

SMEs Business Development Strategy for Coffee Shop

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ABSTRACT

The fast proliferation of coffee shops and eateries in Bogor has increased rivalry in this business. This also affects Askara Coffee & Kitchen, making it more difficult to sustain revenue stability and business growth. The purpose of this study is to examine the elements that influence consumer purchase decisions at Askara Coffee & Kitchen, as well as to design methods to stabilize revenue and business growth. This study uses a mixed method, combining quantitative and qualitative approaches. To better understand customer behavior in purchasing decisions, qualitative analysis is carried out using the findings from interviews with informants. Meanwhile, the quantitative analysis is carried out utilizing IPA analysis, value chain analysis, Porter's five forces analysis, IFE matrix, EFE matrix, IE matrix, SWOT analysis, and QSPM matrix to determine the suitable strategic priorities for the organization. The main priority strategy produced is for Askara Coffee & Kitchen to add a new area for the coffee shop to address all the current issues while maintaining the nature-themed coffee shop concept, which will impact the increase in business revenue.

Keywords: Business Development; Coffee Shop; Revenue; Strategy

INTRODUCTION

Coffee shops are culinary businesses with high potential and are currently developing. Coffee shops are interesting places to visit because they have many advantages, such as unique dining and drinking options, which can be used to relax and gather with friends and family. A coffee shop is a place that offers various types of coffee and non-coffee beverages in a relaxed, comfortable, and calm atmosphere. This place can be equipped with music, various readings or game boards, unique interior designs, and of course, it must have WiFi. Coffee businesses have practical value, are easily accessible, and offer increased comfort with the presence of digital technology (Suryani and Kristiyani, 2021).

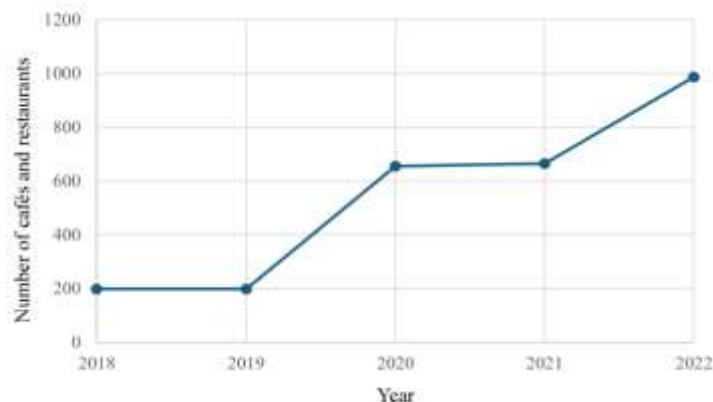


Figure 1. Number of coffee shops growth in Bogor (BPS Bogor, 2023)

Changes in lifestyle, especially among urban communities that tend to be consumptive, have resulted in an increase in the number of business actors to meet consumer demands. Selvi and Ningrum (2020) also mentioned that lifestyle patterns and societal trends have undergone significant changes, where coffee is no longer only enjoyed by the elderly, but has also become a mandatory ritual for people from both upper and middle classes, both men and women, from teenagers to adults who enjoy gathering, leading to the lifestyle "*No Coffee, No Workee*" (Sihombing et al., 2024). The change in consumer lifestyle has become an economically valuable attraction for entrepreneurs, who are engaged in processing coffee into ready-to-drink products. The coffee shop industry has grown significantly due to the high demand from the public for a comfortable place with a variety of menu options. Adiwinata et al. (2021) show that 74% of the public prefer to consume coffee served in coffee shops. This change in consumer behavior is evidenced by the frequency of visits, with consumers visiting coffee shops at least once a week, showing a 35% increase in frequency since 2015.

Business actors must understand consumer behavior to attract consumer interest. This is useful for business actors to improve sales performance, especially where the market competition is currently becoming increasingly tight and competitive. The coffee shop business is experiencing significant growth, one of the drivers being the change in lifestyle. The culture of drinking coffee in coffee shops is caused by a hedonistic lifestyle and the habit of gathering with friends, family, and colleagues. This fact is reinforced by the needs of modern society today, which makes coffee shops a process of social interaction, a comfortable meeting place, and a breakfast spot before starting activities. The habit of some people filling their free time and spending their money on coffee at coffee shops makes this activity one of their lifestyles (Solikatun et al., 2015).

