

Implementation Of Entrepreneurial Spirit and Innovation Business Success Of Coffee Shops (Case Study Of Telos Kopi In Gunungsitoli City)

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ABSTRACT

Telos Coffee is a coffee shop located in Gunungsitoli City, offering a variety of coffee blends and preparations that attract consumers and coffee enthusiasts. It has become a favorite spot for young people to gather, socialize, or work on office and university assignments. The purpose of this research is to understand the entrepreneurial spirit implementation by the owner of Telos Coffee in running the coffee shop business, the effective implementation of innovative practices by the owner, and the strategies employed by Telos Coffee to succeed in the coffee shop business in Gunungsitoli. This qualitative research adopts a case study approach, utilizing three variables and involving three informants. The findings reveal that Telos Coffee's entrepreneurial spirit is evident through increased customer numbers, diverse coffee bean and menu offerings, improved facilities, and a strategic location selection. The innovation implemented by Telos Coffee includes offering unique products, such as various coffee types from different regions of Indonesia, a focus on in-house coffee blends crafted by Telos Coffee's baristas, affordable pricing, actualizing a representative location, and enhancing supporting facilities and infrastructure. The success of Telos Coffee is attributed to various promotional programs on social media, effective communication with peers and organizations, and the establishment of a positive image among customers, positioning Telos Coffee favorably in the eyes of its clientele.



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1. INTRODUCTION

Coffee shops are an innovation in serving caffeinated drinks that offer different tastes, places, and facilities compared to traditional coffee stalls. Generally, traditional coffee stalls only serve coffee mixed with sugar and hot water (Rahmawati et al., 2023). However, in coffee shops, various types of coffee beans and preparations are offered to consumers. Additionally, they have different brewing concepts, presentation models, and tastes compared to traditional coffee stalls. The phenomenon of the growth of coffee shops is developing because many young people are building micro, small, and medium enterprises (MSMEs) by adopting models that have already become popular abroad (Alvarez-Peregrina et al., 2024). The narrowing job opportunities make many young people turn to entrepreneurship in various sectors, including beverage products. In the era of globalization, lifestyle trends and consumer behavior values have crystallized into social activities, such as hanging out in coffee shops.

Currently, the development of coffee shops is growing rapidly. In both large and small cities, it is easy to find coffee shops with different facilities, items, prices, tastes, and quality. The facilities available at each coffee shop vary, giving visitors, as consumers, options for hanging out places. The various facilities provided are part of a coffee shop entrepreneur's strategy to attract visitors. Business owners are generally seen as entrepreneurial innovators. Entrepreneurs must be able to understand consumer needs and desires so that they feel comfortable and indirectly become a promotional tool to attract new visitors (Sarah & Susilawati, 2023). Coffee shops cannot be separated from innovation to keep the business growing and increasing income. In realizing business results, business owners will prepare all business needs independently and be ready for the risks that lie ahead. Entrepreneurship is the process of establishing and running a business or an enterprise, encompassing values, abilities, and behaviors in facing challenges (Stephan et al., 2024). Simply put, it is the ability in terms of business, activities, actions, or efforts to recognize new products, determine production methods, organize operations for new product procurement, market them, and manage operational capital (Gusniar et al., 2023).

The purpose of entrepreneurship is to find opportunities, obstacles, estimated cost projections, and risks in starting a business. To achieve this goal, a business owner must have an entrepreneurial spirit. The phenomenon of the growth of many coffee shops can be seen as young people, as business owners, possessing an important capital, which is the spirit of building a business. The entrepreneurial spirit is related to innovation because they are aligned in building a business (Fathurrohman & Ana, 2023). The success of a business lies in the synergy between the entrepreneurial spirit and innovation, which is the main capital for a coffee shop business to provide income for the owner and employees.

Running a business requires, among other things, leadership skills to manage the business, an open mind to see potential and challenges ahead, and creativity in business to compete in the industry. Therefore, to become a reliable entrepreneur, one must have discipline, creativity, and innovation to meet market needs and opportunities (Risnawati et al., 2023). Innovation is one of the choices for business owners in facing market competition and sustainable management. The situation demands the emergence of fresh ideas or thoughts by offering innovative products and improving services to satisfy customers. This greatly influences success in facing the growing business competition. Market competition can be won if entrepreneurs can meet the required criteria. These criteria include establishing relationships with consumers about the products consumed, the level of consumer satisfaction, the quality and selling prices of competing products so that information related to consumer desires and expectations can be transformed into company operations, resulting in quality products at low prices, which is an easy factor to win business competition (Pradana et al., 2023).

Each year, the business opportunities for coffee shops experience a high growth trend. Various studies and journals explain the growth of coffee shops. For instance, (Kioulepoglou et al., 2024) research on the phenomenon of the proliferation of coffee shops as a lifestyle trend among young people in Metro City found that young people generally use coffee shops as hangout locations, social interaction, building communication, and a place to relieve work fatigue. Additionally, (Stephan et al., 2024) research found that coffee shops are frequented by young people aged from teenagers to those in their 30s. The rapid development of coffee shops from large cities then extends to smaller cities, including Gunungsitoli.

Gunungsitoli City is an autonomous region located on Nias Island with various development diversities. Currently, Gunungsitoli is positioned as a developing area. According to the final report on the Regional Potential Profile of Gunungsitoli City (2020), the investment value of three companies in Gunungsitoli reached 22.8 billion. This presents potential as a promising place to build a business, including coffee shops. With the advancement of the times, various entrepreneurial results and forms are easily known. In building a business, some develop online networks across various types of social media or have physical trading places. According to (Pahira & Rinaldy, 2023) research, the coffee shop business model provides a place for serving coffee with contemporary concepts and cultures, dominated by Generation Z to millennials aged 15-38 years. The presence of coffee places in Gunungsitoli City holds a special position as an alternative gathering spot or more important destinations. The variety of choices offered makes coffee shops have a selling point for

young people. Currently, coffee shops create a new, more fluid lifestyle, unconsciously becoming part of the fabric of life.

