Understanding Coffee Shop Consumer Preferences in Bandung: a Conjoint Analysis Approach for Nama Coffee's Expansion

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ABSTRACT

Nama Coffee's expansion to Bandung requires understanding local customer preferences to ensure successful market entry and brand preference cultivation. This involves identifying key attributes influencing customer choices in Bandung's competitive coffee shop market. This research aims to (1) identify Bandung consumer preferences for Nama Coffee's design and concept, (2) determine the importance of coffee shop attributes in shaping these preferences, and (3) develop strategies for Nama Coffee in Bandung. This research employs a quantitative survey design targeting Bandung coffee shop consumer. Data collection involves online and in-person questionnaires, focusing on design, facilities, menu, service, price, and promotions. Conjoint analysis will identify key preference factors and their relative importance. A TOWS matrix analyzes Nama Coffee's internal and external environment to inform strategic recommendations. Conjoint analysis revealed "Design" as the most influential factor for Bandung coffee shop selection, followed by "Promotion" and "Price." Respondents favored minimalist designs, B1G1 promotions, and competitive pricing. Correlation analysis confirmed the model's accuracy in predicting preferences. Bandung coffee shop preferences prioritize minimalist design, B1G1 promotions, and competitive pricing. Nama Coffee should leverage these insights in their Bandung expansion by implementing minimalist design, optimizing B1G1 promotions, adopting competitive pricing, enhancing service quality, maintaining coffee quality, utilizing social media, and developing strategic partnerships. The BMC should focus on aligning with Bandung preferences, enhancing operational efficiency, and reinforcing marketing strategies.

KEYWORDS	*Consumer Preferences, Coffee Shop, Bandung, Conjoint Analysis, Market Entry, Minimalist Design*

INTRODUCTION

As an agrarian country with tropical climate that supports coffee plant growth, Indonesia has long been regarded as one of the world's largest coffee bean producers. In 2022/2023, Indonesia was recorded as the third largest coffee producer globally, producing 11.85 million bags of coffee (Nurhanisah, 2023). The statement is further supported by data from the Central Statistical Agency (BPS), which recorded that Indonesia's coffee production reached 794.8 thousand tons in 2022, reflecting a significant increase compared to the previous year(Badan Pusat Statistik, 2020; BPS-Statistics, Indonesia, 2024).

International Coffee Organization's report also stated that Indonesia is the second largest coffee producer in Asia and Oceania after Vietnam, with production increase of 2.4% to 12 million bags in early 2022/2023 (International Coffee Organization , 2023).

In 2023 79% of the Indonesian population will be coffee drinkers, consuming packaged coffee purchased from coffee shops. Previous research has shown that significant culture changes have transformed how society view coffee, from merely a thirst-quenching beverage coffee has evolved into a cultural phenomenon (Rabiah, 2024)
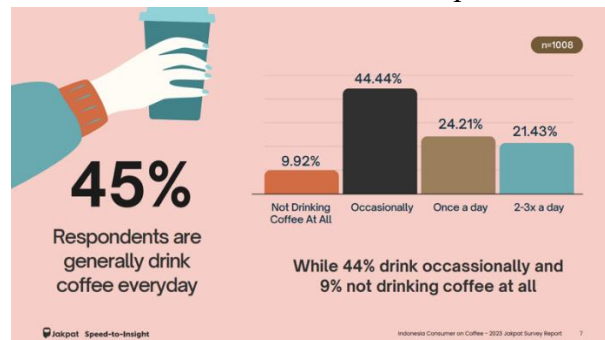

Figure 1. Indonesia Consumer on Coffee

A survey conducted by Jakpat, as reported in "Indonesia Consumer on Coffee" involving 1008 respondents, found that 44.44% of Indonesian consume coffee occasionally, while 9.92% do not consume coffee at all. Daily coffee consumption has become a routine for many Indonesians, with 37% of respondents tending to drink coffee twice daily. Individuals with a higher caffeine tolerance typically consume more than tow cups per day (Jakpat, 2023).

Lifestyle changes have also led to surge in the number of coffee shops in Indonesia. This increase is not limited to large cities but has spread to smaller cities as well. This is supported by a statement from Indonesian Coffee and Cocoa Entrepreneurs Association (APKCI), as quoted in the media in 2023, the number of coffee shops in Indonesia had reached 10.000 units, with an estimated revenue of IDR 80 trillion (Purwanto, 2024).
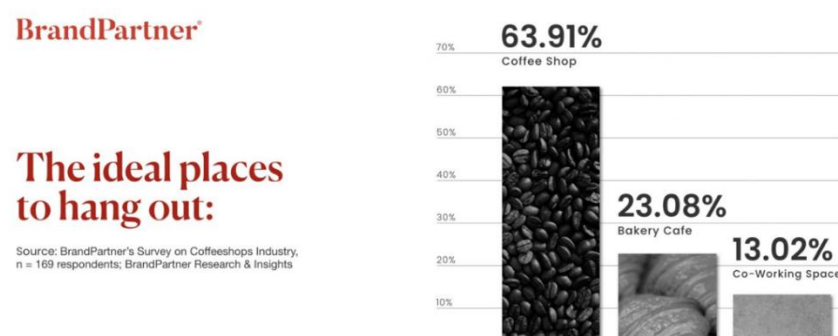

Figure 2. Indonesian's Ideal Places to Hang Ou*t*

A survey finding indicate that coffee shops have emerged as popular social hubs, with 63.91% of respondents expressing a preference for these venues over co-working spaces for leisure and productivity (Brandpartner, 2022).