Damanik (2008) states that now the motivation for consumers to visit coffee shops is not only to enjoy the coffee and food provided but also to enjoy the atmosphere offered by the coffee shop. Basically, young people want to visit coffee shops just to unwind, hang out with friends, or go on dates, so the comfortable atmosphere of the place becomes one of the factors that make visitors want to stay longer. Various segments of society are now starting to enjoy coffee, as evidenced by Nurhayati (2021) research which states that coffee consumption in Indonesia has nearly quadrupled since 1990, equivalent to 4,8 million bags of coffee weighing 60 kilograms in 2018/2019.

This increased demand is driven by the younger generation shifting from tea to coffee, and a newfound appreciation for locally produced coffee. This coffee shop trend has become a form of self-actualization, especially for millennials and Generation Z (Arisanti, 2021). They need a space to express themselves through the construction and concept of coffee shops as an attractive and sought-after object, thus becoming a lifestyle. They also need actualization that can be achieved through photo posts or statuses on social media that will later be seen by many people. The competition in the coffee shop business is certainly very fierce. Every business player will strive to the best of their ability to create various innovative and unique offerings compared to other coffee shops to attract consumer interest. With the numerous coffee shops in Bogor City, consumers have many alternatives to choose from for their relaxation spots.

Askara Coffee & Kitchen is one of the coffee shops in Bogor City that offers a unique atmosphere with a semi-industrial building and a scenic view of rice fields, despite being located in the heart of the city. This distinctive concept serves as a competitive advantage compared to other similar coffee shops. However, over the past year, Askara Coffee & Kitchen's revenue has shown a stagnating trend, with inconsistent performance that only sees an increase in certain months. This issue is influenced by both internal and external factors that the company has yet to fully address, leading to suboptimal business performance.

One of the primary external challenges is the increasing number of new competitors introducing innovative and similar concepts. Additionally, shifts in consumer behavior indicate a growing demand for more personalized and unique experiences. The coffee shop industry is also becoming increasingly saturated, with an abundance of choices available to consumers. These factors contribute to the fluctuating revenue and intensify the need for Askara Coffee & Kitchen to reassess its business strategy. Within a five-kilometer radius of Askara Coffee & Kitchen, there are nearly forty restaurants and coffee shops operating in the same area, targeting the same market segment. The high number of culinary entrepreneurs in the area indicates a fairly high level of competition. This

condition can pose a serious threat to Askara Coffee & Kitchen, especially in terms of maintaining customer loyalty, differentiating itself from competitors, and ensuring business growth and sustainability. Not only from the consumer perspective, the revenue of Askara Coffee & Kitchen has tended to stagnate for approximately one year. This is also caused by internal and external factors of the company that have not yet been mastered by Askara Coffee & Kitchen, resulting in suboptimal company performance. The internal environment of the company consists of the strengths and weaknesses possessed by Askara Coffee & Kitchen, while the external factors are the opportunities and threats that will be faced.

According to the Indonesian Law No. 8 of 1999 on Consumer Protection, a consumer is any person who uses goods and/or services available in society, whether for their own interest, family, others, or other living beings and not for trade. According to Sumarwan (2014), consumers are often categorized into two types, namely individual consumers and organizational consumers. Individual consumers buy goods and services for their own use, or they might also buy goods and services as gifts for friends, relatives, or others. Whereas organizational consumers are consumers that include business organizations, foundations, social institutions, government offices, and other institutions (schools, colleges, hospitals).

Engel *et al.* (1994) define consumer behavior as actions directly involved in obtaining, consuming, and disposing of products and services, including the decision-making processes that precede and follow these actions. Consumer behavior is of particular interest to those who, for various reasons, wish to influence or change that behavior, including those whose primary interests are marketing, education, and consumer protection, as well as public policy. Umar (2003) defines consumer behavior as a decision-making process and the physical activities of individuals involved in evaluating, acquiring, using, or being able to use goods and services. Umar (2003) states that consumer behavior is a part of human life activities, including everything that comes to mind regarding goods or services that can be pursued, ultimately making them a consumer.

Consumer behavior is the study related to individuals, groups, and/or organizations in selecting, purchasing, and using a product, as well as how certain goods, services, ideas, or experiences can shape and satisfy consumer needs and desires (Kotler and Keller, 2006). Consumer behavior for producers can also be studied to guide and understand how consumers behave in buying and consuming a product. Consumer behavior is the activity undertaken by consumers to search for, purchase, use, evaluate, and consume products or services that are expected to satisfy consumer needs. Studies related to consumer behavior are based on consumer behavior in purchasing goods/services by playing three different roles, namely user, payer, and buyer (Gajjar, 2013).