Telos Kopi is one of the coffee shops located in Gunungsitoli. Since its opening, this place has become one of the favorite spots for young people to gather, chat, or work on office and college assignments. Various coffee menu offerings and preparations attract coffee consumers, even though some products are non-coffee. The entrepreneurial spirit and innovation of Telos Kopi's owner have become an attraction that the author is interested in exploring in this thesis research.

2. RESEARCH METHOD

This study uses a qualitative approach with a case study method to explore specific cases at Telos Kopi. The case study was chosen because it allows the researcher to describe symptoms, events, and occurrences happening at present in depth. According to (Yusuf et al., 2024) qualitative research focuses on objects experiencing events with the researcher as the key instrument, enabling comprehensive fact-gathering. The research variables include entrepreneurship, innovation, and business success. The entrepreneurship variable encompasses need for achievement, locus of control, self-reliance, and extraversion (Rifa'i and Husinsah, 2022). Innovation includes product, process, organization, and marketing (Kotler et al., 2018). Business success is measured through promotion, branding, passion, interest, entrepreneurial spirit, and business networking (Gopalakrishnan et al., 2021).

This research was conducted at Telos Kopi, located at Jl. Pattimura, Lingkungan I, Ilir Subdistrict, Gunungsitoli City. The research schedule runs from September 2023 to March 2024, covering activities from the proposal phase to the thesis defense and thesis revisions. The data sources consist of primary and secondary data. Primary data is obtained through questionnaires, interviews, focus groups, and panels with respondents such as the owner of Telos Kopi, employees, and visitors. Secondary data is taken from various sources like records, books, published reports, articles, and relevant websites.

The qualitative research instrument is the researcher themselves, who records information throughout the research process. The research informants include Zul Indrawansyah Caniago (owner of Telos Kopi/Barista), Intan Manao (Barista/Waitress), and Merlin Gea (Waitress/Cashier). Data collection techniques involve observation, interviews, and documentation. Observation is conducted by observing the research object at Telos Kopi. Interviews are conducted face-to-face with the owner, employees, and visitors using a prepared interview draft. Documentation includes evidence such as photos of equipment, photos of visitors, and visitor logbooks. Data analysis follows the (Sroginis et al., 2023) model, which consists of data reduction, data presentation, and conclusion drawing. Data reduction involves selecting, simplifying, and transforming raw data. Data presentation organizes information systematically to facilitate conclusion drawing. Conclusions are drawn throughout the research and verified to ensure accuracy and accountability.

3. RESULTS AND DISCUSSIONS

The research findings reveal that Telos Kopi possesses several advantages that distinguish it from other coffee shops in Gunungsitoli. Its strategic location, situated in a busy thoroughfare, makes it easily accessible to both new and loyal customers. The proximity to changes in road routes also adds value, attracting passing visitors. Moreover, Telos Kopi captures the attention of customers by offering high-quality and diverse coffee selections. With prices relatively more affordable compared to its competitors, Telos Kopi can attract customers from various socioeconomic backgrounds, especially budget-conscious young adults. The facilities provided by Telos Kopi are also enticing, with clean and well-appointed restrooms, as well as the availability of WiFi facilitating customers to multitask while enjoying their coffee (Hölscher et al., 2024).

However, Telos Kopi also faces several challenges that need to be addressed to maintain and enhance its success in the market. One of these challenges is the lack of innovation in creating an authentic coffee identity from Pulau Nias, which could serve as a unique selling proposition and draw for customers. Additionally, the limitation of parking facilities for four-wheeled vehicles is also a constraint that needs to be addressed, considering the need for safe and convenient parking spaces for visitors. Furthermore, menu expansion is one strategy Telos Kopi can undertake to meet the

increasingly diverse consumption needs of customers. Collaborations with other eateries or culinary businesses could also be a solution to broaden the food options at Telos Kopi (Russen et al., 2024).

In addressing these challenges, Telos Kopi needs to undertake further strategic efforts. Additionally, further research on customer satisfaction levels and the impact of innovation on Telos Kopi's development in the future can be crucial steps. By understanding customer needs and preferences more deeply, Telos Kopi can identify new opportunities to enhance the customer experience and expand its market reach. Thus, Telos Kopi can remain a representative destination for coffee enjoyment in Gunungsitoli, strengthening its position amidst the increasingly competitive landscape of the coffee shop industry.

4. CONCLUSION

Based on the research findings, the author concludes that Telos Kopi's entrepreneurial spirit is evident through various efforts by the owner to expand the market share and improve service quality. The innovations implemented, such as offering unique coffee products from various regions in Indonesia and focusing on specially crafted coffee creations by Telos Kopi's baristas, have helped attract customer interest. The success of Telos Kopi's business is also linked to promotional programs on social media, effective communication with peers and organizations, and the positive image built in the eyes of customers. To further develop this research, it is recommended to conduct an analysis of customer satisfaction levels regarding the taste of coffee and the comfort provided by Telos Kopi. Research can also focus on how much the innovations offered by Telos Kopi influence customer perceptions and satisfaction. Additionally, monitoring Telos Kopi's development over time can be crucial record for business owners in advancing their business.

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