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Analysis Of Social Media Marketing Strategies And *Markerting Mix* In Coffee Shop Business Design Blok18 On Purchase Decisions

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Abstract

This study aims to design a business development strategy for Coffee Shop Blok18, a creative coffee shop in Tegal City that carries the concept of creative urban by combining elements of art, community, and customer experience in one space. This study uses a comprehensive analysis approach that includes SWOT, Value Proposition Canvas, Business Model Canvas, and Marketing Mix (7P) to identify strengths, weaknesses, opportunities, and threats, and to develop strategies that are relevant to market needs and business uniqueness. The results of the analysis show that Coffee Shop Blok18 has strengths in its unique creative concept, loyal customer community, and distinctive coffee shop atmosphere. However, there are weaknesses in aspects of similar competition in the coffee shop industry, service efficiency and product diversification. Great opportunities are open through the trend of drinking coffee among young people, the growth of local creative communities, and the potential for digitalization of services. Threats that need to be anticipated include tight competition in the coffee shop industry and fluctuations in raw material prices. The resulting strategy recommendations include strengthening the value proposition through trend-based product innovation, increasing service efficiency with a pre-order system and digitalization of ordering, and strengthening marketing channels through social media and community collaboration. In addition, business expansion strategies and development of customer experience-oriented business models are also formulated to ensure sustainability and long-term growth.

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Keywords: Coffee shop, business strategy, SWOT, Value Proposition, Business Model Canvas, Marketing Mix.

INTRODUCTION

Indonesia is a country that crosses the equator, making Indonesia have fertile soil so that it has a great opportunity to become the largest coffee-producing country in the world (Rahardjo, 2020). Indonesia also consists of many islands, which makes coffee products have many unique flavors and aromas. The interaction between climate, soil type, coffee varieties, and processing methods makes Indonesian coffee more attractive in the world (*International Coffe Organization*, 2021). At this time, coffee consumers consider coffee not just a complementary drink, but it is considered a staple drink for consumers who are addicted to coffee (Suharyanto & Haryanto, 2020). This trend is not only among adult consumers, but also among teenagers (Prasetyo, 2021). The following is data on the amount of coffee consumption in Indonesia.

Table 1. Coffee Consumption in Indonesia in 2016-2021

No.	Year	Consumption (tons)	Growth (%)
1	2016	249.824	9,75
2	2017	276.167	10,54
3	2018	314.365	13,83
4	2019	335.540	6,74
5	2020	353.885	5,47
6	2021	369.886	4,2

Source: (Ministry of Agriculture, 2022)

Based on the table above, information is obtained that shows that the development of coffee consumption in Indonesia continues to increase and it is estimated that the development of coffee consumption in the coming year will continue to increase. The increase in the number of coffee connoisseurs and the shift in people's lifestyles have made coffee drinking activities a *Lifestyle* or even become a necessity of life (Toffin Indonesia, 2019). This is certainly an opportunity for business people to develop a coffee shop business, or in modern terms called *Coffee shop*.

In recent years, the industry *Coffee shop* in Indonesia is experiencing quite rapid growth, especially among young people and urban workers (Toffin Indonesia, 2020).

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Coffee shop It is no longer just a place to enjoy a cup of coffee, but has evolved into a place to work, do assignments, socialize, and hold informal meetings. Changes in people's lifestyles that are increasingly *Mobile* and the need for a comfortable space has helped drive its popularity *Coffee shop* (Hapsari & Wibowo, 2021).

Coffee shops are present to serve various types of coffee and non-coffee drinks accompanied by snacks as a complement (Toffin Indonesia, 2020). The high level of demand for coffee makes coffee businessmen/producers interested in opening a coffee shop business, so that currently many coffee shops have emerged which makes the competition even tighter (Pusdatin Ministry of Agriculture, 2021). In the face of this increasingly fierce competition, business actors are required to be more responsive to know what are the needs, desires, and tastes of consumers now and in the future (Kotler & Keller, 2016).

Coffee shop Block18 is one of the *Coffee shop* in Tegal. Blok18 Create & Space takes the concept *Coffee shop* which offers processed coffee and non-coffee drinks as well as *Snack* and practical and delicious brownies at affordable prices. *Coffee shop* Blok18 also presents various kinds of facilities needed such as wi-fi, power outlets, parking lots, prayer rooms, *Non-smoking area* and *smoking area*. All such facilities are offered by *Coffee shop* Block18 to achieve their main goal of consumer satisfaction (Tjiptono, 2019). Moreover Blok18 create & space has an attractive and comfortable place design with a Creative Urban concept with Free Expression facilities that accommodate especially consumers who like and like (vandalism, graffiti, mural). This will be the first to be present in Tegal and may not be created many in some other coffee shops.

In the midst of the fierce competition for many coffee shops in Tegal, Blok18 create & space , which is still classified as a new coffee shop, will continue to strive to improve the quality of services and services to be able to compete with other coffee shops. Based on the data obtained from the observations made, there are restaurants and coffee shops around the Blok18 coffee shop that serve food and drinks and serve their typical coffee. With restaurants and coffee shops around, the competition is even tighter, thus encouraging the Blok18 coffee shop to survive the competition. In Tegal, there are now around 130 outlets spread across Tegal Regency and City, which consist of various concepts and characteristics ranging from coffee shops to coffee shops that specialize in serving coffee.

The main challenge faced by Blok18 Coffee shop is in the implementation phase, in the implementation phase lies in the promotion aspect, especially in attracting potential consumers. The number of competitors in the coffee shop industry and the marketing

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strategy that has not been maximized in reaching a wider market are the main challenges in this business. So that the Blok18 coffee shop needs information about consumers in order to provide good service and provide quality products. This information includes consumer characteristics, consumer satisfaction and loyalty levels to review differences in preferences.

In addition, it needs to be reviewed in terms of product, price, venue, promotion, process, and physical evidence (7P). The lot of competition between coffee shops around Blok18 causes consumers to be more selective in choosing the intended coffee shop. Consumer satisfaction and loyalty help Blok18 coffee shop in improving performance and implementing marketing mix strategies and can use social media as a promotional medium. Therefore, strategic steps are needed to answer this challenge, while maximizing existing market opportunities. With the increasing attention of consumers to buying interest in Blok18 coffee shops, Blok18 coffee shops need to adjust their business strategies to ensure long-term sustainability.

Objectives

This research aims to formulate short-term, medium-term and long-term development strategies for Blok18 coffee shops to develop their business optimally, and to expand market share. Using a strategic analysis framework, this research will provide practical recommendations that can be applied in the context of a coffee shop business.

REFLECTION ON IMPLEMENTATION RESULTS

Production Aspects

Production Plan

Raw Material Processing

The selection of raw materials at Coffee Shop Blok18 is carried out selectively to maintain product quality. Coffee beans are sourced from local farmers or trusted distributors, while supporting ingredients such as milk and syrup are purchased from nearby grocery stores for cost efficiency and availability. Storage of ingredients is adapted to the type, such as coffee beans in airtight containers and liquid ingredients in refrigerators. The making of food such as brownies is done by the kitchen staff, while the drinks are concocted by the barista with the concept *of an open bar* that is transparent to customers. The service process starts from a friendly welcome at the cashier, ordering a menu, to serving directly to the customer's table by the barista and staff.

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Marketing Aspects

Market Analysis

Market segmentation is an important strategy in marketing that involves dividing the market into smaller segments of buyers, with the goal of serving the needs of each segment more effectively (Kotler & Keller, 2016). Each segment has different needs, characteristics, or behaviors, which may require a unique marketing strategy. By identifying and developing profiles for each segment, companies can direct a more effective and targeted marketing strategy. According to Kotler & Amstrong (2018), segmentation is divided into 4 including:

a. Geographic Segmentation

Geographic segmentation breaks down the market into different geographic units, such as countries, provinces, regions, counties, cities, or communities. Companies can choose to operate in one or more geographic areas, or in all regions, but need to understand the differences in needs and wants in each region. *Coffee Shop* Blok18, for example, offers geographical segmentation that focuses on people living in the Tegal area.

b. Demographic Segmentation

Demographic segmentation plays a crucial role in understanding the market, dividing it into groups based on variables such as age, family size, family life cycle, income, and generation. This approach is important because consumer needs, demand, and usage rates are often very different depending on the demographic factors at hand. Coffee Shop Blok18 targets the market segment of millennials and generation Z aged 15-35 years, especially students, students, and lovers of street art such as vandalism, graffiti, and murals in Tegal City and Regency. This segment was chosen because it has the habit of gathering, enjoying coffee, and in accordance with the *Creative Urban concept* carried out by Blok18.

c. Psychographic Segmentation

Psychographic segmentation is made up of different groups based on social class, lifestyle and different personality traits. Based on the psychographic segmentation as follows: 1) Social class, which divides the market according to the social class of society. The *Blok18 Coffee Shop segment* focuses on all groups, ranging from the middle to upper social class. 2) *Lifestyle*, the *Blok18 Coffee Shop* segment focuses on the lifestyle of people who like to gather and drink coffee.