Based on lifestyle changes, a concept known as the "Coffee Shop Phenomenon" has emerged. This theory hinges on the idea that productivity is enhanced in a coffee

shop atmosphere. The aroma of coffee, the sound of an espresso machine, or the noise of others working nearby, have led many UC Davis students to claim that coffee shops provide an ideal environment for studying and increasing productivity. In addition, ro considering the atmosphere of a coffee shop, Indonesian people also take into account the facilities provided. In the current shift in Indonesian lifestyle, many people now use coffee shop as a workspace, commonly known as Work from Café (WFC).

Fasilitas yang Dibutuhkan Anak Muda di Kedai Kopi

(September 2024)

■ Colokan listrik ■ Wifi ■ AC ■ Halaman parkir luas ■ Smoking room ■ Spot foto ■ Lainnya
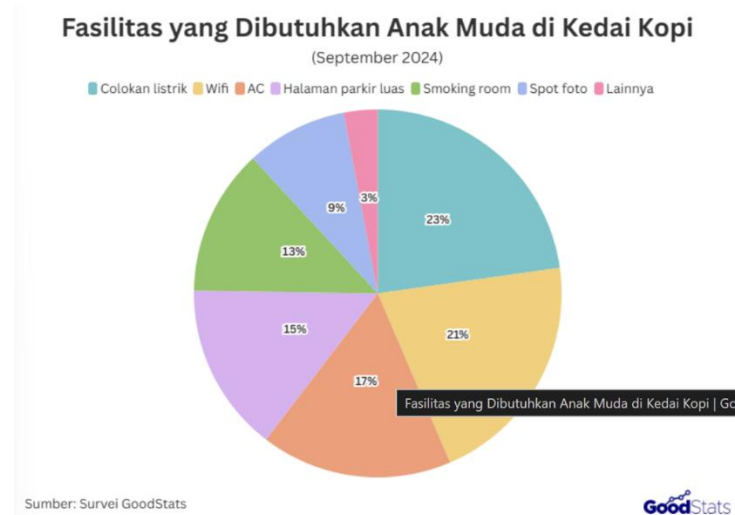
Sumber: Survei GoodStats

Figure 3. Young People Facilities Preference in Coffee Shops

A survey conducted by GoodStats found that in September 2024 there were as much as 23% of young people who prefer coffee shops that provide power outlets in their facility. Therefore, both the atmosphere of a coffee shop and the facilities it offers are crucial in stimulating emotions that significantly increase customer return visits (Sugiarti, 2024).

The atmosphere of a coffee shop is not only a factor influencing customer preference, the quality of food and service also plays a significant role. These two factors are interconnected and crucial in creating a pleasant experience for visitors. Previous research indicates that attributes such as taste, freshness, and presentation significantly impact on the customer perception and experience. In a study examining coffee shop dynamics, it was found that offering high-quality food can enhance satisfaction levels and encourage repeat visits from customers. Patrons expect not only high-quality coffee but also complementary food items that can elevate their overall experience. Food quality and service quality complement and influence each other. While food quality is essential, poor service can lead to customer dissatisfaction. Conversely, excellent service paired with interior food quality will also result in dissatisfaction. Therefore, to achieve optimal customer satisfaction, coffee shops need to gove equal attention to both factors (Duman, 2020).

Sales promotions play a significant role in shaping customer preferences, from the previous study explain that promotional strategies, particularly those stimulating impulse purchases, influence customer behaviour in the coffee shop market. Buy One

Get One (B1G1) offers and similar promotions can increase foot traffic and customer engagement, fostering a sense of community. These value and urgency driven tactics can positively shift customer preferences, building brand loyalty and repeat business, ultimately contributing to a competitive advantage (Anggarini & Permatasari, 2020). Another research also explain that promotional strategies significantly impact Generation Z's purchasing preferences, well designed promotional strategies not only garner attention but also cultivate a perception of both urgency and value among consumers. This enhanced perceived value contributes to increase customer satisfaction and loyalty, thereby influencing brand or product preference(CHAPHIRAY & INDRIYANTI, 2021; Kamal et al., 2023; Kuncoro & Kusumawati, 2021; Ramli & Putri Maysari, 2020).

Besides that, both menu variety and pricing strategies also play a significant role in shaping consumer decisions, particularly in the context of coffee shops. Research indicates that a thoughtfully curated menu offering a diverse range of options appeals to a wider array of tastes and preferences. Customers are generally more inclined to visit coffee shops that provide an extensive selection of menu items, as this variety caters to different desires and encourages repeat patronage. Rich menu not only meets individual preferences but also enhances the overall dining experience. Moreover, competitive pricing is crucial, consumers tend to Favor coffee shops that offer reasonable prices for their menu selections. If customer perceive prices as excessively high without corresponding quality or value, their interest in the establishment may diminish. Therefore, it is essential for coffee shops to strike a balance between offering a varied menu and maintaining competitive pricing to effectively attract and retain customers (Putri, Sulfarid, & Mulyono, 2024). Previous research has shown that consumer preferences for coffee shops very significantly. Student, often constrained by budgetary limitations, tend to gravitate towards coffee shops that offer convenience, such as proximity to their residences or online delivery services. Conversely, business professionals or employees are more likely to choose coffee shops with established reputations and recognizable brands to conduct business meetings with clients (Himawan & Rahadi, 2020).

