

Coffee Shop Business Strategy "Warkam" in Gresik Based on Soar: Efforts to Increase Competitive Advantage

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Abstract. This research aims to analyze the business strategy of the "WARKAM" coffee shop in Gresik based on SOAR (Strengths, Opportunities, Aspirations, Results) in an effort to increase competitive advantage. This research using a qualitative approach with phenomenological to explores the experiences and perceptions of WARKAM business actors and customers through interviews, observation and documentation. The research results show that WARKAM has several main advantages such as a strategic location, affordable coffee prices, an attractive interior concept, and a strong customer community. The strategies implemented include developing new menus and locations, improving customer service, and collaborating with local coffee farmers. In addition, the use of social media and customer loyalty programs is expected to expand market and to strength WARKAM's competitive position, making it the main destination for coffee lovers in Gresik. The research recommend to optimize potential in facing a competition in the coffee shop by SOAR.

Keywords: SOAR, Strategy, Coffee Shop

1. Introduction

The development of service businesses can be achieved through accurate and efficient inventory management. Forecasting or prediction is a general step that is usually taken to support inventory management, so that companies can provide better service to their consumer [1]. In this context, timely and efficient inventory management is the key to success for various types of businesses, including coffee shops which are now increasingly mushrooming in various regions. Roadside Stalls, which are small businesses that are generally owned by families and take the form of stalls, kiosks, small shops, or simple restaurants, are an important part of the daily lives of Indonesian and Malaysian people.

Apart from selling traditional Indonesian food, several stalls also offer Asian and Western dishes, such as fried rice and fried noodles, as well as simple snacks such as fried bananas and coffee. The term "Roadside Stall" is also used to refer to shops or taverns in various contexts, including coffee shops, which adopted the term by adding the word "coffee" [2]. Drinking coffee can represent a variety of activities, from enjoying food and drinks to talking in a business

context, exchanging ideas at work, meeting with old friends, and casual chats on the side of the road. The activity of drinking coffee in a coffee shop is also an activity that is open to all groups regardless of social status, gender or age. Coffee shops do not differentiate between their visitors, be they male or female, rich or poor, old or young. The current phenomenon of the new coffee drinking trend actually reflects the long-standing preference among Indonesian people for coffee drinks, which is not much different from the tradition of drinking coffee in conventional coffee shops [3].

The growing number of coffee shops in this area has caused business competition between them to become increasingly fierce. In this situation, many coffee shops try to attract customers by offering various promotions and other incentives. Coffee shop and coffee shop owners must be smart in responding quickly to market dynamics, both in attracting customers and formulating strategies to maintain business continuity [4]. To achieve this, it is important for owners to understand consumer behavior and respond appropriately to customer needs and desires. Competition between modern coffee shops and traditional coffee shops mainly centers on production, promotion, location and price [5]. These factors can be important instruments for comparing coffee shops with coffee shops, highlighting the differences between the two in various aspects of the business. In the competitive coffee shop industry, effective management is the main key to maintaining and increasing competitiveness [6]. Intense competition between coffee shops requires managers to manage their business well, starting from aspects of product quality to customer service. Good management not only includes operational aspects, but also appropriate marketing and product development strategies. This includes understanding customer tastes and preferences and tailoring menus and promotions accordingly. Apart from that, good management also pays attention to operational efficiency and resource management. In Gresik Regency, there are more than 150 coffee shops competing to attract the attention of local customers and tourists. In intense competition, coffee shop managers need to ensure that their operations run smoothly and efficiently, including raw material stock management, financial management, and employee supervision [7]. An efficient and structured process will help coffee shops to remain competitive in terms of price and quality of service.

Finally, good management also involves innovation and adaptation to market changes [8]. In a dynamic business environment, successful coffee shops are those that are able to adapt quickly to trends and changes in customer preferences. This may involve developing new menus, implementing technology to improve the customer experience, or even expanding into new market segments. With good management, coffee shops can remain relevant and competitive amidst intense competition. In Gresik Regency, competition in the coffee shop industry has reached a very tight level. One of the main players in this arena is the coffee shop owned by Mas Assegaf, which has been established since 2019. This coffee shop offers a unique experience with coffee that has its own distinctive taste, as well as providing a comfortable environment for local visitors. Competition occurs when organizations or individuals seek to achieve certain goals, such as attracting consumers, gaining market share, getting high rankings in surveys, or securing necessary resources [9]. However, to face increasingly fierce competition

in the Gresik Regency market, where there are many coffee shops with their own unique qualities, an in-depth SOAR analysis is needed to understand the overall business position and strategies that must be taken by the Mas Assegaf coffee shop.

By paying attention to this SOAR analysis, Mas Assegaf coffee shop can identify strategic steps to maintain and improve its position in the Gresik coffee market. Companies need to make efforts to strengthen their advantages, such as improving product quality and customer service, as well as developing more effective promotional strategies. The digital economy period opens up opportunities for marketing through social media and e-commerce platforms such as "Facebook, Instagram, and Tokopedia". Apart from that, this coffee shop also needs to keep abreast of market trends and be responsive to changes in external conditions that can affect its business [10]. With the right approach, Mas Assegaf coffee shop can continue to compete and develop amidst intense competition in the Gresik coffee industry.

