THE INTERNAL AND EXTERNAL FACTORS COMPETITIVENESS OF SINIA. CO COFFEE SHOP IN LAMPUNG PROVINCE

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ABSTRACT

This research aims to analyze internal and external factors that influence the competitiveness of Coffee at Sinia. Co. This research was conducted in Bandar Lampung. This location was chosen deliberately. The research period will be carried out from April to September 2023. In this research, informants were determined using purposive sampling with the judgment sampling category to answer problems related to internal and external factors. Respondents consisted of three people from the Sinia.Co Coffee Shop business and four academics in the agricultural socio-economic field whose research focus was related to competitiveness and coffee. Using a qualitative phenomenological research approach, this investigation seeks to explore a holistic view rather than dissect the individual components that comprise the whole. Sinia.Co Coffee Shop has built a strong presence in the coffee industry by leveraging these internal strengths. Affordable prices, distinctive taste, supporting facilities, and easy accessibility, the weaknesses consist of a limited menu, limited promotions, and brands that are not yet well known. In contrast, for external factors, the opportunities consist of the coffee-drinking lifestyle and developments in information technology, while The threats it faces consist of competitors and fluctuations in raw material prices.

Keywords: competitiveness; external factors; internal factors.

INTRODUCTION

The culinary business has become an up-and-coming, offering very high profits. The culinary business will never die if it consistently innovates its products. One of the culinary businesses that is currently having a good trend is the coffee shop business, and this business offers a concept for a place to fill your free time, work, or even with colleagues. (C. Ferreira, 2020). A region can produce goods with characteristics that are different from those of other areas. In general, competitiveness is closely related to comparative advantage, which can be determined by different criteria related to each person, the essence of which is commodity's ability to enter. In measuring how competitiveness or productivity is two is

The principles of competitive advantage include advantages related to quality, policies, prices, and the strategies used. Competitive advantage can also be used to predict consumer satisfaction and tastes for a product or commodity. A conducive competitive atmosphere can achieve Comparative and competitive advantages (Ernawati, 2016; Humaidi et al., 2021; Irfanda, 2020). Design Management Strategy Process analysis related to Strengths, Weaknesses, Opportunities, and Threats (SWOT) can also be carried out to ensure a company's ability to compete. Internal factors are divided into two parts: the first is strength, which refers to resources or advantages related to the company's internal and market needs, while weakness is limitations or lack of resources and capabilities that hinder the company's performance. Apart from that, the external factor that is used as a measuring tool is opportunities, which is defined as a situation where a company's position can have the opportunity to compete or. Next, Threats are threats faced by a company that can disrupt the continuity of a business. Company or to achieve company goals (Humaidi et al., 2023; Putra, 2019; Rangkuti, 2005).
Lampung, one of the largest coffee-producing regions in Indonesia, also has a large market share for ready-to-drink coffee products, especially in the city of Bandar Lampung, which has many coffee shops. Sinia.Co, one of the coffee shops located in Bandar Lampung, is trying to increase its competitiveness amidst the increasing number of coffee shops in Bandar Lampung. Even though many new competitors have emerged, the Sinia.Co Coffee Shop still exists and maintains its characteristics in the face of competitive conditions between coffee shops that offer various kinds of processed coffee drinks and a comfortable atmosphere that can be used as a workplace. Coffee shops have now become one of the destinations for young people, especially students, in carrying out their college assignments. To increase competitiveness, it is necessary to identify the internal and external factors that affect the coffee shop.

**MATERIALS AND METHODS**

This research was conducted in Bandar Lampung. This location was chosen purposively because it is the center of the coffee industry and is the central trading area for the coffee industry in Lampung Province, as well as being the provincial capital with the development of the coffee shop industry. The research time will be carried out from April to September 2023. In this research, expert respondents are needed to answer problems related to internal and external analysis of competitiveness factors. The determination of these respondents was carried out using purposive sampling in the judgment sampling category. According to (Kuncoro & Hardani, 2013). If the research objective is to obtain relevant and available information from specific sources and seek sources from experts, then judgment sampling consists of three business people from the Sini.co coffee shop and academics in the field of social economics focused agriculture four people conducted research on competitiveness and coffee to analyze internal and external factors on coffee competitiveness using a qualitative phenomenological approach. A qualitative phenomenological approach was used to look for internal and external data from the coffee industry in Bandar Lampung. Phenomenological research focuses on the whole, not the parts that form the entire (Kuswarno, 2013). The phenomenological approach aims to find out what operational conditions and factors are influencing the coffee industry in running its business, both internally and externally the company