Strategic management is the selection of a distinctive position for the company that differentiates it from its competitors by either having lower costs or offering better quality (Porter, 1979). Choosing the right strategy can help a company gain a competitive advantage to win business competition and maintain business sustainability (Engert *et al.*, 2016). The output of strategic management is the company's strategy. Strategy is defined as the company's understanding of the interests of internal and external stakeholders to define policies that can determine the company's identity and culture (Mintzberg, 1987). Hill and Jones (2008) explain strategic analysis and strategy selection as forms of strategy formulation, while strategy implementation is the application of the chosen strategy into specific technical actions. It is known that strategic management is a combination of strategy formulation and strategy implementation of the company to meet the needs of internal and external stakeholders. There are four levels of strategy. All of them are collectively called master strategy, namely: enterprise strategy, corporate strategy, business strategy, and functional strategy.

Development strategy is an effort to deepen and expand existing knowledge. According to Sugiono (2004), development strategy is an activity of science and technology aimed at utilizing proven principles and theories of science to enhance the functions, benefits, and applications of existing science and technology or to produce new technology. Development strategy is related to the methods used by the company to gain a competitive advantage in each of its main businesses. The importance of strategic decisions is related to the company's resources. As is known, strategy provides stability of direction and consistent orientation while allowing flexibility to adapt to its environment.

Askara Coffee & Kitchen needs to understand consumer characteristics and the factors considered by consumers during the purchasing decision-making process. Recognizing consumer behavior will enable more focused and effective marketing strategies. In addition, Askara Coffee & Kitchen must identify both internal and external factors that influence its operations, allowing the company to formulate the right marketing strategies by optimizing strengths, minimizing weaknesses, leveraging opportunities, and mitigating threats that could hinder its growth. To stay competitive and relevant in the market, it is essential to conduct an in-depth evaluation of consumer characteristics and key purchasing decision factors. A deeper understanding of consumer behavior will support the development of more targeted marketing efforts, while the optimization of internal and external factors will strengthen Askara Coffee & Kitchen's performance and help maintain a strong position in the competitive coffee shop industry.

METHODS

This study utilized qualitative research methods and a case study approach. Sugiyono (2019) defines qualitative research as an examination of items in their natural state, with researchers serving as crucial instruments. This research uses primary and secondary data types. Primary data is used as the main data source, which is collected through interviews, observations, and questionnaires from experts as respondents. Meanwhile, secondary data is obtained through literature studies such as previous research, journals, books, and other relevant references from the internet for this research.

This research employs a mixed-method approach combining qualitative and quantitative methods. Quantitative data was obtained through questionnaire-based assessments, while qualitative data were collected through interviews supported by a literature review. Data collection techniques included observation, in-depth interviews, and questionnaire distribution.

Data processing and analysis were conducted using both qualitative and quantitative approaches. Qualitative analysis was based on interview results to understand consumer behavior in purchasing decisions. Meanwhile, quantitative analysis was carried out using Importance-Performance Analysis (IPA). Respondents for the IPA were selected using a non-probability sampling technique due to the unknown exact population size. The questionnaires were completed by respondents from four age groups: Baby Boomers (1946–1964), Generation X (1965–1980), Millennials (1981–1996), and Generation Z (1997–2012).

The total population of the Greater Jakarta community within these four age segments amounted to 15,6 million people (BPS, 2023). Meanwhile, based on a survey conducted by Goodstats, 83,9% of Indonesians have visited a coffee shop at least once (Shafina, 2023). Therefore, the research population amounted to 13,1 million people. The number of respondents (research sample) was determined using the Slovin formula (Cochran, 1977) with an error tolerance limit of 0,1 or 10%. Thus, the minimum number of respondents required was 100 respondents. This tolerance limit was used because it represents a practical standard applicable to research in the social sciences. In addition, this tolerance limit was chosen considering the more complex nature of social data, thereby providing flexibility for researchers in obtaining respondent data. The following is the calculation of the number of respondents based on the Slovin formula.

$$n = \frac{13.100.000}{1 + 13.100.000(0,1^2)}$$

$$n = \frac{13.100.000}{1 + 131.000}$$

$$n = \frac{13.100.000}{131.001}$$

$$n = 100 \text{ respondents}$$

The IPA analysis conducted in this study used seven variables, namely product, price, place, promotion, people, process, and physical evidence (Kotler and Keller, 2012). These seven variables were used as research boundaries to assess the factors influencing consumer purchasing decisions in a coffee shop. The assessment was conducted using a 1–5 Likert scale. The questionnaire consisted of closed-ended questions, where a score of 5 indicated a very high level of importance (very important), while performance ratings ranged from 1 (very poor) to 5 (very good). The total scores for importance and performance assessments were calculated by summing the scores from each respondent and then determining the average values. The results of this analysis were visualized in a Cartesian diagram, where the average performance score (X) was placed on the horizontal axis and the average importance score (Y) was placed on the vertical axis. Each attribute was then mapped onto the diagram based on these two values.

