or more accessible. While security was generally rated as good, Dekultur should ensure that all aspects of security are continuously monitored and improved as needed.

Based on the STP results and responses from the questionnaire, Dekultur Coffee Roastery needs to strengthen the place strategy as part of the marketing mix. Dekultur can continue to take advantage of its strategic location by holding events or promotions to attract more customers from the surrounding crowd centers. Ensuring

clear signs and directional guidance can also improve ease of access. Dekultur should also maintain high standards in cleanliness and ambience, conducting regular maintenance and minor renovations as needed to keep the ambience fresh and comfortable. Security also needs to be continuously improved by installing adequate security systems and ensuring the presence of staff on site to monitor the area. Customers who feel safe will be more likely to repeat and recommend the place to others.

Promotion

Dekultur Coffee Roastery successfully utilizes digital promotion through its website and social media, with the majority of customers finding information through these media. Visual content on Instagram was rated as highly engaging, and active presence in coffee promo events helped increase exposure. The members' program that offers the exchange of points for products also received a positive response, strengthening customer loyalty. However, there are some downsides that need improvement. Some customers find it difficult to find the information they need, so Dekultur needs to ensure that the information on the website and social media is always complete and updated. Instagram content consistency and innovation need to be maintained to avoid saturation. Attendance at promo events needs to be more interactive to provide a memorable experience. The member program can be strengthened by adding more attractive and relevant incentives.

Dekultur needs to continue to improve the effectiveness of their promotional strategies. This includes updating and developing digital content on social media and the website, as well as adding interactive content to maintain customer interest. Dekultur should also optimize promotional events by expanding participation and creating their own events, such as coffee workshops or tasting sessions. In addition, strengthening the loyalty program by offering more incentives, such as exclusive discounts and early access to new products, will increase customer loyalty and frequency of visits. With more effective and targeted promotional strategies, Dekultur

can continue to increase exposure, attract more customers, and strengthen the loyalty of existing customers.

People

Dekultur Coffee Roastery employs baristas and staff who are well-trained and motivated to provide high-quality service. The organizational structure is efficient, with clear divisions of tasks and responsibilities. The company values consistency and quality in its offerings, as emphasized by the owner, Mas Bimo. To further enhance the workforce, Dekultur can implement continuous training programs for baristas to enhance their skills and knowledge about coffee, customer service, and operational procedures. Additionally, introducing an employee recognition program specifically for baristas can significantly boost motivation and reduce turnover. This program can acknowledge and reward outstanding performance through monthly or quarterly awards, based on customer feedback and peer evaluations.

Providing opportunities for baristas to attend coffee-related workshops, certifications, and competitions can further enhance their skills and increase their sense of pride and accomplishment. Moreover, incentive programs where baristas can earn bonuses or additional time off based on performance metrics such as customer satisfaction scores, sales targets, or efficiency improvements can also be highly motivating. Organizing regular team-building activities and social events can foster a strong team spirit and sense of community among the baristas, creating a supportive and enjoyable work environment. By focusing on these specific strategies, Dekultur Coffee Roastery can create a more motivated, skilled, and cohesive team of baristas, ultimately enhancing the overall customer experience and contributing to the café's success.

Process

Dekultur Coffee Roastery operates with a focus on maintaining product consistency and quality. The company has faced challenges in logistics and inventory management but has made improvements in recent years. To further enhance

operations, Dekultur can implement advanced inventory management systems using SAP technology. This will allow for real-time monitoring and management of inventory levels, ensuring a steady supply of ingredients and minimizing waste. The SAP system can provide accurate forecasting to predict demand and adjust stock levels accordingly, reducing the risk of stockouts or overstocking.