With the rapid growth of the coffee industry and coffee becoming a lifestyle trend, understanding customer preferences on selecting coffee shops is crucial for coffee shop owners. Customer preference can be influenced by various factors. With the increasing number of coffee shops, owners need to understand what customers are truly looking for (Widadi & Dellyana, 2023). When a company offers a product or service, there is a high probability that many similar products or services are available in the market. Customers usually have many alternative options. Therefore, a business must increase the value provided to existing customers and take effective steps to encourage repeat purchases and attract new customers.

A journal written by (Chen & Hu, 2016) explains customers who have an extraordinary experience at a coffee shop will recommend it to others, by spreading positive information, or becoming loyal customers who have been studied in various sectors in precious research, such as tourism services, catering services, hospital and so on. According to (Widadi & Dellyana, 2023) emphasize that effective business strategies for coffee shops should prioritize customer preference to enhance both satisfaction and loyalty, the research identifies four key factors influencing customer preferences: Design, service and product quality, and marketing. This statement is also supported by the theory in the "Competitive Strategy" which states that in a competitive industry, standing out is very important. Market research and customer analysis are the keys to identifying a company's target market and differentiating a company's brand. Understanding customers' needs and desires will help companies develop products or services that resonate with them (Porter, 1980).

The objectives for this research to identify and analyse consumer preferences that will influence the design and concept of the new Nama Coffee branch in Bandung. To determine the relative importance of various coffee shop attributes and features in shaping Bandung City customer preferences. To promote effective strategies for Nama Coffee to establish a unique market presence in Bandung while leveraging its existing brand identity and values.

RESEARCH METHOD

The rapid growth of Indonesia's coffee industry presented Nama Coffee with both opportunities and challenges during its expansion to Bandung. A critical challenge was accurately identifying and integrating Bandung consumers' diverse preferences across design, pricing, promotions, and service quality to establish a competitive edge. These preferences were influenced by factors such as café ambiance, work-friendly facilities, and the synergy between food and service quality. Given Bandung's saturated coffee market, Nama Coffee needed not only to deliver quality products but also to develop tailored strategies based on deep consumer insights to avoid losing market share and customer loyalty. Comprehensive research into local preferences was therefore essential to inform strategic decisions, minimize risks, and maximize the new branch's success potential.

While general factors influencing coffee shop preferences were known, significant gaps remained regarding how these factors specifically interacted in Bandung's context and differed from other Indonesian regions. Previous studies lacked actionable insights for Nama Coffee's strategic decisions related to shop design, menu development, pricing, and promotions, potentially hindering effective market penetration. This research aimed to bridge those gaps by thoroughly analyzing Bandung consumers' preferences across key attributes, identifying dominant decision factors, and providing

concrete recommendations to align Nama Coffee's offerings with local tastes and ensure competitiveness. The study's theoretical foundation examined coffee shops as "third spaces" while incorporating Bandung's unique consumer trends and culture using analytical tools such as the TOWS matrix and conjoint analysis.

The research employed quantitative methods, collecting primary data through targeted questionnaires assessing preferences regarding design, facilities, menu variety, service quality, pricing, and promotions. Using a two-phase survey approach—initial attribute identification followed by preference evaluation—the study applied conjoint analysis to determine utility values for different attribute combinations and the TOWS matrix to evaluate Nama Coffee's strategic position. These methodologies yielded actionable insights for designing a Bandung branch that resonated with local consumers while maintaining competitive advantage in this dynamic market. The findings directly informed Nama Coffee's market entry strategy, ensuring alignment with Bandung's distinctive coffee culture and consumer behavior patterns.

RESULT AND DISCUSSION

Demographic Respondents

The survey revealed key demographic insights about coffee shop patrons in Bandung, with 40.8% of respondents aged 42-52 years, indicating strong coffee shop appeal among older adults. Private sector employees dominated the sample (48.9%), likely attracted to coffee shops as alternative workspaces and meeting venues, while 51.8% reported monthly incomes exceeding IDR 5 million, suggesting these establishments particularly cater to higher-income consumers who value quality products and comfortable atmospheres. The data showed 74.2% of respondents consume coffee 1-2 times daily, demonstrating coffee's integration into daily routines, though a small percentage don't drink coffee at all, presenting opportunities for alternative beverage offerings.

Coffee shop visitation patterns showed 62.3% of respondents frequenting establishments 2-4 times weekly, reflecting their role as regular social/lifestyle destinations rather than daily necessities, with only 2.8% visiting daily. Regarding preferences, 58.1% favored "kopi susu" (coffee with milk), highlighting the popularity of this balanced flavor profile, while 58.8% cited taste enjoyment as their primary consumption motivator, emphasizing the importance of sensory experience in driving coffee shop choices. These findings collectively paint a picture of Bandung's coffee shop culture as serving primarily middle-aged, white-collar professionals who value both the functional and sensory aspects of café experiences.