$$X = \frac{\sum_{i=1}^n x_i}{n} \qquad Y = \frac{\sum_{i=1}^n y_i}{n}$$

Information: x_i = Total performance level score from all respondents
 y_i = Total importance level score from all respondents
 X = Average performance score
 Y = Average importance (expectation) score
 n = Number of attributes

Meanwhile, quantitative analysis is conducted using various analyses, such as Internal Factor Evaluation (IFE) Matrix, External Factor Evaluation (EFE) Matrix, and Internal-External (IE) Matrix. Next, a SWOT analysis is conducted to generate alternative strategies to be implemented, as well as to evaluate strengths and weaknesses, and identify opportunities and threats from the external environment of Askara Coffee & Kitchen. Continued with the QSPM Matrix to obtain the appropriate strategic priorities to be implemented by Askara Coffee & Kitchen.

Table 1 Respondents Lists for QSPM

No	Category	Position
1	Internal	Commissioner Askara Coffee & Kitchen
2	Internal	Operational Manager at Askara Coffee & Kitchen
3	External	Food and beverages business operators
4	External	Owner of "Kedai Kopi Ranin"
5	External	Owner of Rumah Kopi Nusantara
6	External	Supplier of horeca raw materials in Bogor
7	External	Loyal customer of Askara Coffee & Kitchen

Source: Processed internal data, 2025

RESULTS AND DISCUSSIONS

Consumer Purchasing Decision

Purchasing decisions occur as a result of the consumer decision-making process, which involves developing various alternatives and determining a final choice. According to Kamanda (2019), purchasing decisions are the result of consumer considerations influenced by their perceptions of elements within the marketing mix. In this process, consumers consider several criteria, such as brand, product characteristics, price, and promotional strategies. In addition, factors such as ease of access to the store also become important considerations for consumers in determining the purchase location (Yohandira, 2021). Based on the theory proposed by Levens (2010), consumer purchasing decisions are influenced by cultural, social, personal, and psychological factors. According to Solomon (2013), perception is a psychological process involving the selection, organization, and interpretation of information, in which consumer perceptions of a brand or service become important factors influencing purchasing decisions. These perceptions are formed through consumer experiences with various elements of the marketing mix (7P) presented by Askara Coffee & Kitchen. Therefore,

this study uses the Importance-Performance Analysis (IPA) approach to map the gap between customer expectations and the actual performance of each 7P element.

Consumer expectations toward a coffee shop can be assessed using the Importance-Performance Analysis (IPA) tool. This analytical tool is used to evaluate the level of customer expectations regarding the performance delivered by a coffee shop. In this study, IPA was used to assess the expectations of consumers of Askara Coffee & Kitchen using a marketing mix approach. The data for this analysis were obtained through questionnaires distributed to one hundred respondents who met the established criteria. The following are the characteristics of the respondents who completed the questionnaire.

Table 2. IPA Calculation Results

Attribute	Average Performance Level	Average Importance Level	Conformity Level (%)
Product			
1	4,21	4,47	
2	4,33	4,65	
3	4,18	3,95	
4	4,16	4,27	
5	4,22	4,15	
	$\bar{X} = 4,22$	$\bar{Y} = 4,30$	98%
Price			
6	4,19	4,24	
7	4,21	4,47	
8	4,03	4,04	
	$\bar{X} = 4,14$	$\bar{Y} = 4,25$	97%
Place			
9	4,07	4,02	
10	4,17	4,33	
11	3,91	3,87	
12	4,08	4,38	
13	4,12	4,36	
14	4,03	3,92	
15	3,82	3,73	
	$\bar{X} = 4,03$	$\bar{Y} = 4,09$	99%
Promotion			
16	4,05	4,28	
17	4,00	4,30	
18	4,03	4,09	
	$\bar{X} = 4,03$	$\bar{Y} = 4,22$	95%
People			
19	4,27	4,62	
20	4,24	4,53	
21	4,16	4,49	
22	4,17	4,42	
	$\bar{X} = 4,21$	$\bar{Y} = 4,52$	93%
Process			
23	4,26	4,47	
24	4,29	4,55	
25	4,17	4,25	
	$\bar{X} = 4,24$	$\bar{Y} = 4,42$	96%
Physical Evidence			
26	4,22	4,66	
27	4,22	4,31	
28	4,26	4,51	
29	4,11	4,29	
30	4,18	4,45	
31	4,35	4,38	
	$\bar{X} = 4,22$	$\bar{Y} = 4,43$	95%
Total Average	$\Sigma\bar{X} = 4,15$	$\Sigma\bar{Y} = 4,30$	96%