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d. Behavioral segmentation

Behavioral segmentation, this approach divides consumers into groups based on knowledge, attitudes, usage, and responses to certain products or services.

Market Strategy

Promotion Strategy

Promotional strategies are an important part of the marketing mix to attract consumer interest (Kotler & Keller, 2021). The business owner of Coffee Shop Blok18 realizes the importance of promotion, especially for new brands, so they allocate most of the funds for promotional activities, especially through social media, to expand their reach and introduce products to consumers.

a. *Positioning*

Positioning is an effort to create a different image and offer in the minds of consumers (Kotler & Keller, 2021). Coffee Shop Blok18 positions itself as a relaxing and fun hangout place with quality taste, friendly service, and affordable prices, making it suitable for various groups and atmospheres, from gathering to enjoying your own time.

b. Uniqueness

Uniqueness is one of the main competitive strategies by creating different value for consumers (Porter, 2004). Coffee Shop Blok18 presents coffee and non-coffee menu variants that do not yet exist in Tegal and offers an attractive place design with *a Creative Urban* concept and *Free Expression facilities*, making it the first café in Tegal that accommodates lovers of vandalism, graffiti, and murals.

c. Price *Policy*

According to Nagle & Müller (2018), pricing policies include initial pricing, price adjustments, and responses to markets and competitors. Coffee Shop Blok18 sets prices by considering production costs, competitor prices, and consumer purchasing power. The cost of HPP for 1 glass of Americano ranges from IDR 7,000 to IDR 8,000, and is sold at IDR 14,000 for hot drinks and IDR 15,000 for cold drinks. The prices offered, ranging from IDR 7,000–IDR 20,000, are designed to remain affordable for the lower middle class, while also covering aspects of labor, equipment, and raw materials.

d. Distribution Strategy

According to Lamb *et al.* (2021), distribution strategy involves channel planning to ensure products reach consumers on time and in good condition. Coffee Shop Blok18 not only relies on direct sales, but also utilizes technology by collaborating with delivery

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services such as Go-Food from Gojek, to reach consumers more widely and efficiently in today's digital era.

e. Target Market

The target market is a group of consumers with similar characteristics that are the focus of product marketing (Investopedia, 2023). Coffee Shop Blok18 targets the lower middle class, especially millennials and generation Z aged 15-35 years, including students, college students, and lovers of vandalism, graffiti, and murals in the City and Regency areas. Based on data, the age group of 15-34 years in Tegal amounts to around 527,054 people.

7P Marketing Mix *(Marketing Mix)*

1*. Product*

In terms of products, Blok18 Create & Space offers 34 menu options with quality raw materials to guarantee delicious and competitive taste. The menu consists of 12 variants of coffee-based drinks (signature: Rum Chocofeee), 10 non-coffee drinks (signature: Dark Sparkling), and 12 foods including snacks, brownies, and heavy foods, so consumers have many choices according to their tastes.

2*. Price*

In terms of price, namely the pricing of Blok18 create & space sets a friendly and affordable price starting from (Rp 7000 - Rp 20,000) so that it can be reached by various people with various economic classes.

3. *Promotion*

In terms of promotion, Blok18 Create & Space utilizes social media such as Instagram and TikTok which are in line with the target market of millennials and generation Z (ages 15–35). Regular promotions are carried out every month to increase awareness and attract consumer interest. In addition, other promotional strategies include savings plans and price discounts as an added attraction.

4. *Place*

In terms of place, Blok18 Create & Space carries the concept of *instagramable urban creative* and supports free expression through graffiti, murals, and vandal art, making it a unique attraction for teenagers in Tegal. There are two areas to choose from, namely indoor and outdoor, with a total area of 189 m² that can accommodate more than 70 people, and can be increased during special events. There is also a parking area of 128 m² which is sufficient for visitors' vehicles.

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5. *Process*

In terms of the process, orders at Blok18 Create & Space are done with an order system in advance. Drinks are prepared and taken directly by consumers at the bar table, while snacks will be delivered to consumers' tables. To reduce boredom while waiting, an attractive photo area is provided to keep consumers comfortable.

6. *People*

In terms of people, all baristas, cashiers, and kitchen staff at Blok18 Create & Space wear uniforms on weekends and holidays to create a compact and professional impression. Blok18 also emphasized the importance of alertness, friendliness, politeness, and product knowledge from employees. Therefore, employees are recruited through an interview process and selected who have experience in their field.

7. *Physical Evidence*

In terms of physical evidence, Blok18 Create & Space regularly changes the interior design during the holidays so that consumers don't get bored and stay at home. The cleanliness of the room and toilet is maintained every day. There is a large parking area for cars and motorcycles, as well as photo spots in various corners of the room as an additional attraction for visitors.

Human Resources Aspects

1. *Owner* & Manager

The owner as a business owner is tasked as a Manager to record financial statements, goods and make strategies and motivate employees to work harder so that they can develop Blok18 create & space to be bigger and achieve goals.

2. Barista

The main task of a barista is to brew coffee according to the order received. The task other than brewing coffee is to serve customers or receive orders from customers who come. This requires a barista to be friendly and also meticulous.

3. Cashier

The cashier is responsible for serving the payments made by the customer. After that, he will also record the goods purchased. Because it is directly related to payment transactions, a cashier must have honest and reliable characteristics and must be able to be hospitable to customers.

4. *Staff Kitchen*

A *kitchen staff* will cook, prepare and serve dishes and snacks in a delicious and attractive manner and deliver to consumers in a friendly manner.

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5. Creative Team

A creative team is an additional personnel who are in control of thinking about how to market and process their *brands* and products in a unique and interesting way, such as creating promo flyers and creative content for social media and other supporting aspects. The creative team also makes how to make the building of the place look attractive and unique in accordance with the concept *of creative urbanism* and develop to maintain the existence of the place in the future. As well as making an agenda for events at the *coffee shop* block 18 by packaging it to be attractive and selling.

Financial Aspects

The business owner compiled details of the use of funds of Rp. 300,000,000 for operations. These funds come from the business owner's personal source. The initial fund and working capital needs of Coffee Shop Blok18 for one month are estimated at IDR 13,000,000,-, including the cost of raw materials, salaries, and electricity. Based on the results of surveys and interviews, Blok18 targets daily sales of 40-60 items, with a product composition: 30% coffee, 50% non-coffee, and 20% snacks. This estimate refers to the average sales of coffee shops in Tegal which reaches 50-100 items per day.