Developing and regularly updating Standard Operating Procedures (SOPs) for all aspects of operations, from brewing coffee to customer service, will ensure consistency and efficiency. Optimizing the logistics process by establishing partnerships with reliable suppliers and implementing efficient delivery systems is also crucial. Maintaining direct relationships with coffee farmers will help ensure a consistent supply of high-quality beans. Additionally, integrating a POS (Point of Sale) system will streamline operations and enhance the customer experience. A POS system can manage sales transactions efficiently, track inventory in real-time, and process various payment methods, including cash, credit cards, and mobile payments. It can also collect and analyze customer data, helping Dekultur personalize their service and tailor marketing efforts to customer preferences. By leveraging SAP technology for inventory management and a comprehensive POS system for sales and customer interactions, Dekultur Coffee Roastery can improve efficiency, reduce costs, and deliver a superior customer experience.

Physical Evidence

Dekultur Coffee Roastery boasts a minimalist and welcoming café design that attracts customers, with the ambiance and cleanliness being highly appreciated by patrons. To further enhance the physical environment, Dekultur can continuously improve the interior design and ambiance of the café to keep it fresh and appealing. This can include periodic renovations and updates to the décor, ensuring that the space remains inviting and comfortable for customers. Incorporating eco-friendly materials and practices into the café's operations, such as using biodegradable cups and packaging, will appeal to environmentally conscious customers and promote sustainability.

Additionally, displaying customer testimonials, awards, and certifications prominently in the café can build trust and showcase Dekultur's reputation for quality. Creating interactive spaces within the café where customers can learn about coffee brewing methods, participate in coffee tasting sessions, and engage with the baristas will enhance the customer experience. By focusing on these enhancements, Dekultur Coffee Roastery can maintain a high standard of physical evidence that supports its brand image and attracts a loyal customer base.

IV.2. Business Solutions

Based on the strategy formulation using the TOWS matrix, STP, and Marketing Mix, the author offers seven programs that are expected to be a comprehensive business solution to increase profitability at Dekultur Coffee roastery targeting the Millennial and Gen Z market.

IV.2.1. Diversification of Product Offerings

Expanded Dekultur Coffee Roastery's menu to include more health-oriented beverage and food options that cater to special dietary needs, such as vegan, gluten-free, and lactose-free options. This initiative responds to the growing demand for healthier and diet-specific products among potential customers, as indicated by the questionnaire results. By offering these specialized options, Dekultur can attract a more diverse customer base and increase its appeal to health-conscious consumers.

IV.2.2. Instagram-Linked Menu and Product Photography

Provide a menu that can be accessed via a link in the Instagram bio and display high-quality beverage and food product photos. Providing an easily accessible menu with attractive visuals on Instagram will attract potential customers. This strategy will help customers decide what to order before coming to the cafe, improving their overall experience and driving sales. Attractive product photos and clear descriptions can also increase customer interest in trying different menus and increase engagement on social media.

IV.2.3. Seeking Investors through Pilot Projects

Seeking investors by creating pilot projects first before proposing cooperation for new outlet expansion. Deculturizers can seek potential investors by demonstrating the success of their pilot projects. This pilot project could be opening a new outlet on a small scale or implementing an innovative concept in an existing outlet. The success of these projects will provide investors with concrete evidence of Dekultur's expansion potential. By showing performance data and the success of the pilot project, Dekultur can attract investors to provide the capital needed for further expansion. This cooperation with investors will enable Dekultur to expand their outlet network more quickly and efficiently, while minimizing financial risks.

IV.2.4. Upgrading Coffee Machines

Invest in new coffee machines or optimize the use of existing coffee machines. A new or optimized coffee machine can improve the quality and consistency of the coffee served. A more advanced and efficient coffee machine will help baristas serve coffee quickly and precisely, ultimately increasing customer satisfaction. These upgrades can also reduce downtime and maintenance costs, and improve overall operational efficiency.