The conformity level percentage was calculated based on the division between the performance level and the importance level. The highest conformity level was found in the place category at 99%, followed by the product category at 98%, the price category at 97%, the process category at 96%, the promotion and physical evidence categories at 95%, and the people category at 93%. Meanwhile, the overall average performance score (X) was 4,15, and the overall average expectation or importance score (Y) was 4,30. These results indicate that the performance conformity level of Askara Coffee & Kitchen reached 0,96 or 96% of customer expectations.

Strategic Management Concept

Based on the formulation framework developed by David (2011), the strategy formulation stage is divided into three stages: the input stage, the matching stage, and the decision stage. In the input stage, IFE and EFE matrix are used to identify the internal and external strategic factors of Askara Coffee & Kitchen. Then the IE matrix and SWOT matrix are used in the matching stage and finally, the prioritization of alternative strategies is assessed in the decision stage.

IFE and EFE matrices contain internal and external strategic evaluation factors possessed by Askara Coffee & Kitchen. The strategic factors identified from Askara Coffee & Kitchen were weighted and assessed by expert respondents who are deeply familiar with Askara Coffee & Kitchen through the completion of questionnaires. The result of the multiplication between the weight and the assessment of each factor will yield a weighted score that interprets which internal and external factors need the most attention.

$$ai = \frac{Xi}{\sum_{i=1}^n X_1}$$

Information: ai = Factor weighted
 Xi = Factor interest score
 $i = 1, 2, 3, \dots, n$

Internal Factor Evaluation

Table 3. IFE Matrix for Askara Coffee & Kitchen

Key Internal Factors	Weight	Rating	Weighted Score
Strengths			
1. Having nature-themed atmosphere (view of rice fields)	0,13	2,57	0,33
2. Having a good Google Business Review score (4.70/5.00)	0,09	3,21	0,30
3. A comfortable place to relax and gather	0,10	2,91	0,28
4. A varied and delicious menu of food and drinks	0,08	3,26	0,26
Weaknesses			
5. Parking lot is too small	0,13	2,21	0,29
6. The size of the coffee shop is too small	0,13	2,23	0,28
7. Minim service public	0,10	2,29	0,24
8. Not yet halal certified	0,09	2,48	0,21
9. The standard of service towards customers is not yet optimal	0,09	3,03	0,28
10. Less exposed of coffee shop location	0,11	2,86	0,31
Total	1,00		2,79

Source: Processed internal data, 2025

Based on the calculation results, as shown in Table 3, it is indicated that there are two main strength factors based on the highest scores, namely having a nature-themed atmosphere (rice field view) with a score of 0,33 and having a good Google Business Review score (4,70/5,00) with a score of 0,30. In addition, there are two main weakness factors based on the lowest scores, namely the factor of not yet being halal certified with a score of 0,21 and the factor of minimal public service with a score of 0,24. From all the calculations that have been carried out, a total weighted score of 2,79 was obtained for the internal strategic factors, which means that internal strengths are more dominant than internal weaknesses.

External Factor Evaluation

Table 4. EFE Matrix for Askara Coffee & Kitchen

Key External Factors	Weight	Rating	Weighted Score
Opportunities			
1. The high demand from the community for places to engage in activities (studying, working, gathering) outside the home	0,10	2,94	0,30
2. The coffee shop market in Bogor City is more dominated by coffee-based beverage variations	0,12	2,84	0,33
3. Coffee shops in Bogor tend to have a unique edu-tourism concept	0,13	2,51	0,31
4. Most customers are more focused on and pay attention to the service at the coffee shop	0,08	2,86	0,23
5. The lack of coffee shops and restaurants that can accommodate events	0,11	2,53	0,29
Threats			
6. The increase in raw material prices	0,12	2,29	0,28
7. Consumers may become saturated with certain coffee drink variants	0,11	2,64	0,30
8. Many new competing coffee shops emerging in a short period	0,11	3,00	0,34
9. Price competition in similar industries	0,12	2,87	0,33
Total	1,00		2,71

Source: Processed internal data, 2025

Based on the calculation results, as shown in Table 4, there are two main opportunity factors identified based on the highest scores, namely the coffee shop market in Bogor City is more dominated by coffee-based beverage variation with a score of 0,33 and the coffee shops in Bogor City tend to be distinctive with the edu-tourism concept with a score of 0,31. In addition, there are two main threat factors based on the highest scores, namely the factor of many new competing coffee shops emerging in a short period with a score of 0,34 and the factor of price competition in the same industry with a score of 0,33. From all the calculations that have been carried out, a total weighted score of 2,71 was obtained for external strategic factors, which means the company is more capable of leveraging external opportunities compared to facing external threats.