Sales estimation has a strategic role in business management, ranging from budget planning, stock management, marketing strategy evaluation, to workforce planning. Apart from being an operational reference, this estimate is also an important indicator for potential investors because it shows the potential for business sustainability. Although Coffee Shop Blok18 planned a grand opening in December 2023, the official opening was delayed until the end of January 2024 due to the renovation process and operational adjustments. After officially operating, Blok18 recorded positive sales growth for the first six months, January to June 2024. The following is a detailed explanation of the sales *of Coffee Shop* Blok18 in January-June 2024:

Sales Report January – June

SALES				
Moon	**Sales**	**Transaction**	**Items**	**Discount**
2024-01	IDR 24,154,500	11	1481	IDR 276,500
2024-02	IDR 40,760,000	24	2465	Rp-
2024-03	IDR 35,690,000	25	2148	Rp-

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2024-04	IDR 30,554,000	25	1844	Rp-
2024-05	IDR 29,704,000	25	1783	Rp-
2024-06	IDR 30,764,000	26	1857	Rp-
Total	IDR 191,626,500	136	11578	IDR 276,500

Sales Report of Best-Selling Products January – June

BEST-SELLING PRODUCTS		
Product	**Items**	**Sales**
Creamy Blocks	879	IDR 14,943,000
Chocolate Ice	838	IDR 14,246,000
Lychea Tea	758	IDR 12,128,000
Matcha Ice	664	IDR 11,288,000
Red Valve Ice	613	IDR 10,421,000
French Fries	573	IDR 9,741,000
Mix Platter	564	IDR 11,280,000
Blue Dreams	558	IDR 9,486,000
Lemon Tea Ice	421	IDR 5,894,000
Mojito Freeze	390	IDR 7,020,000
American Ice	363	IDR 5,445,000
Palm Sugar	342	IDR 6,156,000
Hot Cappuccino	283	IDR 4,528,000
Dark Sparkling	269	IDR 5,111,000
Black Lemonade	261	IDR 4,698,000
Wing Rice	237	IDR 4,503,000
Afternoon Coffee	233	IDR 3,495,000
Mineral water	212	IDR 1,484,000
Moccacino Ice	207	IDR 3,726,000
Cappuccino Ice	193	IDR 3,281,000
Rum Chocoffee	186	IDR 3,720,000
Special Boiled Indomie	166	IDR 1,992,000
Sausage	161	IDR 2,737,000
Chocolate Hazelnut	147	IDR 2,793,000
Special Fried Indomie	147	IDR 1,764,000

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BEST-SELLING PRODUCTS		
Product	**Items**	**Sales**
Nugget	146	IDR 2,482,000
Creamy Flavor Caramell	141	IDR 2,679,000
Chocolate Hot	136	IDR 2,040,000
Brownies Cream Cheese	128	IDR 1,920,000
Creamy Flavor Vanilla	124	IDR 2,356,000
Creamy Flavor Hazelnut	113	IDR 2,147,000
Egg Rice	105	IDR 1,680,000
Chocolate Caramell	99	IDR 1,881,000
Matcha Hot	84	IDR 1,260,000
American Hot	80	IDR 1,120,000
Lemon Tea Hot	80	IDR 960,000
Brownies Original	80	IDR 960,000
Chocolate Vanilla	76	IDR 1,444,000
V60	75	IDR 1,500,000
Noodle Curfew	62	IDR 310,000
Vitenam Drip	53	IDR 795,000
Brownies Green Tea	52	IDR 780,000
Red Valvet Hot	49	IDR 735,000
Indomie Bus	48	IDR 480,000
Special Tubruk	42	IDR 588,000
Moccacino Hot	39	IDR 663,000
Indomie Goreng	28	IDR 280,000
Espresso	27	IDR 351,000
Classic Tubruk	26	IDR 312,000
Brownies Strawberry	20	IDR 300,000
Discount		IDR 276,500
Total	11578	IDR 191,626,500

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Group Sales Report of the Best-Selling Products for January – June

BEST-SELLING PRODUCT GROUPS		
Product Groups	**Items**	**Sales**
NO COFFEE	2706	IDR 46,108,000
MILK BASED COFFEE	1599	IDR 28,281,000
SNACK	1444	IDR 26,240,000
TEA BASED	1259	IDR 18,982,000
MOCKTAILS	1209	IDR 21,204,000
ESPRESSO BASED	1192	IDR 19,114,000
NUSANTARA	731	IDR 10,699,000
SIGNATURE BLOCK	455	IDR 8,831,000
PROMO	295	IDR 3,805,000
BROWNIES	280	IDR 3,960,000
OTHER	212	IDR 1,484,000
MANUAL BREW	196	IDR 3,195,000
Discount		-IDR 276,500
Total	11578	IDR 191,626,500

Based on sales reports from January to June 2024, the total revenue obtained was Rp. 191,626,500, with 136 transactions and 11,578 items sold. In January, even though it only operated at the end of the month, Coffee Shop Blok18 was able to generate revenue of Rp. 24,154,500 from 11 transactions and 1,481 items sold, with a total promotional discount of Rp. 276,500. The highest sales occurred in February 2024 of Rp. 40,760,000, while the following months showed a fluctuating trend with a downward but fairly stable tendency in the range of Rp. 29-30 million.

Implementation Reflections

Implementation reflection is an evaluative process of the implementation of a plan, policy, or program to assess the achievement of goals, identify successes, and find areas that need improvement (Schalock, 2011).

Lessons Learned

Reflections on the implementation of Coffee Shop Blok18's business strategy for six months (January-June 2024) provided a number of important lessons in marketing,

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operations, and customer interaction aspects. First, consistency in conveying messages through social media has proven crucial. Interesting and relevant content on Instagram can increase brand awareness, but the impact will be maximized only if it is done strategically and directed according to the target market, namely the younger generation.

Second, the success of the marketing strategy is highly dependent on the comprehensive implementation of the 7P marketing mix. Pricing that is appropriate to market segments, offering quality products, strategic locations, and creative promotions are important pillars in shaping purchasing decisions. The *people element*, namely friendly and well-trained employees, helps strengthen the brand image and improve the customer experience. Superior service has proven to be just as important as promotional activities.

Third, openness to customer *feedback* is the key to continuous improvement. Interaction through social media and on-site input provides valuable insights into customer satisfaction and preferences, so that they can be used as a basis for service improvement and product development.

Fourth, adapting to digital marketing trends is also the main lesson. Strategies such as *influencer marketing* and *experience-based promotion* are increasingly relevant in reaching a wider audience. The use of social media to build positive interactions, offer exclusive promotions, and organize events, has proven to be effective in driving purchase decisions and building loyalty.

Overall, success in influencing consumer purchasing decisions does not depend solely on one marketing element, but is the result of the integration of the right strategy, a deep understanding of market behavior, and the ability to adapt and continuously learn. This learning is an important foundation for the development of a more mature and sustainable Blok18 marketing strategy in the future.

Challenges Faced

1. Production Challenges

One of the main challenges during the implementation of *Coffee Shop* Blok18's business in the production process is the fluctuation in the price of raw materials such as coffee beans, milk, and other additives. The increase in the price of raw materials causes profit margins to be smaller and requires careful adjustment of selling prices so as not to reduce the attractiveness for consumers. In addition, dependence on local suppliers also leads to the risk of inconsistent stock availability and raw material quality, thus affecting

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the quality of the final product offered to customers, this includes the availability of coffee beans, ice cubes, and so on.

2. Marketing Challenges

Competition with many other *coffee shops* that are also active on social media makes *Blok18* have to work extra to stand out. It takes creative content, a consistent upload schedule, and active interaction with the audience to build *awareness* and *engagement*. At the beginning of implementation, marketing strategies tended to be too general, having difficulty in determining specific target *audiences*. This makes it difficult to form targeted communication and has an impact on the effectiveness of digital promotion.

3. Financial Challenges

Blok18 Create & Space faced significant financial challenges from the beginning of operations, mainly due to capital constraints that affected raw material stocks, interior design and promotions. The application *of the creative urban concept* is also not optimal because it is cost-effective and energy-intensive. Lack of experience in day-to-day financial management leads to misallocation of funds and cash management, especially in the early months. The increasingly fierce competition in the Tegal coffee shop industry has also reduced the number of customers and income, thus hindering the fulfillment of operational costs, including employee salaries. This condition requires more mature financial planning to ensure business sustainability.

4. Human Resources Challenges

The recruitment and retention process of competent service staff is a challenge for Blok18. Intensive training is needed to maintain service quality, but the employee turnover rate is quite high due to the lack of optimal incentive and workload systems. Competition with other coffee shops that are also looking for labor makes staff reconsider salaries and benefits. These challenges show that business success depends not only on marketing strategies, but also on operational stability, sound finances, and effective HR management. A strategic and adaptive approach based on continuous evaluation is needed to address this.

Data Analysis Techniques

This study uses SWOT analysis as the main strategic framework to formulate the direction of the development of Coffee Shop Blok18. This analysis identifies internal strengths and weaknesses such as product quality and HR competencies, as well as external opportunities and threats such as coffee consumption trends and industry

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competition. With this approach, business strategies can be developed in a more targeted manner, maximize internal potential, and anticipate risks from the external environment.

In addition, the Value Proposition Canvas approach is used to assess the extent to which Block18's offerings are able to meet customer needs, while the Business Model Canvas describes the overall structure of the business model. The 7P Marketing Mix complements the analysis by evaluating marketing strategies in terms of product, price, venue, promotion, HR, process, and physical evidence. The combination of these four tools provides a solid foundation for designing an adaptive and sustainable development strategy.