Conjoint Analysis

The stimuli used in this study were generated by factors identified through prior respondent feedback. The resulting stimuli are presented in the table below:

Table 1. Stimuli Combination for Customer Preferences

Card	Design	Facility	Promotion	Service	Menu	Price
1	Minimalist	Wi-Fi & Electrical Outlet	Bundling	Attitude	Variety	Competitive
2	Rustic	Wi-Fi & Electrical Outlet	B1G1	Articulate	Variety	Competitive
3	Rustic	Comfort & Cleanliness	Bundling	Attitude	Dietary	Competitive
4	Minimalist	Wi-Fi & Electrical Outlet	B1G1	Attitude	Dietary	Virtue
5	Rustic	Comfort & Cleanliness	B1G1	Attitude	Variety	Virtue
6	Rustic	Wi-Fi & Electrical Outlet	Bundling	Articulate	Dietary	Virtue
7	Minimalist	Comfort & Cleanliness	B1G1	Articulate	Dietary	Competitive
8	Minimalist	Comfort & Cleanliness	Bundling	Articulate	Variety	Virtue

(Source: SPSS – Processed by the Author)

The table presents stimuli generated with the aid of SPSS. Based on the resulting data, eight cards were constructed, each representing a unique combination of the attributes under consideration. The purpose of creating these cards was to observe how respondents' preferences shift when the attributes are combined in different ways.

Part-worth Utilities

The stimuli presented were generated using SPSS. Based on the resulting data, eight cards were constructed, each representing a unique combination of the attributes under investigation. These cards were designed to assess shifts in respondent preferences as the attributes were systematically varied in combination.

Table 2 Part-Worth Utilities Level

Utilities		Utility Estimate	Std. Error
Design	1,00	-.012	.061
	2.00	.012	.061
Facility	1.00	-.079	.061
	2.00	.079	.061
Promotion	1.00	.076	.061
	2.00	-.076	.061
Service	1.00	.064	.061
	2.00	-.064	.061
Menu	1.00	.061	.061
	2.00	-.061	.061

Price	1.00	-.027	.061
	2.00	.027	.061
(Constant)		3.918	.061

(Source: SPSS – Processed by the Author)

In terms of design factors, respondents favoured a minimalist aesthetic when choosing a coffee shop, demonstrating a utility value of 0.012, compared to a rustic design, which was less appealing, with a utility value of -0.012. Furthermore, respondents prioritized the availability of Wi-Fi and electrical outlets over the cleanliness and comfort of the facilities. Regarding promotional factors, respondents showed a greater preference for "Buy One Get One Free" (B1G1) promotions compared to bundling promotions. In terms of service, respondents valued the friendliness and positive attitude of the staff more than their communication skills. Lastly, respondents preferred coffee shops that offer a varied menu and did not place significant importance on the availability of diet options. Concerning price, respondents were averse to excessively high prices, and they tended to prefer coffee shops offering competitive prices.

Importance Value

The importance value was obtained through SPSS analysis, which represents a composite of respondents' opinions regarding the factor in question. The importance value is used to determine which factors are considered most important by respondents when selecting attributes of a coffee shop. The highest value obtained from the importance values is considered the most important factor in choosing a product. The results of the conjoint analysis for the overall importance value can be seen in the following table.

Table 3. Attribute Importance Values

Importance Values	
Design	22.748
Facility	15.715
Promotion	17.922
Service	14.484
Menu	12.824
Price	16.307
Averaged Importance Score	

(Source: SPSS – Processed by the Author)

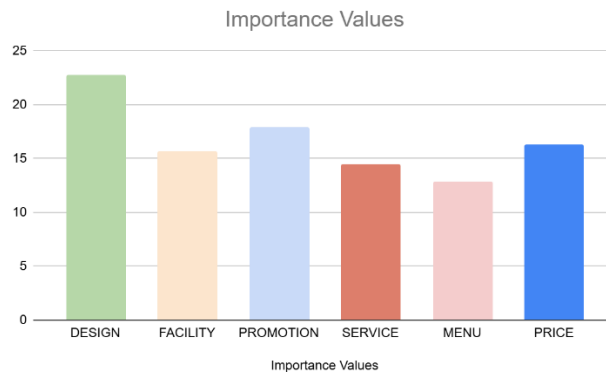The importance values detailed above are illustrated graphically as follows:

Figure 4. Graphic of Importance Value

Based on the importance values presented in the table:

- Design (22.748) emerges as the most critical attribute influencing consumer choice in selecting a coffee shop. This underscores the substantial impact of both interior and exterior design elements on the attractiveness and decision-making processes of consumers.
- Promotion (17.922) ranks second in importance among the attributes. This suggests that promotional activities and marketing strategies employed by coffee shops exert a significant influence on consumer preferences.
- Price (16.307) constitutes the third most important attribute. Pricing that aligns with the perceived quality and amenities offered is a key consideration for consumers.
- Facilities (15.715) and Service (14.484) also represent relatively important attributes. The availability of comprehensive facilities and high-quality service can enhance consumer comfort and overall satisfaction.
- Menu (12.824) is identified as the least important attribute compared to the others. While the menu remains a consideration, its influence is not as pronounced as the other attributes examined.

Correlation

Based on the correlation table, the relationship (correlation) between respondent data and actual data is determined. This is done to measure the accuracy or goodness-of-fit of the model's estimations.