Internal-External Matrix

The internal-external matrix is determined based on the total calculation of IFE and EFE scores. The company's position consists of a total IFE score (X-axis) of 2,79 and a total EFE score (Y-axis) of 2,71. Thus, coordinates are generated, as shown in Figure 2.

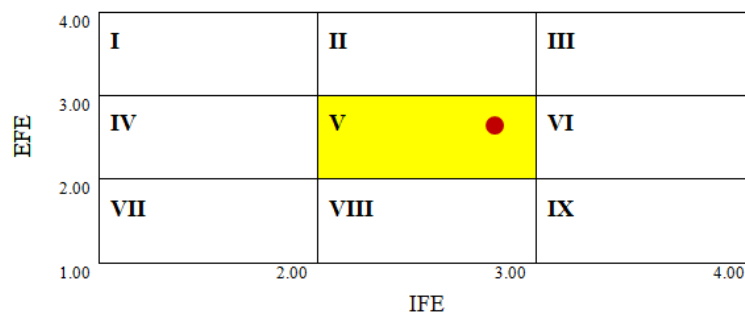


Figure 2. Internal-External Matrix of Askara Coffee & Kitchen
(Processed internal data, 2025)

Based on the position depicted in Figure 2, Askara Coffee & Kitchen is located in area V. This area means the company needs to implement a hold and maintain strategy, which is an intensive market penetration and product development strategy. To increase the company's sales or revenue, the product development strategy involves enhancing or modifying existing products or services (David & David, 2016). The strategy known as market penetration aims to use more vigorous marketing to increase the market share of existing products in the market (Anggadwita, 2019).

SWOT Matrix

Table 5. SWOT Matrix for Askara Coffee & Kitchen

Key Internal Factors	Strength (S)	Weakness (W)
	<ol style="list-style-type: none"> 1. Having nature-themed atmosphere (view of rice fields) 2. Having a good Google Business Review score (4.70/5.00) 3. A comfortable place to relax and gather 4. A varied and delicious menu of food and drinks 	<ol style="list-style-type: none"> 1. Parking lot is too small 2. The size of the coffee shop is too small 3. Minim service public 4. Not yet certified halal 5. The standard of service towards customers is not yet optimal 6. Less exposed of coffee shop location
Key External Factors		
Opportunities (O)	S-O	W-O
<ol style="list-style-type: none"> 1. The high demand from the community for places to engage in activities (studying, working, gathering) outside the home 2. The coffee shop market in Bogor City is more dominated by coffee-based beverage variations 3. Coffee shops in Bogor tend to have a unique edu-tourism concept 4. Most customers are more focused on and pay attention to the service at the coffee shop 5. The lack of coffee shops and restaurants that can accommodate events 	<ol style="list-style-type: none"> 1. Creating a coffee shop with an edu-tourism concept and event space (S1, S2, S3, O3, O4, O5) – <i>market penetration</i> 2. Expanding social media engagement to strengthen Askara's digital marketing (S2, S3, S4, O1, O2) – <i>market penetration</i> 3. Conducting market penetration in the beverage segment (S4, O2) – <i>market penetration</i> 	<ol style="list-style-type: none"> 1. Creating a new area of Askara Coffee & Kitchen (W1, W2, W3, W6, O1, O5) – <i>market penetration</i> 2. Creating service standards (W5, O4) – <i>market penetration</i>
Threat (T)	S-T	W-T
<ol style="list-style-type: none"> 1. The increase in raw material prices 2. Consumers may become saturated with certain coffee drink variants 3. Many new competing coffee shops emerging in a short period 4. Price competition in similar industries 	<ol style="list-style-type: none"> 1. Establishing cooperation with vendors that have value added (S2, S4, T1, T3, T4) – <i>product development</i> 2. Creating a coffee shop atmosphere with a back-to-nature concept, both in the interior and exterior of the coffee shop (S1, S2, S4, T3) – <i>market penetration</i> 3. Developing coffee product variations (S3, S4, T2, T3, T4) – <i>product development</i> 4. Product differentiation with new product R&D (S4, T2, T3) – <i>product development</i> 	<ol style="list-style-type: none"> 1. Raw material efficiency (T1) 2. Creating halal certification for Askara Coffee & Kitchen (W4, T3) – <i>product development</i>