IV.2.5. Training and Development for Staff

Dekultur Coffee Roastery recognizes the critical role of its human resources in delivering an excellent service and maintaining operational efficiency. Despite having professionally trained baristas and roasters, there was a distinct lack of ongoing training opportunities to keep them up-to-date with the latest techniques and trends in the coffee industry. Overcoming this issue is crucial to ensure staff can adapt to evolving customer preferences and industry standards, therefore improving service quality and overall operational efficiency. By implementing a comprehensive and ongoing training and development program, Dekultur aims to empower its staff with the latest skills and knowledge, fostering a culture of continuous improvement and excellence.

IV.2.6. Effective Digital Marketing

Implement effective digital marketing strategies, such as SEO (Search Engine Optimization), SEM (Search Engine Marketing), and SMM (Social Media Marketing). In early 2024, Instagram has 100.9 million users in Indonesia, which shows great potential for digital marketing. Dekultur can utilize SEO to increase their website visibility on search engines, SEM to run targeted paid advertising campaigns, and SMM to increase interaction and engagement on social media. With an effective digital marketing strategy, Dekultur can reach a wider audience, attract more customers, and increase sales through engaging content and targeted advertising.

IV.2.7. Enhanced Customer Loyalty Program

Dekultur Coffee Roastery aims to significantly increase customer retention and incentivize repeat visits through the introduction of a comprehensive and structured loyalty program. This enhanced program is designed to provide substantial value to customers, making Dekultur a preferred choice for coffee enthusiasts. By leveraging modern technology, personalized marketing, and exclusive rewards, the loyalty program will not only foster a sense of community among customers but also differentiate Dekultur from its competitors. The key components of this program include a multifunctional digital app that offers a range of benefits such as cashback, birthday discounts, exclusive event access, and special offers, all tailored to enhance the overall customer experience.

IV.2.8. Improvement in Inventory Management

Effective inventory management is essential for Dekultur Coffee Roastery to minimize wastage, reduce costs, and ensure timely availability of supplies. Current inventory management practices can lead to inefficiencies, such as overstocking, stock-outs, and wastage, which can impact the operational performance and profitability of the business. Implementing an advanced inventory management system will streamline this process, providing real-time tracking, accurate forecasting, and data-driven decision-making. This comprehensive approach aims to optimize inventory levels,

improve procurement efficiency, and ultimately increase customer satisfaction by consistently offering fresh and available products.

IV.2.9. E-commerce Integration and Partnerships

Integrate e-commerce platforms and form partnerships to expand the market for coffee beans, by selling coffee beans through an e-commerce platform and offering attractive discounts, Dekultur can reach a wider market, including consumers who like to make coffee at home. E-commerce allows Dekultur to offer a wide range of products and attractive deals to customers who prefer to shop online. Collaborating with leading e-commerce platforms can also increase Dekultur's product visibility and expand its market reach.

IV.2.10. Strategic Partnerships and Collaborations

Strategic partnerships and collaborations are essential for Dekultur Coffee Roastery to increase its presence in the market, diversify its offerings, and create a strong ecosystem of mutually beneficial relationships. By forming alliances with local businesses, such as bakeries, artisans, and event organizers, Dekultur can offer a richer and more diverse customer experience, thereby attracting a wider customer base. These partnerships can result in innovative product offerings, co-branded marketing campaigns, and joint events, all of which contribute to increased visibility and revenue for all parties involved. Strategic collaborations not only help in resource sharing and cost reduction, but also foster a sense of community and support for local companies. This comprehensive approach ensures that Dekultur stands out in the competitive coffee industry by utilizing the strengths and unique offerings of its partners.

IV.2.10. Utilizing Coffee Grinds as Air Fresheners

Processing coffee grounds into air fresheners to add value to the product. Turning coffee grounds into air fresheners can create a new product line for Dekultur, which can enhance their value proposition. This initiative also supports eco-friendly practices by utilizing coffee waste. Air freshener from coffee grounds not only offers additional benefits to customers but also enhances the brand image as an

environmentally conscious business. This can attract customers who care about the environment and increase customer loyalty.