Business Profile

***Value Proposition Canvas* Block18**

VPC analysis is used to understand the fit between the value offered by Blok18 and customer needs and preferences.

1. Customer Segments

Block18 targets: 1) Workers and students who need a comfortable study/work space. 2) Coffee lovers and non-coffee lovers looking for a variety of quality drinks. 3) Social communities and families who need a space to socialize.

2. Customer Gains

Customers expect: 1) Fresh coffee quality. 2) Friendly and professional service. 3) Supporting facilities (WiFi, power outlets, toilets, prayer rooms). 4) Reasonable price and contemporary music.

3. Customer Pains

Common problems of customers in coffee shops, include: 1) Lack of cleanliness. 2) Less strategic location. 3) The atmosphere is monotonous and not innovative. 4) Inconsistent product quality.

4. Products and Services

Blok18 offers: 1) Coffee and non-coffee drinks, snacks, and merchandise. 2) Multifunctional place to work, discuss, or relax. 3) Aesthetically pleasing environment and supporting modern lifestyle.

5. Gain Creators

The added value given: 1) Creative Urban-themed design. 2) Interactive and friendly service. 3) Indoor/outdoor area with complete facilities. 4) Reasonable price and pleasant atmosphere.

6. Pain Relievers

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Efforts to overcome customer complaints: 1) Cleanliness and tidiness of the entire area. 2) Strategic location and easy to find via Google Maps. 3) Product consistency and periodic innovation. 4) Interiors with different themes for a non-monotonous experience.

With this VPC approach, Blok18 demonstrates its ability to design relevant and meaningful offerings for customers. Continuous innovation and consistent service are the keys to building loyalty in the midst of dynamic coffee shop industry competition.

***Business Model Canvas* Block18**

The Business Model Canvas (BMC) is used to map the overall business model of Coffee Shop Blok18 in a systematic and integrated manner. In the Customer Segments aspect, Blok18 targets millennials and generation Z aged 15-35 years, especially students, students, and communities who like artistic expressions such as graffiti and murals, which are located in Tegal City and Regency. For the Value Proposition, Blok18 offers a unique concept in the form of a free space for expression with an attractive, comfortable, and Creative Urban design that is attractive, comfortable, and the first in Tegal. Distribution channels (Channels), carried out through social media such as Instagram and TikTok, including promotional support through the DKV community, local influencers, and paid advertising through Instagram Ads to reach a wider market.

In Customer Relationship, Blok18 maintains closeness with consumers through friendly service, providing discounts or rewards, and active interaction on social media. The revenue stream comes from food and beverage sales as well as venue rentals for music events and workshops. In Key Resources, Blok18 relies on physical resources such as buildings and equipment, creative human resources, and financial resources from the owner's personal funds.

Key activities include creative content management, organizing themed events, food and beverage production, and developing partnership networks to improve business existence. Key partnerships include creative teams, particularly graphic design services that support branding, social media content, and visual display spaces. Meanwhile, in the Cost Structure, expenses are divided into fixed costs such as employee salaries and variable costs such as raw materials and electricity. The *variable costs* incurred by Coffee Shop Blok18 include the cost of food ingredients for cooking, communication costs, maintenance costs of places and equipment, and other promotional costs.

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***Marketing Mix* (7P) *Coffee Shop* Blok18**

A Marketing Plan is a strategic document that details the marketing efforts that will be made to reach the target market and increase sales.

1. Situation Analysis: Coffee Shop Blok18 operates in a competitive culinary industry environment. The target consumers are millennials and Gen Z (15–35 years old), with an interest in urban culture and expressive arts. With the increasing trend of 'hanging out' lifestyle in cafes, Blok18 offers the concept of "Creative Urban" as the main differentiator.

2. Target Market: Blok18 targets young consumers, students, students, and the urban art community such as muralists and street artists. This segmentation is determined based on demographics (productive age), psychographics (creative lifestyle), and behavior (likes to hang out, is active on social media).

3. Marketing Objectives: Increase Blok18's brand awareness among teenagers and young adults, Foster consumer loyalty through services and creative concepts, Become an icon of coffee shops with expressive nuances in the Tegal area.

4. Strategy and Tactics – Marketing Mix 7P

a. Product : Blok18 provides 34 products: 12 coffees (Highlighter: *Rum Chocofee*), 10 non-coffee (highlighter: *Dark Sparkling*), and 12 light to heavy foods, all made from high-quality raw materials.

b. Price : The price ranges from IDR 7,000 to IDR 20,000, according to the purchasing power of students to young workers. Economical bundling is also available.

c. Promotion : Promotion is carried out digitally through Instagram, TikTok, and Instagram Ads. Promotional strategies include visual content, new menu launches, and loyalty discounts.

d. Place : Strategic location with the concept of indoor-outdoor space with a total area of 189 m² and parking space of 128 m². This area supports community events and creative events.

e. Process : Direct ordering at the cashier, drinks are picked up at the bar, and food is delivered. There are photo spots to entertain visitors while they wait.

f. People : Employees wear special uniforms on weekends. Emphasis on friendliness, professionalism, and product knowledge.

g. Physical Evidence : A dynamic and thematic interior, regularly updated at a given moment. There are mural facilities, clean toilets, ample parking, and photo spots.

5. Marketing Budget: Promotional costs are intended for digital content, promotional discounts, collaboration events, and venue rentals. The budget is allocated periodically and measurably according to the needs of the campaign.

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6. Evaluation and Control: Evaluation is carried out through analysis of social media engagement, increased visits, and monthly sales trends. Consumer feedback is used as a material for continuous improvement.

ENVIRONMENTAL ANALYSIS

The following is a SWOT analysis that describes the strategic condition of the business in a concise and structured manner.

SWOT Analysis of Coffee Shop Blok18

STRENGTHS ✓ Unique and different Creative Urban concepts in Tegal ✓ A comfortable place to hang out, work and discuss ✓ Affordable prices for various groups ✓Attractive and instagrammable interior	***WEAKNESSES*** ✕ Fairly specific market segmentation (creative community) ✕Reliance on visual/interior appeal ✕ The brand is still new and not widely known
OPPORTUNITIES ✓ Coffee consumption trends and a lifestyle that continues to increase ✓Opportunities to collaborate with local creative communities through events and workshops ✓ Expansion of digital services such as online ordering and delivery ✓Increasing market interest in unique and aesthetic coffee shops	***THREATS*** ✕ Competition with many new coffee shops that also have interesting concepts ✕ Rapid changes in trends and consumer tastes ✕Potential negative perceptions of the concept of "legal vandalism" if not communicated appropriately ✕Economic uncertainty that affects people's purchasing power

Internal Environmental Analysis

This internal environmental analysis uses SWOT analysis tools to evaluate the strengths *and weaknesses of Coffee Shop Blok18.*

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Strengths

Blok18 has a number of strengths that distinguish it from other coffee shops in Tegal. With the concept *of Creative Urban*, Blok18 carries the theme of street art such as graffiti and murals that are legal and organized, making them unique and have a strong identity. This place is also designed to be multifunctional and comfortable, supporting various activities such as relaxation, studying, and community discussions, making it attractive to students, students, and freelancers. In addition, Blok18 offers products at affordable prices without sacrificing quality of taste and service, making it an economical choice for the lower middle class. Its aesthetic and instagrammable interior design also adds visual appeal that suits the lifestyle of the younger generation, and contributes to increasing brand awareness.

Weaknesses

Block18 faces some weaknesses that need to be noted. The focus of segmentation on the creative community and street art lovers limits the reach of the market, making it less attractive to other segments such as professionals or families. In addition, the heavy reliance on the visual aspect as the main attraction makes Blok18 vulnerable to losing customer interest if the aesthetic elements are not constantly updated. As a new brand in Tegal, Blok18 is also still in the process of building consumer reputation and loyalty, so it takes time and a consistent promotional strategy to be able to compete with competitors who are already established in the local market.

External Environmental Analysis

The external environment analysis of this study also uses SWOT analysis tools to evaluate the *Opportunities* and Threats owned by *Coffee Shop* Blok18.