Source: Processed internal data, 2025

After determining the company's position using the IE matrix, the next step is to formulate strategies using the SWOT matrix. In the SWOT matrix analysis, alternative strategies are formulated based on key internal factors and key external factors obtained from the previous IFE & EFE analysis. Formulated strategy alternatives rely on the information obtained from the input stage to match external opportunities and threats with internal strengths and weaknesses. The matching is divided into four types of strategies: SO (strengths-opportunities) strategies, WO (weaknesses-opportunities) strategies, ST (strengths-threats) strategies, and WT (weaknesses-threats) strategies. SO, Strategy uses the company's internal strengths to leverage external opportunities. WO The strategy aims to improve

internal weaknesses by taking advantage of external opportunities. ST strategy uses the company's strengths to avoid or reduce the impact of external threats. WT strategy is a defensive tactic aimed at reducing internal weaknesses and avoiding external threats. Based on the SWOT matrix in Table 4, the following alternative strategies are generated:

1. Creating a coffee shop with an edu-tourism concept and event space (*market penetration strategy*)
2. Expanding social media engagement to strengthen Askara's digital marketing (*market penetration strategy*)
3. Conducting market penetration in the beverage segment (*market penetration strategy*)
4. Adding new area of coffee shop (*market penetration strategy*)
5. Creating service standards (*market penetration strategy*)
6. Creating halal certification for Askara Coffee & Kitchen (*product development strategy*)
7. Establishing cooperation with vendors that have value added (*product development strategy*)
8. Creating a coffee shop atmosphere with a back-to-nature concept, both in the interior and exterior of the coffee shop (*market penetration strategy*)
9. Developing coffee product variations (*product development strategy*)
10. Raw material efficiency (*product development strategy*)
11. Product differentiation with new product R&D (*product development strategy*)

The alternative strategies were formulated based on several previous studies. The formulation of alternative strategies is made to achieve the goals of market penetration and product development. Ningsih et al. (2024) mention that the strength possessed by a coffee shop, in the form of a natural scenery concept, can be utilized to attract the interest of consumers from various segments. The arrangement of the coffee shop's infrastructure in harmony with nature will create a warmer and more soothing atmosphere for the customers (Judawinata, 2022). Then, Ningsih et al. (2024) also stated that the social media owned by a coffee shop can serve as a platform for more personal interactions with customers, fostering a sense of awareness among them, thereby helping to expand market reach through proactive digital marketing.

Based on Mahasin (2024), penetrating the beverage market segment can enhance customer loyalty because they feel they are receiving a more personal experience that meets their needs. Then, establishing service standards in coffee shops can be achieved through regular training for employees to ensure that each team member has the skills to interact with customers professionally and respond to their needs. Mahasin (2024) also stated that the strategy of collaborating with vendors who have value added can help coffee shops develop differentiated products while maintaining their quality. Guntarayana and Fauziah (2019) mentioned that the strategy of adding new area of coffee shop is effective to implement. This strategy leverages the high demand from the community for places to engage in activities, whether for studying, working, or gathering. By providing larger spaces and more complete facilities, the new area can become a more attractive destination for customers looking for a place that can accommodate their various activities. Moreover, the strategy of systematizing human resources becomes a strategic step in improving service quality. The existence of a structured system makes business operations more efficient because employees can work according to the established targets.

The strategy for obtaining halal certification for Askara Coffee & Kitchen aligns with the coffee shop market trend in Bogor City, which is more dominated by coffee-based beverages. This provides an opportunity for coffee shop businesses to introduce a more diverse range of halal menu options, which can enhance customer attraction and loyalty (Mubarak et al., 2023). According to Afdalia et al. (2023), raw material efficiency strategies have become crucial in facing the challenges of rising raw material prices. With the right approach, Askara Coffee & Kitchen can continue to provide quality products to customers while maintaining business profitability amidst the ever-evolving market dynamics.