**RESULTS AND DISCUSSION**

**Identification Of Internal Environmental Factors At Sinia.Co Coffee Shop**

1. **Strength**

   Based on the results of the internal environmental analysis at the Sinia.Co coffee shop, several strength factors that Sinia.Co has been obtained, including the following:

   a. Affordable prices

      This was discovered by making observations at the coffee shop, which was the sample from this research, where the price of coffee sold was the average price in Bandar Lampung, starting from IDR 10,000-25,000 per cup. This price is based on interviews with consumers at the coffee shop, which state that this price is appropriate and affordable based on economic conditions, especially among the student community. The coffee shop caters to lower middle-class consumers so that all levels of society can reach it. Pricing is also important in the context of competition and market dynamics. The importance of price in corporate success cannot be overstated. It is a topic that firms should consider carefully when planning (Ebitu et al., 2012). Pricing strategies influence business success regarding sales revenue and profitability (Ke, 2021). Several academic studies have found that pricing is strongly associated with corporate performance (Amin, 2021). Pricing decisions are crucial to an organization's marketing strategy and impact critical areas of its business plan (Ebitu et al., 2012). Companies use pricing techniques to maximize their earnings (Chopra et al., 2021).

      To summarize, pricing is critical to company success. It impacts client retention, profitability, and overall business performance. Businesses must carefully analyze pricing strategies and adjust them to the unique market dynamics and client preferences they encounter to maximize their performance.

   b. Distinctive taste

      Taste is the most crucial attribute in a culinary business. With a distinctive taste, consumers tend to be loyal. Apart from the price, each coffee shop maintains and enhances the taste. The high taste is the result of using quality coffee. Product quality is essential for the Sinia.Co coffee shop,
because the coffee shop always buys quality raw materials, the coffee produced is also of high quality. The quality and provenance of the coffee beans utilized are crucial considerations. Indonesian coffee is well-known for its distinct and unique flavor (Pane & Khaliq, 2022). It has also been discovered that combining robusta coffee beans and black glutinous rice produces coffee beverages with a distinct taste and flavor (Supermantoh et al., 2022). The environment and ambiance of the coffee shop, in addition to the coffee itself, can contribute to the entire flavor experience. Customer loyalty at coffee shops is influenced by factors such as cleanliness, trust, and empathy in the retail environment (Gunawan & Syahputra, 2020). Furthermore, the concept and identity of the coffee shop can also contribute to its distinctive taste. Coffee shops that differentiate themselves through shared values and a unique brand identity are more likely to offer distinctive coffee products and experiences (Morland, 2018). Customer's participation in co-creating their coffee experience, such as through social media sharing, may also improve the overall flavor experience. (Silanoir et al., 2022). Overall, the distinct flavor of a coffee shop is the consequence of several elements, including the quality and origin of the coffee beans, the brewing method, the atmosphere and ambiance of the coffee shop, and the idea and identity of the coffee shop. Coffee businesses may provide their consumers a distinctive and memorable taste experience by paying attention to these variables.

c. Availability of supporting facilities
The facilities at the coffee shop also influence the number of consumers. The facilities in question include air-conditioned rooms and smoking rooms, as well as Wi-Fi facilities and electrical outlets. This is supported by observation results, which show that most coffee shop visitors who are students visit the coffee shop with a laptop. Research also found that coffee shops provide Wi-Fi facilities with large quotas and rely on the storytelling power of Instagram content and special treatment for consumers when serving (Evelina, 2022). As a result, marketers are urged to leverage practical aspects of coffee shop products and services as the key selling factor for the regular customer portion of their audience (Kang et al., 2012). In a coffee shop, the physical setting, the drink's flavor, marketing, and menu variety give consumers options to visit and make review decisions.

d. Easy accessibility
Transportation routes in Bandar Lampung are in good condition, especially to coffee shop locations with coffee shop locations that are easy to reach. Easy accessibility is important for coffee shops to attract customers and provide a comfortable and convenient experience. Several studies have explored different aspects related to accessibility in coffee shops. The significance of coffee shop accessibility was also investigated regarding consumer preferences and purchase decisions (Gautama Himawan & Rahadi, 2020). According to the research review, geographic accessibility is one of the most important elements determining customer choices. Customers make purchase decisions based on taste, product design, atmosphere, brand impact, location accessibility, and pricing. Aside from client preferences, the influence of coffee shops on urban life and communities has been investigated (J. Ferreira et al., 2021; Haryanto et al., 2020). It was discovered that coffee shops have a role in consumption, connection, and community-building. As consumers of coffee shops, they provide public places for various informal activities and contribute to numerous communities. Overall, Sinia.Co that are easily accessible can attract clients and add to their pleasure. Coffee shops must consider factors such as location, convenience, and adaptation to changing conditions to give an excellent experience for their consumers.