IV.2.11. Roastery Laboratory Room Development

Develop a roastery laboratory room where customers can try freshly roasted coffee and learn about the roasting process. This initiative demonstrates Dekultur's commitment to innovation and customer education. By adding a roastery lab space, Dekultur can attract coffee lovers who are interested in learning more about the roasting process. This not only increases customer engagement but also creates a unique and educational experience. This space can be used to hold classes or tasting sessions, which will add to Dekultur's appeal as an educational and exciting coffee destination.

By implementing these business solutions, Dekultur Coffee Roastery can enhance its operational efficiency, market presence, and customer satisfaction, driving sustainable growth and competitiveness in the market.

IV.3. Implementation Plan and Justification

Table IV. 16 Implementation Plan

Proposed Strategies	Action Plan	Time in (2024 - 2026)								
		2024		2025				2026		
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Diversification Product Offerings	Identify consumer preferences and popular trendsby conducting market research									
	Collaborate with local suppliers for healthy foods to provide new products									
	Update the menu frequently in accordance with customer feedback and sales data.									
Instagram Linked Menu and Product Photography	Develop high-quality product photography for all menu items									
	Update a link to the digital menu on Instagram									
	Use social media promotions to share information about the menu's Instagram link									
Seeking Investors Through Pilot Project	Make a business plan for each possible pilot project after identifying potential ones									
	Create comprehensive proposals and presentations, then reach out to possible investors and engage in negotiations									
	Before starting pilot projects, provide the business plan and projections to obtain initial investment									
Upgrading Coffee Machines	Assess the current coffee machines and identify the need for upgrades or replacements									
	Examine and purchase advanced coffee machines that offer improved efficiency and reliability									
	Train baristas on the use of new machines to ensure optimal performance									

Chapter V Conclusion and Recommendation

V.1 Conclusion

In addressing the research questions and objectives, the study on Dekultur Coffee Roastery has led to several key findings and strategic recommendations to increase sales and profitability. Through comprehensive consumer analysis, it was found that Dekultur Coffee Roastery has successfully built a strong reputation for high-quality coffee and exceptional service. However, the company faces challenges such as limited menu diversity, underutilized digital marketing strategies, and inefficiencies in logistics.

- **Customer Perceptions:** The research revealed that customers hold Dekultur Coffee Roastery in high regard, particularly appreciating the quality of the drinks, the strong coffee aroma, and the friendly service. Nonetheless, there is room for improvement in menu variations to better cater to a wider market.
- **Internal and External Conditions:** Internally, Dekultur boasts an efficient organizational structure and a strong local reputation. However, it needs to address the lack of advanced marketing techniques and logistical inefficiencies. Externally, the increasing popularity of specialty coffee presents a significant opportunity, while aggressive marketing by competitors poses a notable threat.
- **Formulated Marketing Strategies and Implementation Plans:** To address the stagnant sales and gain a sustainable competitive advantage, the following strategies were formulated:
- **Product Strategy:** Expand menu offerings to include healthy drink options, seasonal beverages, and unique collaboration menus. Ensure consistent quality and diversify the menu with complementary food items.
- **Price Strategy:** Maintain competitive pricing while offering periodic promotions and discounts. Strengthen loyalty programs to encourage repeat visits.

- **Place Strategy:** Leverage strategic locations and enhance online sales channels. Improve accessibility and maintain a welcoming café atmosphere.
- **Promotion Strategy:** Enhance digital marketing efforts, participate in community events, and strengthen the loyalty program with attractive incentives.
- **People Strategy:** Implement continuous training programs, recognition and rewards for baristas, and team-building activities to foster a motivated and cohesive workforce.
- **Process Strategy:** Utilize SAP technology for inventory management, streamline logistics, and integrate advanced POS and CRM systems to enhance operational efficiency.
- **Physical Evidence Strategy:** Continuously improve the café ambiance, incorporate eco-friendly practices, display customer testimonials and awards, and create interactive spaces for customer engagement.