2. Literature Review

Strategy

According to [11], strategy is a comprehensive approach that includes conceptualization, planning, and implementation of actions within a certain period. According to [12], business strategy involves the policies and attitudes of business units towards competitors, customers and suppliers to achieve competitive advantage. [13] defines strategy as a framework that includes goals, intentions and policy plans. The researcher also classifies strategies into three types:

1. Management Strategy: Steps taken to plan overall development, including product development, pricing, acquisitions and market expansion.
2. Investment Strategy: Focus on investment to achieve growth, enter new markets, establish new divisions, and company continuity.
3. Business strategy: Focuses on management aspects such as production, marketing, finance, and distribution.

“SOAR“ Analysis

SOAR (Strengths, Opportunities, Aspirations, Results) is a business strategy approach that focuses on positive elements to improve organizational performance and competitiveness. Introduced by David Cooperrider in the Appreciative Inquiry approach, SOAR is an alternative to SWOT analysis which emphasizes strengths and potential rather than weaknesses and threats

1. Strengths: Refers to the abilities and assets that support business continuity, both physical and non-physical.
2. Opportunities: External elements that can be exploited to an organization's advantage if recognized and seized effectively.
3. Aspirations: Vision and mission built with the involvement of all parties in the organization to improve performance and trust.

4. Results: Determining achievement measures to evaluate how far the agreed goals have been achieved, accompanied by a recognition and reward system to motivate members.

The SOAR approach helps in formulating positive strategies that lead to excellence, innovation, and achieving desired results, as well as motivating organizational members by focusing on potential rather than weaknesses business.

Competitive Advantage

Competitive advantage is a position in the market where a company provides superior value to consumers, enabling the company and its stakeholders to achieve above average profits. Competitive advantage is achieved through appropriate strategy, which is concerned with the allocation of resources to develop a company's specific assets and capabilities. Competitive advantage involves:

1. Excellence Statement: A superior position over the competition.
2. Physical Evidence: Concrete evidence of the benefits provided to consumers.
3. Combined Factors: Better cost management, unique products, and protected market segmentation.

Benefits that many consumers enjoy are willing to pay more for and are difficult to find elsewhere.

3. Research Method

This research uses a qualitative method with a phenomenological approach. This qualitative approach is well suited to a variety of situations. Although the results of qualitative research cannot be directly applied to all situations, they have relevance in contexts that have similar or similar characteristics. Qualitative research focuses more on exploring business development strategies to improve the welfare of the community around Gresik Harbor, Gresik District. This approach allows research to understand the strategies and experiences of coffee shop entrepreneurs in facing challenges and opportunities in the local market. The descriptive approach aims to collect information related to conditions or symptoms that occur during the research. The main characteristics of the phenomenological approach are a focus on the phenomenon itself, exploration of the experience of the phenomenon experienced by individuals or groups, a philosophical approach in discussion, and data collection involving interviews as a typical procedure. In the context of competitive advantage, a qualitative phenomenological approach will emphasize a deep understanding of how Warkam coffee shops face competition in the coffee industry environment. The research was carried out around Gresik Harbor, which is located in Gresik Regency. Based on interviews and observations conducted by the author around Gresik Harbor, it was found that there were coffee shop businesses there, one of which was the Warkam business. Data was collected through in-depth interviews with coffee shop owners and managers, as well as direct observation of daily operations and interactions with

customers. Data analysis was carried out using a phenomenological approach to gain an in-depth understanding of individual experiences and perceptions regarding the phenomenon of competition in the coffee industry in the region.

4. Result and Discussions

“WARKAM“ Coffee shop in Gresik is a popular hangout place among local people because of its strategic location on the side of a busy road or urban corner. With a simple but attractive concept, friendly interior design, and relaxed atmosphere, “WARKAM“ is a favorite for many people to relax or gather with friends. However, like any other business, “WARKAM“ faces various challenges that need to be overcome to remain competitive. This approach helps “WARKAM“ in optimizing internal strengths, exploring opportunities in the environment, setting long-term aspirations, and formulating concrete steps to achieve the desired results. To evaluate strengths and overcome existing weaknesses, analysis using the SOAR (Strengths, Opportunities, Aspirations, Results) approach is very necessary. In this way, WARKAM can continue to develop and maintain its position as one of the leading coffee shops in Gresik amidst increasingly fierce competition in the culinary industry. In-depth research identified several key advantages of “WARKAM“.