Table 4. Correlations Value

Correlations^a		
	Value	**Sig.**
Pearson's R	.921	<,001
Kendall's tau	.764	.004
a. Correlations between observed and estimated preferences		

(Source: SPSS – Processed by the Author)

In the correlation table, the relationship between observed and estimated preferences is elucidated. Based on Pearson's R, which measures the relationship between respondents' directly observed preferences and preferences estimated by the conjoint model based on their evaluations of individual attributes, a value of .921 was obtained. This indicates a very strong positive correlation between observed and

estimated preferences, signifying that the conjoint analysis accurately predicts respondent preferences. Furthermore, a significance value of <.001 suggests that this correlation is statistically significant, indicating a robust relationship unlikely to occur by chance.

Kendall's Tau coefficient also measures the strength and direction of the relationship between variables. In this study, Kendall's Tau assesses the consistency of respondents' preference rankings with those estimated by the conjoint model. The Kendall's Tau value of .764 demonstrates a strong positive correlation between observed and estimated preference rankings, implying that the conjoint model effectively predicts the order of respondent preferences. A significance value of .004 indicates that this correlation is statistically significant.

SWOT Analysis

Strength

Nama Coffee fosters a welcoming environment with its thoughtfully designed indoor and outdoor areas, enhancing the relaxation and enjoyment of its patrons. Its diverse menu caters to a broad consumer base, offering a variety of both coffee and non-coffee beverages. Comprehensive amenities, including ample parking, prayer facilities mushola, and readily available power outlets, contribute to customer convenience. Furthermore, Nama Coffee benefits from its strategic location, ensuring easy accessibility for the surrounding community. Its extensive network within Sukabumi, cultivated through the owner's membership in the Indonesian Young Entrepreneurs Association (HIPMI) and active involvement in local communities, provides opportunities for mutually beneficial collaborations and cross-promotions. This network has the potential to broaden market reach, increase visibility, build a positive reputation, and create added value for consumers.

Weakness

The coffee shop market in Bandung is characterized by intense competition, with numerous established brands vying to maintain their market share. Dynamic shifts in consumer preferences pose an ongoing challenge, as emerging trends can impact the relevance of existing offerings. Adaptability is, therefore, crucial for Nama Coffee. Sensitivity to economic conditions is also necessary, as economic downturns or reduced consumer purchasing power can affect discretionary spending, including visits to coffee shops. Additionally, promotional saturation presents a significant threat, as aggressive marketing by competitors could diminish the effectiveness of Nama Coffee's marketing efforts.

Opportunities

The growing coffee culture in Bandung presents an opportunity for Nama Coffee to expand and attract new customers. The strategic implementation of targeted promotional campaigns can be pivotal in not only acquiring new clientele but also retaining existing customers, given the demonstrated effectiveness of promotions on consumer preferences. Optimizing the use of social media to disseminate information about the coffee shop can enhance visibility, particularly among Bandung's residents. Moreover, initiatives such as hosting community

events or collaborating with local organizations can strengthen customer engagement and loyalty. The burgeoning trend of specialty coffee can be leveraged as a strong differentiator, distinguishing Nama Coffee from its competitors.

Threats

The emergence of new coffee shops with unique and innovative concepts poses a threat to Nama Coffee's market share. Increasing competition necessitates continuous adaptation and innovation to remain relevant and appealing to consumers. Shifting consumer tastes and preferences regarding products and services can impact the demand for Nama Coffee's offerings. Consequently, it is essential to monitor market trends and understand evolving consumer preferences to adjust business strategies accordingly. Economic fluctuations, both macro and micro, can influence consumer purchasing power. A decline in consumer spending can negatively impact Nama Coffee's sales, especially if its products are perceived as secondary or tertiary needs.

Recommendation Using TOWS Matrix

Figure 5.TOWS Analysis of Nama Coffee

	Opportunities	Threats
Strength	1. Host community events to promote coffee culture using attractive design and ambiance. 2. Use diverse menu and strong promotions to attract new customers. 3. Collaborate with local organizations to enhance visibility and engagement.	1. Differentiate through unique design and ambiance in a competitive market. 2. Maintain high service quality to foster loyalty. 3. Implement strategic promotions to counter competitor marketing efforts.
Weakness	1. Improve service quality through staff training and community feedback. 2. Expand menu offerings based on speciality coffee trends. 3. Increase brand awareness via social media and targeted promotions.	1. Conduct market research to adapt to changing consumer preferences. 2. Develop contingency plans for economic downturns while maintaining affordability. 3. Monitor competitors closely to adjust marketing strategies effectively.

SO Strategies: By leveraging strengths such as an attractive design and diverse menu, Nama Coffee can create community events that not only promote coffee culture but also engage local consumers, thereby attracting new customers.

ST Strategies: To mitigate threats from intense competition, Nama Coffee should focus on differentiating itself through unique ambiance and high-quality service, while also employing strategic promotions to maintain customer interest.

WO Strategies: addressing weakness like service quality can be achieved by using opportunities such as community engagement to gather feedback and improve operations, while also expanding menu items based on current trends.

<u>WT Strategies:</u> By conducting regular market research, Nama Coffee can adapt quickly to changes in consumer preferences and economic conditions, ensuring that it remains competitive even during challenging times.

