

# Developing Raden Coffee Shop Business Through Innovation: A Design Thinking Approach

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DOI: <https://doi.org/10.52403/ijrr.20250520>

## ABSTRACT

The growth of coffee shop businesses continues to increase along with the rising consumption of coffee beverages. This growth has led to intense competition among coffee shops, making it necessary to develop specific strategies tailored to the characteristics of each coffee shop to remain competitive in meeting customer demands. Innovation plays a crucial role in determining business strategies, and the design thinking method is one alternative approach to fostering innovation. This study applies the design thinking method, which is characterized by a human-centered approach that seeks problem-solving through a deep understanding of customer needs. The study's findings identify the main challenge faced by Raden Coffee, which is low sales performance. Through observations, it was discovered that Raden Coffee's customer segmentation consists primarily of workers and students from tutoring institutions. Workers typically seek high-quality coffee that can be obtained efficiently, while the student segment consists primarily of children and teenagers. Based on these customer characteristics, a prototype strategy was developed, which includes opening a take-and-go booth and adjusting Raden Coffee's menu to cater to the tastes of children and teenagers.

**Keywords:** Design Thinking, Innovation, Coffee Shop

## INTRODUCTION

The food and beverage (F&B) industry is one sector that plays an important role in the global economy, including in Indonesia. This industry includes various types of businesses, ranging from restaurants, and food stalls, to coffee shops that are increasingly growing. One of the segments showing rapid growth in the F&B industry is the coffee shop and coffee industry. Coffee consumption in Indonesia continues to increase, along with the development of coffee culture in urban communities. Indonesia as one of the largest coffee producers in the world also plays a role in driving the growth of this industry. A report from the Association of Indonesian Coffee Exporters and Industries (AEKI) shows that domestic coffee consumption increases by more than 10% annually (AEKI, 2023).

According to a study conducted by the Snapchat team in 2023, 79% of Indonesians are coffee drinkers and most of them drink coffee every day. The survey also showed that 63% of Indonesians prefer coffee at coffee shops or cafes on weekdays. This data is the reason why the coffee shop business is very mushrooming and growing rapidly in Indonesia because it sees a potential and sizable market opportunity. This opportunity is captured by businesses to compete to

provide coffee shops that not only offer the best quality coffee but also provide a unique experience for their consumers. The concepts carried by coffee shops are increasingly diverse, ranging from coffee shops with minimalist, industrial themes, to those that provide a homey and comfortable atmosphere for working or socializing. Amid the rapid growth of the coffee shop industry, the challenges faced by business players are also increasingly complex. Intense competition requires entrepreneurs to continue to innovate, both in terms of menus, marketing strategies, and business models applied.

Raden Coffee is a coffee shop that was established in 2021 and continues to grow until 2025. Raden Coffee is one of the coffee shops that can survive amid intense industry competition. Serving high-quality coffee and distinctive flavors, Raden Coffee not only attracts customers because of its products. Integrated with Genius Music School and Genius Public Speaking, Raden Coffee has a great opportunity to create a synergized business ecosystem. This approach makes Raden Coffee not just a hangout place, but also a collaboration space that provides added value for customers and strengthens its competitiveness in the industry.

With the increasing competition in the coffee shop industry, implementing innovation-based strategies such as design thinking is a relevant solution. Through this approach, coffee shops can better understand customer needs, improve user experience, and create strong differentiation in the market. Therefore, this research will discuss how the design thinking approach can be applied in the coffee shop industry, especially at Raden Coffee, to face competition and improve the competitiveness of its business.

## **LITERATURE REVIEW**

One strategy that can be used to face this competition is the design thinking approach. Design thinking is a method that focuses on creative problem-solving by deeply understanding customer needs. In general, the concept of Design Thinking is a

comprehensive and systematic user needs-oriented approach by applying observation, questioning, and brainstorming methods to enable capturing what customers need (Mueller-Roterberg, 2018). This approach has been widely used by various industries, including F&B, to create a better customer experience. According to Brown (2009), businesses that apply design thinking can increase customer loyalty and operational efficiency. The design thinking process consists of five main stages, namely empathize, define, ideate, prototype, and test (Brown, 2009; Liedtka, 2015).