First, its strategic location makes it easier to access and increases visibility, providing convenience for consumers looking for a place to hang out. Second, the simple but attractive concept with friendly interior design creates a comfortable and relaxed atmosphere for visitors. Third, “WARKAM“ becomes a gathering place for local communities, creating warm social interactions and building strong loyalty. Fourth, the affordable price of coffee makes it an attractive choice for various groups, including students, workers and families. Some of the opportunities that “WARKAM“ can take advantage of include improving the customer experience by expanding seating space or organizing more efficient service flows, which will increase comfort and minimize waiting times. In addition, WARKAM's popularity as a coffee destination offers opportunities to strengthen the brand and differentiate from the competition by continuing to innovate in products and services, such as presenting special menus or holding thematic events. Another strategy that can be taken is to develop alternatives to deal with severe weather, such as providing delivery services or additional protection from the heat. The need for a wider menu variety also creates opportunities for diversification, by adding new food and drink options to suit customers' diverse tastes.

The research results highlight that “WARKAM“ has significant advantages such as strategic location, attractive concept, strong community and competitive prices. However, to remain competitive, it is important for “WARKAM“ to overcome the challenges faced such as limited space, tight competition, dependence on weather, and limited menus. By utilizing the SOAR approach, WARKAM can identify new opportunities, develop long-term aspirations, and strengthen their position in the Gresik coffee shop market. Overall, a SOAR-based strategy helps “WARKAM“ optimize internal strengths, explore external opportunities, and formulate clear

aspirations for sustainable business growth. By remaining responsive to market changes and customer preferences, WARKAM can ensure that they not only survive but also thrive amidst increasingly fierce competition in the culinary industry. Based on the “SOAR” Matrix, “WARKAM” Coffee Shop prioritizes Vertical Development Strategy to optimize internal strengths and take advantage of external opportunities.

WARKAM's internal strengths include a very strategic location and affordable coffee prices, which attract a wide range of consumer segments. This strategy will help “WARKAM” utilize their strategic location to attract more customers and maintain attractiveness with competitive prices. External opportunities that “WARKAM” can exploit include expanding seating areas and improving service quality to increase customer satisfaction, as well as continuing to innovate in coffee products and food/drink variations to attract new visitors. The Vertical Development Strategy was chosen to integrate and expand WARKAM's business by opening new branches in other strategic locations. This step is expected to increase revenue from sales, strengthen its position in the local market, and increase overall “WARKAM” brand exposure. Overall, the Vertical Development Strategy is in line with existing strengths and opportunities, aimed at strengthening WARKAM's business growth in a sustainable manner, and increasing competitiveness in the increasingly competitive coffee shop market in Gresik. By maintaining high service quality standards and affordable prices, “WARKAM” can maintain the loyalty of existing customers while attracting new customers.

Table 1. SOAR Metric

		Strength (S)	Opportunities (O)
		A. Strategic location B. Affordable prices	A. Customer Convenience B. WAKAM's popularity
External	Aspiration (A)	S.A	OA
	A. Improve product experience B. Product Innovation	A. WARKAM is located in a very strategic location. B. Providing affordable coffee prices, making it an attractive choice for various groups.	A. Expand seating areas and improve service quality to increase customer satisfaction. B. Continue to innovate in presenting coffee products and a variety of food/drinks to attract new visitors.
Result (R)		SR	OR
	A. Strengthening competitive advantages B. Sustainable business growth	A. Strategic location has a very important relationship in strengthening the competitive advantage of a business. B. Affordable prices can increase the number of new customers resulting	A. Customer comfort can maintain and improve Warkam's position in a competitive market. B. High popularity makes warkam more easily known by the wider community so that it can influence sustainable business growth.

		Strength (S)	Opportunities (O)
Internal		A. Strategic location B. Affordable prices	A. Customer Convenience B. WAKAM's popularity
External		in sustainable business growth.	
Source: Warkam, 2024			

Source: Warkam, 2024

5. Conclusions and Recommendations

Based on analysis using the SOAR Matrix, WARKAM shows significant internal strengths that support its competitiveness in the Gresik coffee shop market. These strengths include a strategic location that allows easy access for customers and increases visibility in the local community as well as affordable coffee prices, making WARKAM an attractive choice for a wide range of groups, from students to workers. In terms of external opportunities, WARKAM has the potential to expand seating areas and improve service quality to increase customer satisfaction. Continuing to innovate in serving coffee products and a variety of food/drinks can also attract new visitors and maintain the existing customer base. This SOAR analysis shows that by understanding and exploiting internal strengths and external opportunities, WARKAM can continue to increase its competitiveness in a dynamic market.

WARKAM's business strategy in facing competitive advantage involves several key steps. The vertical development strategy is considered a priority step, by opening new branches in other strategic locations to expand its geographic reach and introduce its brand to a wider market. This move not only has the potential to increase revenue from sales but also strengthen WARKAM's position in the local market and expand their brand exposure. In addition, maintaining high service quality standards and affordable prices is key to ensuring continued customer satisfaction. In this way, WARKAM can maintain the loyalty of existing customers while continuing to attract new customers through a good reputation and positive customer experience.

The approach of using the SOAR Matrix has helped WARKAM to identify internal strengths and exploit external opportunities appropriately. With a focus on innovation in products and services, as well as expansion through planned vertical development, WARKAM has great potential to remain one of the leading and sustainable coffee shops in Gresik.

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