By implementing these strategies, Dekultur Coffee Roastery can enhance its market position, attract a broader customer base, and achieve sustainable growth. The research underscores the importance of adapting to market trends, leveraging internal strengths, and addressing weaknesses to stay competitive in the evolving coffee industry.

V.2 Recommendation

To ensure the academic recommendations are aligned with typical expectations, let's refine them to focus more on the theoretical contributions and practical implications in academia.

1.Academics

To contribute to the academic field, this thesis provides several key insights and opportunities for further study:

- **Theory Application:** The thesis demonstrates the practical application of marketing mix theories, particularly the 7Ps, in the context of SMEs within the coffee industry. Academics can use this as a case study to explore the effectiveness of these strategies in similar settings.
- **Educational Resources:** Business schools can incorporate the findings and strategies discussed in this thesis into their curriculum to provide students with real-world examples of how marketing strategies can be tailored to fit the unique challenges of SMEs.
- **Research Expansion:** Future academic research can expand on this thesis by exploring additional variables that impact the success of marketing strategies in SMEs. For example, examining the role of cultural differences in consumer behavior and preferences in different regions.

2. Practice

The practical recommendations aim to provide actionable steps for Dekultur Coffee Roastery and similar businesses to enhance their market position and operational efficiency:

- **Product Diversification:** Implement the proposed product strategies by expanding menu offerings to include healthy drinks, seasonal beverages, and unique collaborations. Regularly review and update the menu based on customer feedback and market trends.
- **Digital Marketing:** Strengthen digital marketing efforts by leveraging social media, influencer partnerships, and targeted online ads. Ensure

that the website and social media platforms are updated regularly with engaging content.

- **Employee Development:** Focus on continuous training and development programs for baristas and staff to enhance their skills and motivation. Implement recognition and rewards programs to boost employee morale and retention.
- **Technology Integration:** Utilize SAP technology for inventory management and integrate advanced POS and CRM systems to streamline operations and enhance the customer experience.
- **Customer Engagement:** Create interactive spaces within the café for coffee brewing workshops and tasting sessions. Regularly host events and participate in community activities to increase brand visibility and customer loyalty.

3. Future Research

To build on the findings of this thesis, future research can explore the following areas:

- **Longitudinal Studies:** Conduct longitudinal studies to assess the long-term impact of the proposed marketing strategies on sales and profitability. This will provide deeper insights into the sustainability of these strategies.
- **Comparative Analysis:** Perform comparative analyses of similar SMEs in different regions or countries to identify best practices and unique challenges. This can help in understanding the influence of cultural and regional factors on business strategies.
- **Technological Advancements:** Investigate the impact of emerging technologies such as artificial intelligence (AI), machine learning, and blockchain on inventory management, customer engagement, and overall business performance in the coffee industry.
- **Customer Behavior:** Study changes in customer behavior and preferences over time, especially in response to global events such as

pandemics or economic downturns. This can help businesses adapt their strategies to evolving market conditions.

By implementing these recommendations, both Dekultur Coffee Roastery and the academic community can benefit from a deeper understanding and practical application of effective marketing strategies, contributing to the growth and sustainability of SMEs in the coffee industry.

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APPENDICES

Appendix A Interview

This interview with the owner was a preliminary overview and was followed by an in-depth interview.