Business Model Canvas

The Business Model Canvas (BMC) is a widely used framework for describing and analysing business models. It provides a structured approach to mapping the key elements that define how a company operates, creates value, and engages with its customers. In this study, the BMC is employed to analyse the business model of Nama Coffee, both its current state and proposed adaptations, with a focus on how the company can meet consumer preferences for coffee shops in the city of Bandung.

Nama Coffee's existing business model leverages its internal strengths, including the owner's network and established reputation in the city of Sukabumi. However, a conjoint analysis conducted on respondents in Bandung, along with a SWOT analysis, indicates a divergence in coffee shop design preferences between the populations of Sukabumi and Bandung. Consumers in Bandung tend to favor minimalist design concepts, whereas Nama Coffee's Sukabumi location utilizes an industrial design that has become part of its brand identity. Furthermore, regarding consumer interest in menu innovation, Sukabumi consumers are more receptive to seasonal menu updates, while Bandung consumers do not particularly emphasize menu diversity.

Integrating insights from the conjoint and SWOT analyses, this chapter proposes an enhanced business model for Nama Coffee, aligned with the preferences of the Bandung market. The analysis identifies actionable strategies for Nama Coffee to penetrate the Bandung consumer market. The refined BMC offers a roadmap for bridging the gap between the current model and the demands of the target market in a different city.

The following sections will detail Nama Coffee's current business model, structured using the BMC framework. Subsequently, leveraging the findings from the conjoint and SWOT analyses, a proposed business model is presented, focusing on Nama Coffee's strategy in the city of Bandung.

Current Business Model of Nama Coffee

Understanding Coffee Shop Consumer Preferences in Bandung: a Conjoint Analysis Approach for Nama Coffee's Expansion
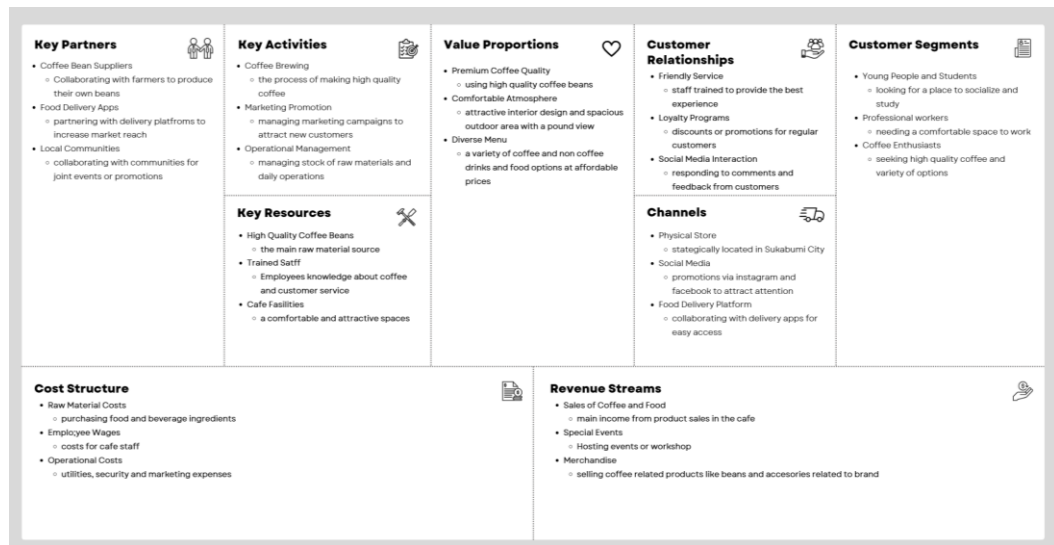
Figure 5. Nama Coffee's Current Business Model

Customer Segments (CS)

Nama Coffee's customer base is segmented into youths, students, working professionals, and coffee enthusiasts. Young individuals and students frequently visit the coffee shop for social interactions or academic pursuits, while professionals utilize the conducive environment for remote work or client meetings. Additionally, coffee aficionados are drawn to the establishment to indulge in the premium coffee quality and the diverse menu offerings

Value Propositions (VP)

Nama Coffee provides a distinctive experience through its premium coffee, sourced from locally cultivated and meticulously processed beans. The coffee shop's inviting ambiance, characterized by an industrial-style interior design and a spacious outdoor area overlooking a pool, constitutes a primary attraction. Furthermore, a varied menu, coupled with regularly updated seasonal offerings and affordable pricing, enhances the value proposition for customers.

Channels (C)

Nama Coffee's primary channels encompass a strategically located physical presence in the city centre of Sukabumi, social media platforms such as Instagram for promotional activities and direct customer engagement, and food delivery services via online applications like Go-Jek, Grab, and Shopee Food to broaden customer reach.

Customer Relations (CR)

Nama Coffee prioritizes courteous service from trained staff. Customer loyalty is fostered through discount programs or exclusive promotions facilitated by a "Loyalty Card" for regular patrons. Moreover, active engagement on social media platforms serves to strengthen relationships with the community and customers.