However, competition also requires businesses to continuously adapt and bring added value to their consumers. Research shows that innovations in service and marketing play an important role in increasing the competitive advantage of cafes. Pratama (2022) highlighted how business strategies that include unique design, innovative menu development, and social media utilization can increase customer loyalty. In addition, customer orientation and company innovation have a positive impact on coffee shop business growth, especially in the face of increasingly fierce competition (Wijaya and Santoso, 2024).

In the context of coffee shops, the application of design thinking can help in designing a more attractive customer experience, ranging from interior design, and innovative menus, to more personalized service. According to Putra and Rada (2025), the application of design thinking in user interface development can improve operational efficiency and customer satisfaction, which can also be applied in the coffee shop industry. In addition, design thinking can transform organizations and inspire innovation, which contributes to increased customer loyalty and operational efficiency in various industries, including coffee shops (Gonen, 2019).

## **MATERIALS & METHODS**

This research employs a descriptive qualitative approach to analyze the

implementation of the Design Thinking method in the business development strategy of Raden Coffee. Data were collected through in-depth interviews with owners and managers, direct observation, and documentation of the strategies applied. Additionally, questionnaires were distributed to gather feedback from customers.

The study follows the four stages of the Design Thinking process: empathize, define, ideate, and prototype. It was conducted in the area surrounding Raden Coffee, located in Sukaraja District, Bogor Regency, with observations carried out over a one-month period in February 2025. The findings of this study are expected to provide insights into the effectiveness of the Design Thinking approach in enhancing the marketing of Raden Coffee products and to offer strategic recommendations grounded in innovation and customer empathy.

## RESULT & DISCUSSION

### Empathize

Design Thinking consists of five main stages: empathize, define, ideate, prototype, and test. The Empathize stage is the initial phase, where researchers seek to align perceptions and develop empathy to understand the conditions or phenomena being studied. The goal of this stage is to deeply understand the users' needs and identify the problems they face, enabling researchers to develop relevant and effective solutions. To build this understanding, methods such as observation, interviews, surveys, and discussions with stakeholders can be employed. In this study, observations and interviews were conducted with the owner, employees, customers, and other stakeholders involved in the Raden Coffee business process. According to Podoinitsyn and Stetsenko (2023), interviews serve as a platform for stakeholders to express their perspectives and concerns, which is essential for adapting business processes to better meet their expectations.

Based on observations, Raden Coffee faces challenges related to low sales volumes,

which are only sufficient to cover the café's operating costs and have not yet generated meaningful profitability for the business owners. These limited sales are largely due to a combination of high fixed costs and ineffective pricing strategies. The high fixed cost structure requires the café to reach a certain minimum sales threshold in order to generate revenue beyond break-even. Observations also revealed several additional issues faced by Raden Coffee. One major concern is its location on a cross-district road, which causes passing vehicles to often overlook the presence of the café. Furthermore, the limited variety of food menu options has made it difficult to fully meet customer preferences and needs. However, the observation also provided insights into the business characteristics of Raden Coffee, indicating the presence of several potential target customer segments. The café is surrounded by several office buildings and industrial factories, positioning it as a convenient coffee provider for nearby office and factory workers. Additionally, Raden Coffee is located in the same building as the Genius Education Center, a tutoring institution, offering access to another potential market: students and the parents who accompany them.

In addition, an online survey was conducted using a questionnaire targeted at respondents who met the following criteria: workers, aged over 18 years, and coffee enthusiasts. The results of the questionnaire indicated that the majority of respondents desired a faster ordering process, a more diverse selection of menu items, and more practical digital payment methods. The questionnaire included questions related to the respondents' challenges in fulfilling their coffee consumption needs, as well as their experiences when visiting coffee shops. These insights into user problems were then synthesized and visualized in an empathy map chart, as presented in the following table.