Opportunities

Blok18 has various strategic opportunities that can be leveraged to support business growth. The increasing trend of coffee consumption and hanging out culture among young people is a great opportunity, especially with the aesthetic concept offered by Blok18. Collaborations with local creative communities such as artists, musicians, and photographers also open up the potential to expand the market and strengthen the image as an art expression space. In addition, the use of digital and delivery services such as GoFood and GrabFood allows Blok18 to reach customers more widely beyond direct

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visitors. The high interest in coffee shops that are unique and aesthetically valuable also further strengthens Blok18's position as a favorite destination for millennials and Gen Z.

Threats

Blok18 faces a number of external challenges that can affect the sustainability of its business. The increasingly fierce competition in the coffee shop industry requires Blok18 to continue to maintain uniqueness and service quality to remain relevant amid many choices. In addition, the rapid change in consumer tastes requires continuous innovation so that it does not lose its appeal. The concept of vandalism carried out through street art also has the potential to cause negative perceptions in conservative society if it is not accompanied by proper education. Economic uncertainty that has an impact on people's purchasing power and fluctuations in the price of raw materials such as coffee and milk are also serious threats. Blok18 needs to have an adaptive strategy, reliable suppliers, and a good communication approach to maintain operational stability and brand image in the midst of these challenges.

FORMULATION OF BUSINESS DEVELOPMENT STRATEGIES

After analyzing internal and external factors through a SWOT approach, the next step is to formulate a targeted business development strategy for Blok18 Create & Space. This strategy is built by leveraging strengths, overcoming weaknesses, seizing opportunities, and facing threats. The SWOT matrix is used as an analysis tool to formulate four main types of strategies, namely SO, WO, ST, and WT, which connect internal and external conditions to support optimal business growth.

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SWOT Coffee Shop Block Matrix Table 18

SWOT Matrix	***Strengths* (S)** • A unique and unique urban creative coffee shop concept in Tegal. • A varied and affordable menu (Rp 7,000–20,000) with a signature menu. • Strategic location with a large indoor and outdoor area. • A clear target market (millennials and Gen Z), as well as a local community base.	***Weaknesses* (W)** • Limited initial capital that affects interior design, stock, and promotion. • Lack of experience in day-to-day financial management. • The application of the concept has not been maximized due to cost and time limitations. • Promotions are not consistent and have not optimally reached the digital market at large.
***Opportunities* (O)** • The growth of the trend of hanging out and drinking coffee among young people. • The power of social media (Instagram & TikTok) for promotion. • Collaborate with creative communities or local events. • Local government support for MSMEs and creative industries.	**SO Strategy (*Strengths – Opportunities*)** • Maximize the concept of creative urban and photo spots to attract the younger generation. • Launch a creative digital campaign using visual content from instagramable spots on Blok18. • Host community events, live music, or workshops to attract regular visitors.	**WO Strategy (*Weaknesses – Opportunities*)** • Improve financial management skills through MSME training or collaboration with business mentors. • Use digital platforms for low-cost promotions (reels, viral content, local influencer collaborations). • Leverage government/community support to help with funding or subsidies for interior design. • Collaborate with the creative community to fill content/events, thereby

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	• Apply for MSME assistance/grant programs to strengthen operations and promotions.	reducing the burden of promotional costs.
***Threats* (T)** • Coffee shop competition is increasing in Tegal. • Rapid changes in consumer tastes. • Negative perception of the concept of vandalism/graffiti. • Economic instability and people's purchasing power. • Fluctuations in the price and supply of raw materials.	**ST Strategy (*Strengths – Threats*)** • Highlight the uniqueness of the concept and customer experience (art space, mural, community). • Always evaluate consumer trends and innovate menus regularly. • Educate consumers through social media content that vandalism in Blok18 is art and a space for expression. • Create a savings plan and loyalty program to keep prices affordable. • Build long-term cooperation with local suppliers to make prices more stable.	**WT Strategy (*Weaknesses – Threats*)** • Create menus with low but still attractive production costs to maintain margins when raw materials go up. • Diversify income, for example by providing merchandise, community rental space, or creative classes. • Develop financial management SOPs to strengthen cash flow control and reserve funds. • Achieve operational cost efficiency by managing employee work schedules and raw material control. • Take advantage of funding opportunities from the government or local sponsorship cooperation to cover the capital shortfall.

Identify Development Strategies

The SWOT analysis shows that Blok18 has great growth potential if internal strengths such as the Creative Urban concept, instagrammable interiors, and affordable prices can be maximized, as well as weaknesses such as low brand awareness and limited market segmentation can be overcome. Business development strategies are

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prepared based on the SWOT Matrix (SO, WO, ST, WT) and are grouped according to the implementation period: short, medium, and long term. The formulation of this strategy refers to the theories of Resource Based View, Experiential Marketing, and Service Dominant Logic to create competitive advantage, meaningful customer experience, and shared value through community interaction. This approach allows Blok18 to grow adaptively and sustainably.

Short-Term Strategy (0–12 Months)

Focused on increasing brand visibility, building community, and operational initial efficiencies.

- **SO (*Strengths–Opportunities*) Strategy**

  Blok18 will maximize the power of *the Creative Urban concept* and the potential of social media to attract young people through authentic and interactive visual content. Small community events and collaborations with local artists will be used to strengthen the appeal of Blok18 as a coffee shop as well as a space for creative expression.
- **WO Strategy (*Weaknesses–Opportunities*)**

  Capital constraints and managerial experience will be overcome through low-cost creative content-based digital promotion and promotional cooperation with local communities or influencers. This approach allows for efficiency in marketing without sacrificing reach.
- **ST Strategy (*Strengths–Threats*)**

  To deal with the threat of negative perception of the concept of graffiti, Blok18 will educate the public through social media about the value of mural art and positive expression. This strategy aims to form a positive perception of brand identity.

Medium-Term Strategy (1–2 Years)

Focused on strengthening the business structure and customer support system.

- **WO Strategy (*Weaknesses–Opportunities*)**

  Blok18 will establish strategic partnerships with training institutions, participate in business incubation programs, and access funding sources such as government grants to strengthen managerial and operational capacity.
- **ST Strategy (*Strengths–Threats*)**

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Blok18 will routinely innovate products based on young people's consumption trends. This strategy maintains business competitiveness in the midst of dynamic competition, as well as strengthens its position as a creative and adaptive brand.

- **WT Strategy (*Weaknesses–Threats*)**

  Blok18 began designing an efficient financial and supply chain management system, including finding alternative raw materials that were more stable. This aims to create business stability in the face of external pressures.

Long-Term Strategy (3–5 Years)

Focused on business expansion, sustainability, and strengthening the brand position.

- **SO (*Strengths–Opportunities*) Strategy**

  Blok18 will develop itself into a hub for the creative community in Tegal and its surroundings, through the organization of large-scale events, art exhibitions, and long-term partnerships with creative industry players.

- **WT Strategy (*Weaknesses–Threats*)**

  To reduce capital burden and increase financial resilience, Blok18 will explore funding through investors, sponsorship schemes, or *crowdfunding*. Diversification of menus with value-added products and locally sourced ingredients is also carried out to reduce the impact of price fluctuations and increase margins.

Mapping Resources and Needs

1. **Human Resources (HR)**

   Blok18 needs to add and train human resources in various strategic lines to strengthen brand awareness, improve services, and establish relationships with the creative community. The training will be focused on baristas and frontliner staff, while a digital marketing creative team is formed to strengthen online visibility. In the long term, additional operational staff and CRM are needed to support expansion and customer loyalty programs.

2. ***Financial***

   Based on sales reports from January to June 2024, total revenue was recorded at IDR 191,626,500 with a total of 136 transactions, 11,578 items sold, and a total discount of IDR 276,500. The details of sales per month are as follows:

   1. In January 2024, even though it only operates at the end of the month, Coffee Shop Blok18 managed to record sales of IDR 24,154,500 with 11 transactions

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and 1,481 items sold. The discount given during this month is IDR 276,500 as part of the opening promotion.

2. February 2024 showed a significant increase, with total sales reaching IDR 40,760,000 from 24 transactions and 2,465 items sold. No discounts are given, which indicates that the increase in revenue comes purely from sales volume.
3. March 2024 decreased from the previous month with sales of IDR 35,690,000, 25 transactions, and 2,148 items sold. However, the number of transactions remained stable compared to February.
4. April 2024 shows a downward trend with total sales of IDR 30,554,000, although the number of transactions remains at 25. The number of items sold decreased to 1,844 items.
5. May 2024 continued a slight decline with revenue of IDR 29,704,000 from 25 transactions and 1,783 items.
6. June 2024 began to show stabilization with sales increasing to IDR 30,764,000 from 26 transactions and 1,857 items.