Product differentiation through research and development (RnD) has become a crucial strategy in maintaining the competitiveness of Askara Coffee & Kitchen. By creating innovative derivative product variations and prices that align with market segments, Askara Coffee & Kitchen can attract new customers while maintaining the loyalty of existing ones. This innovation can include coffee

drink variants with new flavors, non-coffee drink options, as well as signature side dishes from Askara Coffee & Kitchen to provide a more diverse experience for consumers (Pramagista & Wandebori, 2021).

Quantitative Strategic Planning Matrix

After detailing the strategies in the SWOT matrix, the final step is to determine the priority order of the strategies using the QSPM matrix analysis tool. Each strategic option is analyzed based on its sum of total attractiveness score (STAS) to determine the highest to lowest priority strategic options. The higher the attractiveness score, the higher the priority of the strategy. The result obtained from this matrix is to determine the order of priority for the best strategies to be implemented by Askara Coffee & Kitchen in its business development. In addition, the strategy can run optimally by utilizing internal weaknesses to seize existing external opportunities (W-O strategy). The data used in this analysis were obtained from seven respondents who have experience in managing or operating coffee shop businesses, as well as professional backgrounds in marketing and sales within the retail sector. These characteristics enable the respondents to provide objective perspectives regarding the most appropriate strategies for coffee shop business development.

Table 6. Strategic Priority Order for Askara Coffee & Kitchen

Priority	Alternative Strategies		STAS
1	ST4.	Adding new area of coffee shop	6,244
2	ST1.	Creating a coffee shop with an edu-tourism concept and event space	6,007
3	ST8.	Creating a coffee shop atmosphere with a back-to-nature concept, both in the interior and exterior of the coffee shop	5,974
4	ST11.	Product differentiation with new product R&D	5,595
5	ST5.	Creating service standards	5,467
6	ST7.	Establishing cooperation with vendors that have value added	5,451
7	ST9.	Developing coffee product variations	5,436
8	ST6.	Creating halal certification for Askara Coffee & Kitchen	5,380
9	ST2.	Expanding social media engagement to strengthen Askara's digital marketing	5,361
10	ST3.	Conducting market penetration in the beverage segment	4,934
11	ST10.	Raw material efficiency	4,629

In Table 6, the results show that the most prioritized strategy is to adding new area of coffee shop with a STAS value of 6,244. Through the strategy of establishing a new area of Askara Coffee & Kitchen, internal issues such as the limited parking area and coffee shop area, as well as the lack of public service, can be addressed. The establishment of new area of Askara Coffee & Kitchen also needs to be accompanied by obtaining halal certification and standardizing services, which are forms of implementing the market penetration strategy. The strategy that has been formulated is expected to be effective in increasing revenue and the better development of the Askara Coffee & Kitchen business.

CONCLUSIONS

During the 2023–2024 period, Askara Coffee & Kitchen experienced stagnant revenue, indicating the need for a new strategy to drive business growth again. This research was conducted to address the aforementioned conditions through three main stages: first, analyzing the marketing mix factors that influence consumer purchasing decisions using the IPA method; second, analyzing the business environment through IFE and EFE to determine the company's strategic position; and third, formulating an effective and efficient business development strategy using the QSPM method. Based on the series of analyses, the following conclusions were drawn.

1. Consumer purchasing decisions at coffee shops are evaluated based on IPA analysis with a marketing mix approach. The results showed that the three main attributes of interest to consumers are people, physical evidence, and process. Meanwhile, Askara Coffee & Kitchen has achieved a 99% alignment on the place attribute, 98% on the product attribute, 97% on the price attribute, 96% on the process attribute, 95% on the promotion and physical evidence attributes, and lastly, 93% on the people attribute, with an average alignment between importance and performance of 96%.

2. The IFE and EFE analyses were obtained from the IPA analysis and Porter's five forces to determine internal and external strategic factors. In the internal strategic factors, the main strength is having a nature-themed atmosphere (view of rice fields), while the main weakness is minimal public service and not yet halal certified. Meanwhile, in the external strategic factors, the main opportunity that Askara Coffee & Kitchen can leverage is that the coffee shop market in Bogor City is more dominated by various coffee-based drinks, while the main threat is the rapid emergence of new competing coffee shops.
3. Based on the QSPM analysis results, there are eleven strategic options that Askara Coffee & Kitchen needs to implement in building its business to ensure the company's revenue can rise again. The highest priority strategy that must be implemented is to add a new area to Askara Coffee & Kitchen with a TAS value of 6,244. Then, the other priority strategies are to create a coffee shop with an edu-tourism and event space concept (6,007), create a coffee shop atmosphere with a back-to-nature concept (5,974), differentiate products with new product R&D (5,595), and establish service standardization (5,467).

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