Appendix B Dekultur Profit from 2020-2023

Month	Profit
Januari	4.778.676
Februari	7.706.905
Maret	7.801.834
April	7.369.782
Mei	12.360.302
Juni	5.212.922
Juli	5.733.221
Agustus	9.787.543
September	13.404.994
Oktober	11.968.815
November	9.810.179
Desember	12.055.144
	107.990.317
Jakabaring (2022)	
Month	Profit
Januari	8.108.441
Februari	6.873.789
Maret	14.715.756
April	7.275.350
Mei	8.513.635
Juni	14.419.944
Juli	8.164.282
Agustus	7.958.620
September	8.002.431
Oktober	15.005.420
November	9.494.825
Desember	7.999.374
	116.531.867
Jakabaring (2021)	
Month	Profit
Januari	0
Februari	0
Maret	0
April	0
Mei	3.500.000
Juni	0
Juli	0
Agustus	2.920.767
September	7.556.832
Oktober	9.821.725
November	11.967.242
Desember	10.366.790
	46.133.356

Pakjo (2023)	
Month	Profit
Januari	7.871.452
Februari	12.859.564
Maret	12.185.321
April	7.534.590
Mei	13.972.612
Juni	12.465.621
Juli	13.918.213
Agustus	12.024.670
September	13.668.429
Oktober	17.981.281
November	17.525.328
Desember	17.208.114
	159.215.195
Total sales 2023	267.205.512
Pakjo (2022)	
Month	Profit
Januari	3.580.017
Februari	4.636.806
Maret	5.427.344
April	3.542.115
Mei	4.180.481
Juni	7.703.022
Juli	11.591.751
Agustus	6.399.814
September	7.040.638
Oktober	6.708.306
November	7.760.676
Desember	11.703.532
	80.274.502
Total sales 2022	196.806.369
Pakjo (2021)	
Month	Profit
Januari	IDR6.279.955
Februari	4.243.538
Maret	3.616.337
April	4.745.889
Mei	3.908.486
Juni	1.094.594
Juli	3.220.676
Agustus	2.056.393
September	1.963.096
Oktober	4.712.293
November	5.721.989
Desember	5.771.475
	IDR47.334.721
Total sales 2021	IDR93.468.077

Appendix C These are Some of The Income Statements of Dekultur

DEKULTUR JAKABARING	
LAPORAN LABA RUGI	
PERIODE 1 JAN 2023 - 31 JAN 2023	
PENDAPATAN	
Penjualan	39,821,000
Disc	3,636,000
Refund	658,000
Total penjualan dine-in	35,527,000
HARGA POKOK PENJUALAN	
Logistik	8,243,854
Pangsit	580,000
Susu greenfid	3,655,800
Biaya dapur	3,686,900
Total pokok penjualan	16,166,554
OPRASIONAL	
Pdam	300,000
Listrik	3,140,500
Keamanan	400,000
Sampah	50,000
Wifi	435,000
Gaji	7,400,000
Uang makan	1,350,000
Bonus	355,270
Kebersihan	200,000
Total Oprasional	13,630,770
Biaya Tak Terduga	
Curd Ac	400,000
Colokan	50,000
Gosend logistik	30,000
Minyak kendaraan operasional	350,000
Lampu taman	131,000
	951,000
LABA BERSIH	4,778,676

DEKULTUR JAKABARING	
LAPORAN LABA RUGI	
PERIODE 1 FEB 2023 - 28 FEB 2023	
PENDAPATAN	
Penjualan	42,958,000
Disc	3,977,000
Refund	556,000
Total penjualan dine-in	38,425,000
HARGA POKOK PENJUALAN	
Logistik	9,193,271
Pangsit	550,000
Susu greenfid	3,655,800
Biaya dapur	3,031,500
Total pokok penjualan	16,430,571
OPRASIONAL	
Pdam	366,274
Listrik	2,864,000
Keamanan	400,000
Sampah	50,000
Wifi	435,000
Gaji	7,400,000
Uang makan	1,350,000
Bonus	384,250
Kebersihan	200,000
Total Oprasional	13,448,524
Biaya Tak Terduga	
Lap Pel	120,000
Colokan	50,000
Gosend logistik	84,000
Toples kopi	188,000
Service motor	250,000
Selang Ac	18,000
Cetak Menu	128,000
	838,000
LABA BERSIH	7,706,905