**Table 1. Empathy Map**

<p><b>Says</b></p> <ol style="list-style-type: none"> <li>1. The location of Raden Coffee is difficult to notice, as it is situated along a busy cross-district road, which limits its visibility to passing vehicles.</li> <li>2. There is a need for a wider variety of food and beverage options, particularly those that cater to children and working professionals.</li> <li>3. Can there be a take and go system so I can buy coffee quickly?</li> <li>4. I enjoy the quality of the coffee here, but I sometimes wish there were more convenient digital payment options available.</li> </ol>	<p><b>Feel</b></p> <ol style="list-style-type: none"> <li>1. Feels uncomfortable due to difficulty in finding the café's location.</li> <li>2. Disappointed by the limited menu options, which do not meet the customers' needs.</li> <li>3. Feels inefficient because the coffee serving time is still too slow for busy workers.</li> <li>4. Desires a more convenient and faster payment experience with digital payment methods.</li> </ol>
<p><b>Task and Actions</b></p> <ol style="list-style-type: none"> <li>1. Ordering coffee to go (takeaway) while at work.</li> <li>2. Relying on digital navigation to find the café due to its location being less visible from the main road.</li> <li>3. Ordering food but feeling that the menu options are still limited, especially for children and workers.</li> <li>4. Having to wait for the coffee to be served, which takes longer than expected.</li> <li>5. Using digital payment systems when available.</li> <li>6. Visiting a coffee shop with a comfortable atmosphere for working or dining in.</li> </ol>	<p><b>See and Hear</b></p> <ol style="list-style-type: none"> <li>1. Many vehicles are speeding, making it difficult for drivers to notice the café.</li> <li>2. Customers are looking for alternative places to eat that offer a more varied menu.</li> <li>3. Workers who want quick coffee prefer to buy from other places that offer more efficient service.</li> <li>4. Some customers have asked if digital payment options, such as QRIS or e-wallets, are available.</li> <li>5. Promoting and innovating new menu items through social media.</li> <li>6. A coffee shop atmosphere that supports productivity and social interaction.</li> </ol>

## Define

The Define stage is the next step after Empathize in the Design Thinking method, where the process of defining the problem to be solved is carried out specifically based on the data gathered during the Empathize phase. The issue identified is the low sales value of Raden Coffee products, which does not generate sufficient profitability. A business inherently has fixed costs that must be incurred. To achieve profit, the revenue must exceed the costs incurred by the company.

Several problems contributing to the low revenue at Raden Coffee are due to various challenges. The first challenge is related to the awareness of Raden Coffee's existence as a coffee shop. The low visibility of its location, because it is situated on a busy cross-district road, leads many drivers to overlook it. The supporting facilities for customers, such as parking access, are also deemed inadequate. The next challenge is the alignment of Raden Coffee's products with the needs of its customer segment. Raden Coffee's customer profile primarily consists

of local workers and students from the Genius Education Center.

## Ideate

The *Ideate* stage in the Design Thinking approach is used to determine solutions for identified problems or phenomena. This stage focuses on generating various ideas through different techniques, such as brainstorming and mind mapping, which encourage creative thinking and innovation. Ideas may emerge either from efforts to solve existing problems or from utilizing available opportunities.

According to Vekinis (2023), problem-solving is a key driver of idea generation, as it involves addressing specific needs or demands. Wyrcki et al. (2021) also argue that opportunity-driven ideas provide a structured approach to transforming opportunities into innovative concepts.

The main challenge faced by Raden Coffee is the low sales value of its products, which prevents the business from achieving profitability. To address this issue, innovation efforts will focus on increasing

sales value. The identified opportunity lies in the customer segmentation around Raden Coffee, which includes factory employees,

workers, students, and parents from the Genius Education Center.