Blok18 Coffee Shop experienced the highest sales surge in February 2024, driven by high customer enthusiasm post-opening. After that, sales show fluctuations with a downward trend, allegedly due to seasonal factors, market adaptation, or lack of follow-up promotions. However, the stable number of transactions between April and June indicates a fairly consistent customer base. This is an opportunity for management to increase customer loyalty. Evaluation of marketing strategies and customer experience is essential for growth to pick up again.

Strategic steps that need to be taken include analyzing best-selling products, evaluating the effectiveness of promotions, and optimizing high season moments and local events. Blok18 showed strong market potential at the beginning of operations, but further innovation is needed to maintain momentum. The business development plan includes four main strategies, namely the development of digital platforms, the procurement of community facilities, the renovation of seasonal interiors, and the launch of derivative products. The derivative products in question include exclusive merchandise and Blok18's signature coffee house blend. This strategy aims to enrich the customer experience and expand market reach.

To realize the plan, additional funds of around IDR 150,000,000 are needed. These funds will be used for equipment purchases, interior renovations, digital promotions, online system development, and procurement of new menu raw materials. Funding is expected to be obtained through partnerships with local investors, community

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sponsorships, or MSME microfinancing. With adequate financial support, Blok18 has the potential to grow into a hub for creative communities as well as a place for urban lifestyle. This strategy strengthens Blok18's position not only as a coffee shop, but also a relevant social interaction space for the younger generation.

3. Technology

To meet the needs of digital consumers, Blok18 will implement an integrated POS system with a QR-based loyalty program and pre-order services via WhatsApp or Instagram. Investments will also be made in daily sales monitoring dashboards and customer preferences to support data-driven marketing strategies. In the long run, a simple CRM system will be implemented to build long-term relationships through personalized promotions and customer database management. This mapping helps Blok18 in compiling development priorities according to the availability of resources. With an adaptive and realistic strategy, Blok18 is expected to be able to develop the business sustainably.

Product Development and Added Value

The product development strategy at Coffee Shop Blok18 aims to increase menu variety while improving the overall customer experience. Based on Porter's Value Chain Theory, this strategy optimizes every activity in the business chain, from raw material selection to after-sales service. The goal is to create a competitive advantage and increase customer loyalty. Value development is not only limited to physical products, but also includes emotional and aesthetic aspects. This is adjusted to the characteristics of creative and urban consumers who are the main targets of Blok18.

Product Innovation

1. **Seasonal Menu Development and Signature Drinks**

   Coffee Shop Blok18 plans to launch a seasonal menu inspired by local art and culture themes (such as "Latte Batik", "Espresso Graffiti", etc.), to reinforce cultural values while increasing the appeal of the menu. *These signature drinks* will be the main differentiator from other *coffee shops* and strengthen Blok18's positioning as a *creative and original* coffee shop.

2. **Derivative Product Creation: DIY Coffee Kit Merchandise and Packages**

   To expand revenue sources and strengthen *brand engagement*, Blok18 will develop non-culinary products such as mural-themed merchandise, *tote bags*, stickers, and DIY *Coffee Kits* that can be purchased directly or online. This product

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not only adds value economically, but also expands the brand's existence into the customer's lifestyle.

3. **Product Collaboration with Local Communities**

   As part of the creative ecosystem, Blok18 will hold collaborations with local artists to create limited editions of drinks or special packaging. For example, *take away* packaging with mural designs by Tegal artists which are exhibited in turn. This will create *emotional value* and trigger local pride for customers.

4. **Optimizing Value Experience on the Spot**

   In addition to products, added value is also developed through improving the atmosphere of the place, such as mural corner facilities for taking pictures, live art performance areas, and curated creative music playbacks. With this, a visit to Blok18 is not only to buy drinks, but also to enjoy an *artistic experience* that strengthens the value of each visit.

   Through this approach, Blok18 Coffee Shop not only sells coffee, but also offers *a meaningful consumption* combination of quality products, inspirational spaces, and emotional connections with customers that make Blok18 a creative destination with high added value.

Achievement Indicators (KPIs)

To ensure that the development strategy of Coffee Shop Blok18 runs in a directional and measurable manner, key *performance indicators (*KPIs) are needed which refer to the *Balanced Scorecard framework*. This approach allows for a thorough evaluation of performance through four key perspectives: finance, customer, internal processes, and learning and growth. The indicators of the achievement of the Blok18 strategy include:

1. **Finance**
   a. The target is to increase sales revenue by 20% in 12 months, through product development and market expansion.
   b. Increased net profit margin by 10–15%, with optimization of operational costs and *value-based pricing* strategies.
2. **Customer *Perspective***
   a. An increase in the number of new customers by 50%, targeted from the segmentation of young people, students, and the creative community through digital promotions and collaborative events.
   b. An increase in customer satisfaction *score* of at least 85%, measured through monthly surveys of customer experience (products, places, services).

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3. **Internal Business Processes**
   a. Launch of at least 3 new menu variants (including *signature drinks* and seasonal menu) in the next 6 months.
   b. Implementation of *online pre-order* system & digital menu for service efficiency, with a target customer waiting time of no more than 10 minutes per order.
   c. Increased space efficiency through structured scheduling of work & event areas to maximize seating capacity up to 90% during peak hours.
4. ***Learning & Growth***
   a. Employee training at least 2 times per year on service, customer management, and creative event management.
   b. A 100% increase in social media engagement within 6 months, measured by the number of followers, content interactions, and conversions to offline visits.
   c. Collaborate with a minimum of 5 local communities or artists in 1 year for product development and thematic programs.

Through this achievement indicator, *Coffee Shop* Blok18 can measure the effectiveness of business strategies objectively and sustainably, as well as make adjustments if there is a deviation from the predetermined target. This integrated KPI approach aims to drive growth that focuses not only on finance, but also on creating value for customers and the creative community holistically.

BUSINESS DEVELOPMENT AND SUSTAINABILITY BLUEPRINT

The Blok18 Create & Space Coffee Shop business development blueprint is compiled as a guide for the implementation of short, medium, and long-term strategies that have been formulated beforehand. This document includes operational steps such as strengthening digital brand awareness, launching seasonal menus, adding online channels, and expanding based on creative co-working hubs. Each initiative comes with a schedule, person in charge, resource needs, and target KPIs. In addition to being in sync with SWOT analysis and other business tools, this blueprint also contains risk mitigation strategies such as market competition and changing consumer tastes.

In terms of sustainability, the blueprint emphasizes a commitment to eco-friendly practices through the use of biodegradable packaging, cup return programs, and support for urban art. Coffee Shop Blok18 also encourages the development of creative communities through art event collaborations and art-based barista training. With this approach, the blueprint aims to balance financial growth, customer value, and social and

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environmental impact. This strategy is designed to keep businesses adaptive and relevant to the dynamics of the F&B industry.

Short-Term Development Plan (0 – 12 Months)

In this early stage, the strategy is focused on building brand visibility, improving service quality, and expanding digital market access.

1. **Strengthening *Brand Awareness & Digital Engagement***

   To strengthen brand awareness and digital engagement, Coffee Shop Blok18 will run scheduled social media campaigns through Instagram Reels, TikTok, and collaborations with local micro influencers. This campaign highlights the concept of *Creative Urban*, thematic murals that change regularly, and the process of creating signature menus. Blok18 also encourages user-generated content by providing incentives in the form of free coffee for customers who tag Blok18's account and upload photos in the graffiti area. This strategy is designed to expand digital reach and strengthen the brand's association with creativity. The target is to increase the new customer base by about 50%.

1. **Optimization of Service Process & Customer Experience (*People, Process, Physical Evidence*)**

   To optimize customer service and experience, Blok18 will implement an ordering system using QR menus and pre-orders via WhatsApp, with a target waiting time of less than 10 minutes during peak hours. Baristas and frontliners will receive storytelling training so that the interaction is more interesting and in accordance with the concept of creative murals. The service flow from ordering to serving will be visually mapped in the checkout area to reduce queues and improve customer understanding. Fast service standards are also enforced with a maximum order time target of 4 minutes to pick-up. In addition, there is a communal work zone with strong Wi-Fi and seasonal mural rotations to maintain a dynamic atmosphere and support the brand's aesthetic.