Revenue Streams (RS)

Nama Coffee's revenue streams are derived from in-store beverage and food sales, constituting the primary source of income. Supplementary revenue is generated through hosting events such as workshops and concerts, as well as the sale of merchandise including coffee beans, tumblers, and branded accessories

Key Resources (KR)

Essential resources supporting Nama Coffee's operations include high-quality coffee beans as the primary raw material, a trained workforce proficient in coffee preparation and customer service, and a comfortable and appealing coffee shop environment

Key Activities (KA)

Nama Coffee's core activities encompass the high-quality brewing of coffee, marketing initiatives to attract new customers, and daily operational management including inventory control of raw materials

Key Partnership (KP)

Nama Coffee collaborates with local coffee farmers and coffee bean processing companies to ensure the quality of raw materials. Partnerships are also maintained with food and beverage delivery platforms to expand market reach and with local communities to co-host events.

Cost Structure (CT)

Nama Coffee's principal costs include expenditures on raw materials for beverages and food, employee salaries as a critical component of service delivery, and other operational expenses such as utilities and marketing activities conducted both offline and online.

New Business Model Proposed for Nama Coffee

The findings obtained through Conjoint Analysis and TOWS Analysis play a crucial role in shaping proposed changes to Nama Coffee's business model. These analyses elucidate critical factors related to consumer preferences in Bandung City, while also providing strategic insights that can be integrated into the components of the Business Model Canvas (BMC). The following is an elaboration of the main findings from Conjoint and TOWS Analyses, and how these findings relate to and impact the key elements of Nama Coffee's BMC.
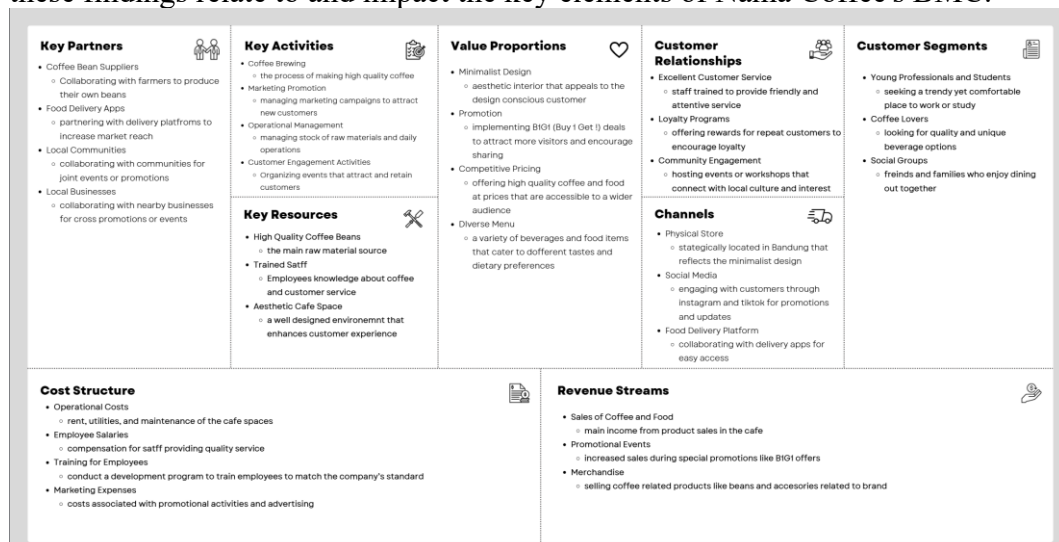

Figure 6.New Business Model Canvas of Nama Coffee

Customer Segments (CS)

The Bandung branch of Nama Coffee will target customer segments comprising students, young professionals, and coffee enthusiasts from Generation Z to Baby

Boomers. This demographic exhibits a preference for minimalist designs, attractive promotions such as Buy One Get One (B1G1) offers, and a comfortable ambiance conducive to various activities, including work and socialization. Furthermore, social groups such as friends and families seeking shared leisure experiences are also primary targets within the marketing strategy.

Value Propositions (VP)

Nama Coffee will offer a unique value proposition through its minimalist and modern interior design, aligning with current aesthetic trends favoured by Bandung consumers. Promotional offers like B1G1 are expected to attract a greater number of visitors and foster social interaction. Additionally, a diverse menu at competitive prices will provide added value for customers, while friendly and professional service will cultivate a positive and memorable experience.

Channels (C)

To reach consumers in Bandung, Nama Coffee will utilize several distribution channels. Physical stores will serve as the primary channel, strategically located in the city centre or areas frequently visited by students and professionals. Social media platforms such as Instagram and TikTok will be employed for promotional purposes, showcasing the café's design, menu, and special offers. Collaboration with food delivery services via applications like Go-Jek, Grab Food, and Shopee Food will also be strengthened to reach a broader customer base.

Customer Relations (CR)

Nama Coffee will build customer relationships through a high-quality service approach. A friendly and responsive staff, attentive to customer needs, will be a central focus in creating a positive experience. Loyalty programs will also be implemented to provide incentives to repeat customers, similar to previously used strategies, while active engagement on social media will reinforce connections with the customer community.

Revenue Streams (RS)

The primary revenue stream for Nama Coffee will derive from the sale of beverages and food within the café, constituting the main source of income. Special offers like B1G1 promotions are expected to significantly increase transaction volume. Furthermore, the sale of coffee-related merchandise, such as packaged coffee beans or brand-related accessories, will serve as an additional revenue stream, with modifications to brand accessories to suit market preferences.

Key Resources (KR)

Essential resources include high-quality coffee beans sourced from local farmers in Sukabumi, who have previously partnered with Nama Coffee, to ensure consistent quality standards. The café's minimalist design is also a crucial asset in attracting consumer attention. Moreover, the presence of a well-trained team, understanding the importance of excellent service, will be key to creating a satisfying customer experience.