**Tabel 2. Ideate Stage**

No	Opportunity	Idea
1	Employee Worker Segmentation	Efficiency in coffee purchases with the <i>Take n Go</i> booth concept
2	Integrasi dengan Genius Education Center	Menu variations to suit the tastes of Genius Education Center students

Using the Design Thinking method, which leverages a human-centered approach as the basis for innovation, the idea generated focuses on how to meet the needs of the market segment around Raden Coffee. Raden Coffee is located in an area surrounded by many industrial factories and business offices. Based on a questionnaire survey, it was found that most workers prefer to purchase coffee for take-away and expect a relatively short serving time.

From these findings, the proposed action is to introduce a *Take and Go* booth. This booth is positioned outside Raden Coffee, near the main road, making it easier for customers to spot and purchase coffee while offering a more efficient buying experience. The booth is also designed with an attractive appearance, enhancing Raden Coffee's visibility to potential customers.

Another opportunity identified is the presence of the Genius Education Center, which also contributes potential customers to Raden Coffee. The action taken here is to provide products that cater to the needs of students at the Genius Education Center. This institution offers music and public speaking tutoring, and observations show that most of its students are children and teenagers. In response, the innovation effort focuses on offering Raden Coffee menu variants tailored to the tastes of children and teenagers, aligning with a customer needs-oriented approach.

## Prototype

The prototype stage is carried out to test the implementation of ideas that have been developed at the Ideate stage by creating initial solutions that can be tested by customers. Based on the problems and

opportunities found, two main innovations will be tested at this stage, namely the Take and Go Booth and the Children & Teenagers Menu Variants.

The main innovation tested is the Take and Go Booth, which is a quick purchase service placed outside the coffee shop to increase visibility and ease of access for customers, especially workers who have limited time. This booth is designed with an attractive appearance so that it is more easily seen by passing motorists. In addition, the ordering system is made more efficient with the option of pre-ordering via the application or scanning a QR code, so that customers can order coffee quickly without having to queue for a long time. This prototype aims to provide an experience for customers in increasing the speed of service, convenience of transactions, so that it can increase the number of purchases.

In addition, Raden Coffee can also develop special menu variants for children and teenagers from the Genius Education Center (GEC). This menu includes low-caffeine coffee, milk-based drinks, and healthy snacks that suit their preferences. Testing is carried out by providing samples to GEC students and collecting feedback on taste, packaging, and price. To attract young customers, the packaging design is made more creative with visual elements that appeal to children and teenagers. An evaluation is conducted to see whether this innovation is able to increase the number of customers from this segment.

From the results of this trial, an evaluation of the effectiveness of the prototype will be carried out based on customer responses and its impact on increasing Raden Coffee sales. If the results are positive, this strategy will be



implemented widely with some adjustments based on customer input. By implementing the Design Thinking approach, Raden Coffee can continue to innovate in product marketing and increase its competitiveness in the market.

## CONCLUSION

The Design Thinking method in Raden Coffee's marketing strategy can help in understanding customer needs and creating innovative solutions to increase sales. Through the Empathize stage, it was found that low location visibility, limited facilities, and product incompatibility with customer segments were the main challenges for Raden Coffee. The Define stage then formulated the main problem, namely low sales value which had an impact on business profitability.

To overcome this problem, the Ideate stage produced two main strategies, namely the procurement of Take & Go Booths to make it easier for workers to buy coffee quickly and the development of special menu variants for children and teenagers to attract customers from the Genius Education Center. This strategy was then tested in the Prototype stage, where the booth was designed to be more attractive and the ordering system was made more efficient, while new menu variants were tested with product samples and customer feedback. The results of this trial will be the basis for improving Raden Coffee's marketing strategy to be more effective and in accordance with customer needs, so as to increase sales and business competitiveness.

### Declaration by Authors

**Acknowledgement:** None

**Source of Funding:** None

**Conflict of Interest:** No conflicts of interest declared.

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How to cite this article: Ahmad Sabiq Mubarak, Gloria Ake Christianti, Yelia Putri Reflina, Asep Taryana. Developing Raden Coffee shop business through innovation: a design thinking approach. *International Journal of Research and Review*. 2025; 12(5): 162-167. DOI: <https://doi.org/10.52403/ijrr.20250520>

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