2. **Student Price Loyalty & Bundling Program**

   The *"Blok18 Stamp Card"* was launched with exclusive prizes such as (7 purchases get 1 *free signature drink*) and *the Snack+Drink Student Deal* package at a special price at 13:00–17:00. The scheme targets an increase in the frequency of loyal customer visits by at least 25%, while attracting the low-cost student segment.

3. **Creative Community Collaboration & Regular Events**

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Schedule a minimum of two monthly activities (*live mural painting* and *openmic music*) by collaborating with Tegal artists as a form of *service co-creation* to strengthen customer experience and community involvement. Each event comes with a limited edition menu (e.g. "Graffiti Latte") and made into *live streaming content*. This activity expands the customer network, drives 20% higher visit traffic on the day of the event, and strengthens Blok18's image as the "home" of the creative community.

4. **Expansion of Digital Sales Channels & Eco-Friendly Packaging**

   Onboarding to delivery service platforms such as GoFood and GrabFood, as well as the integration *of WhatsApp Order bio links* on Instagram. Blok18 will be registered on GoFood and GrabFood, with a target of contributing 20% of online sales in one year. Takeaway packaging is replaced with biodegradable materials printed mural designs by local artists; customers who return cups get a 5% discount. This initiative combines market expansion with a commitment to sustainability, as well as brand educational content on social media.

Medium-Term Development Plan (1-2 Years)

The medium-term development plan is focused on product diversification, customer management systems, as well as strengthening internal resources to support sustainable growth.

1. **Diversification of Products & Sources of Income**

   Coffee Shop Blok18 will expand its product line while still highlighting the *Creative Urban* character. Research and development (R&D) is done first to ensure each innovation has a uniqueness and clear market segmentation:

   a. ***Signature Roastery & Bottled Coffee***: Produces *house blend* "Graff Beans" and *readytodrink cold brew* in eco-friendly bottles. This step increases the source of retail revenue and strengthens the brand as a creative coffee specialist.
   b. ***DIY Coffee Kit & Merchandise***: Offers homebrew packs (coffee beans, filters, illustration guides) as well as limited-edition mural merchandise (tote bags, t-shirts, stickers). This diversification adopts *an experience economy approach of* physical products as well as a medium of creative expression for customers.
   c. **PlantBased & Local Fusion *Menu***: Developing plant-based milk drink variants and collaborative snacks with Tegal culinary MSMEs (e.g. coffee-batik brownies) coffee brownies with batik motifs as visual elements that strengthen

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local identity and product appeal. Supplier research is carried out to ensure the quality of materials and stock availability.

2. **CRM System & Loyalty App**

   In terms of customer management, Blok18 will implement a QR-based loyalty application system that records customer preferences and frequency of visits. This data will be used for more personalized promotional campaigns and increase the switching cost of customers to stay loyal.

3. **Improvement of Visual & Operational Outlets**

   The interior renovation will be carried out in stages with a seasonal theme to maintain visual appeal. Strengthening operational SOPs and staff training is carried out to ensure that service quality remains consistent and in line with Blok18's visual identity.

4. **Strengthening the Managerial & Creative Team**

   To support sustainability and managerial quality, Blok18 will form an internal team responsible for digital content production, event management, as well as managerial and financial training programs. This program will be supported through collaboration with local MSME incubation or CSR from partner companies.

Long-Term Development Plan (3-5 Years)

The long-term strategy is focused on geographic expansion, infrastructure strengthening, and social impact.

1. **Regional Expansion & Business Model**
   a. **Market Analysis of the Target City**: Conducting *a market feasibility study* in a campus city or transportation corridor (Semarang, Purwokerto) covering the potential demand for specialty coffee, demographic profiles, competitors, and logistics access with a format of 70% coffee bars and 30% creative workspaces/galleries. This model follows the trend of flexible working and differentiation from conventional coffee shops.
   b. **Flexible Outlet Format**: Carrying the concept of "Blok18 Mini" (≤ 40 m²) which combines *grabandgo* with interactive mural walls; the capex cost is lighter and suitable for highfootfall locations.
   c. **Partnerships & Licensing**: Establish partnerships with local café operators or artist collectives as *strategic partners* to accelerate penetration and cost-sharing adopting an interior design license model + taste SOPs.

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d. **Local GotoMarket**: Activation *of popup stores* during local art/culinary events, education about creative urban concepts, *"first customer" promos* with a 20% discount, and geotargeted digital campaigns.

2. Strengthening Infrastructure & Technology

a. ***Central Kitchen & Roasting Lab***: Built a centralized facility in Tegal to roast coffee and prepare *readytodrink production*, thus ensuring consistency of flavor throughout the outlets. The investments include medium-scale roaster machines, coldbrew extractors, and QC chambers.

b. ***Digital Ecosystem***: *Cloud-based POS* implementation integrated with CRM, loyalty app, and multi-store sales analytics dashboard; target *real-time* data visibility for quick decision-making.

c. ***SupplyChain Sustainability***: Established a long-term contract with a coffee farmer cooperative in Central Java and introduced compost packaging to reduce waste by 30% in five years.

3. Community Expansion & Social Impact

a. ***Creative Hub & Art Incubator***: The flagship branch functions as a showroom and mural/design workshop, supported by sponsorship of local paint brands. Blok18 positions itself as a "creativity incubator", expanding its network and strengthening its social image.

b. **Sustainability & Community Impact *Program***: Collaboration of "Coffee & Environment" educational murals in public spaces, *"One Cup One Tree"* program (planting coffee trees every 1,000 cups sold), and *coffee grounds recycling* to fertilize urban farming communities.

4. Funding & Risk Management Scheme

a. **Mixed Funding**: A combination of profit reinvestment, angel creative investors, and *artist community-based crowdfunding for new outlet projects.*

b. **Risk Matrix**: Monitoring of coffee bean price variables, consumer trends, and environmental regulations through *quarterly review*. Mitigation includes forward price contracts with farmers as well as diversification of non-coffee menus.

c. **Continuous HR Training**: Annual curriculum for baristas & store managers (sensory coffee, leadership, hospitality) to reduce staff turnover < 15% per year.

This long-term blueprint positions Coffee Shop Blok18 as a scalable coffee creative ecosystem, expanding the market through a flexible outlet format, strengthening internal

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value chains, and affirming its commitment to sustainability so that the company is able to adapt to the dynamics of the F&B industry while providing a positive social impact for the community. With this gradual strategy, Blok18 is expected to be able to grow as a sustainable creative coffee shop that is culturally relevant, financially strong, and has a social impact in Tegal and its surroundings.

Risk Management

1. **Regulatory and Compliance Risks**

   Changes in government policies, both related to business licensing, food and beverage hygiene standards, and art rules in public spaces, can affect the operations of Blok18. To anticipate this, Blok18 will establish intensive communication with relevant agencies such as the Tourism, Health, and MSME Office, to ensure that all permits are renewed periodically. In addition, to prevent obstacles in mural art activities, Blok18 will collaborate with artists from communities who have been officially registered and take care of public space art permits legally for the long term.

2. **Operational and Supply Chain Risks**

   Blok18 faces risks related to the scarcity of specialty coffee bean supply, damage to equipment such as espresso machines, and high staff turnover. To overcome this risk, Blok18 will conduct medium-term supply contracts with contract durations ranging (3–6 months) with several local coffee farmer cooperatives and maintain reserve stocks. Regular maintenance of equipment will be scheduled monthly, accompanied by the allocation of reserve funds for the replacement of essential parts. In terms of human resources, training programs and performance bonuses will be implemented to maintain motivation and reduce staff turnover rates, with a target rate of entry and exit rates below 15% per year.

3. **Market Risks and Competition**

   The emergence of new coffee shops with similar thematic concepts and aggressive pricing strategies could threaten Blok18's position in the market. In response, Blok18 will prioritize a differentiation strategy based on unique experiences, such as thematic coffee presentations, creative community events, and the concept of "coffee meets urban art". Pricing will follow *a value-based pricing* approach, where prices reflect the quality of products and services, rather than just competing nominally. In addition, loyalty packages and bundling discount programs for student and regular customers will be launched periodically to increase retention.