Key Activities (KA)

Nama Coffee's main activities encompass the production of high-quality coffee with consistent taste and presentation. Creative marketing through social media campaigns is also an important activity for attracting younger demographics. Daily operational management, including inventory management of raw materials and regular staff training, must also be maintained to ensure smooth operations.

Key Partnership (KP)

Nama Coffee will engage local suppliers for coffee beans and fresh food ingredients to support business sustainability. Collaboration with food delivery platforms is crucial for expanding market reach, as previously undertaken. Additionally, collaborations with local communities in Bandung will be pursued to organize joint events or promotions relevant to the local culture.

Cost Structure (CT)

The cost structure of Nama Coffee will consist of café operational costs, including rent for strategic locations in Bandung, utilities, and facility maintenance. Employee salaries for barista and service staff will also be a significant cost component. Digital marketing expenses for social media advertising, as well as offline promotions such as events and flyers with partners, should also be considered in the budget.
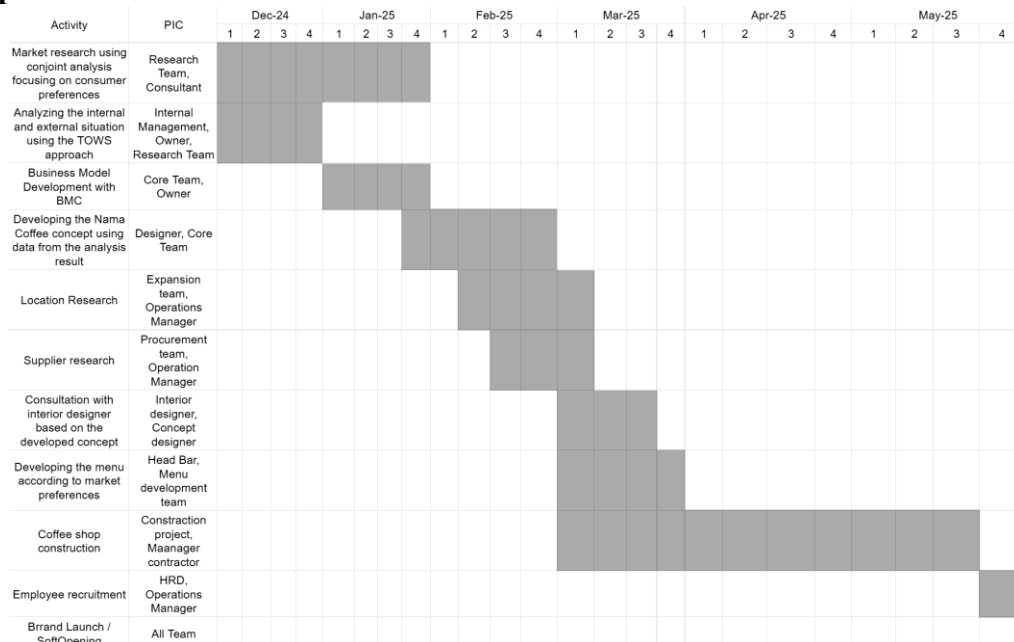
Implementation Plan

Figure 7. Implementation Plan for Nama Coffee's Expansion

Based on the developed implementation plan, Nama Coffee will initiate its expansion into the Bandung market through a series of structured phases, spanning from December 2024 to May 2025. The initial phase involves comprehensive market research, employing conjoint analysis to discern Bandung consumers' preferences regarding design, pricing, and service quality. Furthermore, a TOWS analysis will be conducted to evaluate the company's internal and external conditions. The findings from this research will inform the development of a business model utilizing the Business Model Canvas (BMC), formulating a coffee shop concept tailored to the Bandung market's tastes.

Subsequently, strategic site selection and the sourcing of high-quality raw material suppliers will be undertaken. Consultation with an interior designer will be essential to realize the determined design concept, with careful consideration of spatial layout. Menu development will also occur, adapting product variations to align with local consumer preferences while preserving Nama Coffee's core identity. Following

thorough planning, the construction phase will commence. Concurrently, a recruitment process will be initiated to ensure the availability of a competent workforce.

The final phase consists of a brand launch scheduled for May 2025. The marketing team will execute a pre-designed promotional strategy to introduce Nama Coffee to the Bandung community. By adhering to this implementation plan, Nama Coffee aims to minimize risks and maximize its potential for success in a competitive market

CONCLUSION

This research explored consumer preferences for coffee shops in Bandung, Indonesia, using conjoint analysis to reveal that design—especially minimalist styles— was the most important factor, while menu variety was less significant. Bandung consumers prioritized facilities such as Wi-Fi and power outlets, favored "Buy One Get One Free" promotions over bundled deals, valued friendly staff attitudes more than advanced communication skills, and preferred competitively priced options to premium-priced quality offerings. A TOWS analysis highlighted strengths like the owner's established network and challenges related to aligning with local tastes. These insights were integrated into a Business Model Canvas to guide Nama Coffee's market entry strategy, emphasizing design coherence, facility amenities, and targeted promotions. Future research could investigate evolving consumer preferences over time and explore the impact of emerging digital engagement strategies on coffee shop patronage in Bandung to further refine expansion approaches.

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