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4. Reputation and Social Media Risks

As a place that combines coffee and mural art, Blok18 also has a reputational risk, especially if the mural or art expression is considered controversial or there are customer complaints that go viral on social media. To anticipate this, Blok18 will implement a quick response SOP on social media, with a maximum response time of 2 hours. Educational content on mural philosophy and documentation of the creative process will be actively published to build public understanding. Staff will also receive training in handling customer complaints in an empathetic and professional manner on site.

5. Financial and Economic Risks

Fluctuations in raw material prices, rising rental costs, and a slowdown in the local economy could have an impact on Bloc18's cash flow and expansion capabilities. Therefore, Blok18 will provide an emergency fund equivalent to three months of operational costs as a financial buffer. Negotiations with property owners will be directed towards gradual rent increases and long-term contracts with flexible clauses. On the raw material purchase side, *forward contracts* with major suppliers will be sought to maintain price stability, especially in the event of a price spike in the market.

6. Sustainability and Environmental Risks

Blok18 also pays attention to sustainability-related risks, such as increasing demands for the use of eco-friendly packaging and waste management. To answer this challenge, Blok18 is committed to transitioning to the use of biodegradable packaging up to 80% in the next three years. In addition, *the cup-return rewards program* and the management of coffee grounds waste for agricultural or handicraft purposes will also be encouraged. Blok18 will also prepare an annual sustainability report (*ESG report*) as a form of accountability and transparency to customers and stakeholders.

***Business Process* Blueprint**

Blok18's business process blueprint describes the entire operational flow from upstream to downstream which includes raw material procurement, beverage and food production, customer service, marketing, and human resource management. The goal of this blueprint is to ensure that all processes run in an integrated, efficient manner, and provide a consistent and satisfying consumer experience. The main pillars of this blueprint are as follows:

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1. **Supply Chain Optimization and Local Collaboration**

   Blok18 is committed to building an efficient and sustainable supply chain by prioritizing cooperation with local coffee farmers, roasters, and MSME food producers that have standardized quality. To maintain the quality and consistency of taste, Blok18 will conduct a strict selection of suppliers, both for coffee ingredients and other foodstuffs such as palm sugar, chocolate, and local fruits. A medium-term partnership approach (3–6 months) will be put in place to ensure price and supply stability. In addition, cooperation with local creative actors in terms of providing decorative elements and collaborative products (such as batik glasses or art packaging) is also part of efforts to create synergy between businesses and the surrounding community.

2. **Consistent Production Process and Customer Service**

   The production process at Blok18 includes the preparation stage of raw materials, the process of brewing coffee by manual methods and espresso machines, and the serving of accompanying foods. The entire process is carried out with standardized SOPs, both in terms of brewing techniques, serving time, and visual arrangement of products. Baristas and kitchen crews will be trained regularly to be able to maintain the consistency of taste and aesthetics of the dish. The queue and service system will also use *a semi-self-service method*, where customers place orders at the checkout and wait for the order to be picked up with the name or queue number. This is applied to improve efficiency as well as minimize order errors during peak hours.

3. **Marketing and Sales Strategy**

   In the marketing aspect, Blok18 will combine *community marketing strategies*, digital engagement, and creative collaboration. Promotional activities are not only carried out through social media such as Instagram and TikTok, but also through community events such as latte art classes, creative discussions, and mural days with local artists. Sales are also directed to create *customer experiences*, such as thematic menus based on days or seasons, as well as exclusive offers for loyal customers. In the future, Blok18 will develop a *pre-order system and subscription package* for regular customers, as well as sell limited edition merchandise as part of its *brand storytelling strategy*.

4. **Human Resource Management and Development**

   Human resources are the main asset of Blok18. Therefore, this blueprint includes a regular training plan for baristas, kitchens, and service staff that covers

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aspects of technical skills (brewing, plating, customer service) and soft skills (communication, problem solving, hospitality). The training program will also be equipped with occupational safety modules and basic knowledge about sustainability and waste management. To increase employee loyalty and retention, Blok18 will implement a performance-based incentive system and a clear career path, including opportunities to become *store leaders* or *product trainers* for outstanding staff. In addition, a collaborative and participatory work culture will be maintained with a *team huddle routine* and monthly feedback forum.

By combining these approaches synergistically, *Coffee Shop* Blok18 is able to develop a business development strategy that is not only adaptive to market changes, but also aligned with its internal strengths and customer needs. This strategy ensures that Blok18 remains relevant, competitive, and sustainable amid the dynamics of the coffee shop industry that continues to grow.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

1. Blok18 is powered by a strong brand identity, product differentiation based on local stories, and a shop atmosphere that supports creativity and social connection. This is an added value that makes Blok18 superior to ordinary coffee shops.
2. The main weaknesses that need to be considered are still limited production capacity and dependence on certain suppliers, so there is a need for a more flexible logistics and supply system to be able to adapt to demand spikes or supply chain disruptions.
3. The great opportunity lies in the trend of increasing specialty coffee consumption among young people, the growth of creative communities, and the government's encouragement of MSMEs based on local wisdom. This can be used by Blok18 to expand collaboration and create distinctive products that have emotional and aesthetic appeal.
4. External threats include competition from large coffee franchises, rising raw material prices, and rapidly changing market tastes. Therefore, continuous innovation, monitoring consumer trends, and revenue diversification strategies are important steps to reduce dependence on one market segment.

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Recommendations

1. ***Strengthening Brand Awareness* and *Digital Engagement***

   As a short-term priority, Blok18 needs to intensify scheduled social media campaigns using Instagram Reels, TikTok, and *usergenerated* content to reinforce its *distinctive Creative Urban* concept . Collaborations with local micro-influencers and the "tagandwin" program in the mural area will increase visibility while bringing in new customers.

2. **Service Process Optimization**

   To reduce wait times and maintain quality consistency, WhatsApp's QRmenu-based ordering system and WhatsApp preorders must be implemented thoroughly. The target process from order to presentation is ≤ 10 minutes during peak hours. Espresso machine maintenance schedules and regular barista training will prevent operational downtime.

3. **Product Diversification and Sustainable Innovation**

   Blok18 is recommended to launch *seasonal signature drinks*, *a readytodrink* cold brew line, DIY Coffee Kit packages, and plant-based menus to respond to health trends. This innovation expands revenue streams and reduces reliance on in-store sales alone.

4. **Community-Based Market Penetration Strategy**

   In the next six months, Blok18 needs to increase collaboration events such as *live mural painting* and *openmic music* to attract creative segments and increase daily traffic by at least 20%. The student price bundling program and the "Blok18 Stamp Card" are expected to increase the frequency of loyal customer visits by 25%.

5. **Outlet Expansion and Partnerships**

   In the long term, Blok18 must prepare the concept of "Blok18 Mini" (≤ 40 m²) for campus or transit cities, with *grabandgo format* and interactive murals. Partnership schemes or interior design licenses + flavor SOPs allow for new market penetration without excessive capex burden.

6. **Integrated Risk Management**

   Blok18 needs to adopt an ISO 31000-based risk matrix including F&B regulations, coffee price fluctuations, and social media reputation with quarterly audits. Forward supply contracts with coffee farmers, 2-<hour online response SOPs, and a three-month operational emergency fund must be implemented to maintain business continuity.

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7. Sustainable Human Resources Competency Development

Barista training programs twice a year (sensory coffee, hospitality, storytelling murals) as well as clear career paths (baristas → senior → trainers) will reduce turnover below 15% and improve service quality. A performance-based incentive system and participatory work culture will foster employee loyalty.

Implications for Future Development

The implementation of the above recommendations has the potential to place Blok18 as a pioneer in the creative coffee ecosystem in the Tegal area and its surroundings. By combining product innovation, visual experiences, and community collaboration, Blok18 can create double added value financially through income diversification, and socially through the empowerment of local artists.

In the future, the trends of sustainability (biodegradable packaging, *coffee grounds recycling*) and digitalization (loyalty app, datadriven marketing) will be increasingly dominant. Blok18 must continue to be adaptive to changes in F&B regulations, fluctuations in raw material prices, and shifting consumer tastes. Business process blueprints, integrated risk management, and flexible expansion roadmaps will be key foundations for navigating industry dynamics and maintaining brand relevance on an ongoing basis.

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