2. Weakness
The weaknesses found in Sinia.Co is based on the following observations:

a. Limited menu
The coffee menu variants are available at Sinia.Co is limited to just a coffee menu, and the coffee shop doesn't sell many snacks to accompany coffee, most of which are main courses. The limited menu in coffee shops can have various implications for the business and the customers. Viartasiwi and Trihartono (Viartasiwi & Trihartono, 2020) investigated the social interaction component of coffee shops in small towns. They discovered that cafes with low patron contact decreased the social character of conventional coffee shops. This suggests that a restricted menu may impact the social atmosphere and interaction of customers at a coffee shop. From the results of observations made, coffee shops should add more complementary food in exchange for people who stay a long time in coffee shops. The leading course type food will be bought once or a maximum of twice per
However, snacks or complementary food will be purchased several times since it will be cheaper, and consumers will be willing to buy more foods to accompany them in the coffee shop.

b. Limited promotions

Promotions carried out by Sinia.Co are limited to only using Instagram. Coffee shops promote more through word of mouth or interacting directly with consumers in the coffee shop. Promotion can also be carried out by holding events or shows involving consumers so that they are better known to the public, however, due to time constraints and the event team, Sinia.Co never held a promotional event because of the tight budget—most of the promotion they did only from social media via Instagram Story and Post. According to one research study, advertising budget, attitude towards advertising, monetary promotion, and non-monetary promotion all play essential roles in determining brand identification in coffee shops (Kim & Lee, 2020). This implies that minimal marketing at a coffee shop may influence how customers perceive and identify with the brand. Another research looked at coffee shop customers’ emotional attachment and loyalty to green establishments, emphasizing the function of green consciousness as a moderator (Jang et al., 2015). This implies that restricted advertising may impact customer emotional connection and loyalty, particularly among ecologically concerned customers. Finally, limited marketing at a coffee shop can have various effects on consumer behavior and loyalty. Limited promotion can affect factors such as marketing communication mix, emotional connection, brand awareness, brand image, customer experiences, retail environment, and consumer engagement in CSR programs. These elements substantially impact consumer loyalty and brand assessments in coffee shops.

c. Not very well-known brand

Sinia.Co is not well known in the community compared to other coffee shops that have been around longer in Bandar Lampung. Sinia.Co is not well known, causing the number of visits to be categorized as low except for the weekend. Apart from that, this is also due to Sinia's limited promotions. Co. Regarding consumer behavior, frequent visits to well-known coffee shop brands are frequently seen as a kind of self-expression and a means of communicating one's self-identity (Kang et al., 2012). To attract customers, lesser-known coffee shop businesses might focus on developing a distinct brand identity and providing a distinguished experience. Furthermore, a coffee shop's visual branding design can influence consumer perception and loyalty (Ulita, 2022). A favorable brand experience may be enhanced by paying attention to detail in interior design and overall mood. Finally, lesser-known coffee shop businesses may overcome their weaknesses by applying efficient brand management techniques. This involves concentrating on brand authenticity, trust, and recognition, utilizing social media marketing, developing a distinct brand identity, and paying close attention to visual branding design. Using these techniques, coffee shop brands may attract consumers, generate brand loyalty, and establish themselves in a competitive market.

Identification of External Environmental Factors at Sinia.Co Coffee Shop

1. Opportunity

a. Drinking coffee has become a lifestyle among young people

The high public demand for coffee has led to high growth in coffee shop businesses, which have sprung up in almost all regions of Indonesia. Several relevant sources support coffee intake as a lifestyle choice among young people. Sudiyarto et al. (Sudiyarto et al., 2018) did a study in Surabaya, Indonesia. They discovered that coffee consumption has become a way of life not just for adults but also for young people. Utama et al. (Utama et al., 2021) also stated that coffee use has increased in recent years and has changed the lifestyles of both elderly and younger people. According to Dewi et al. (Dewi et al., 2022), drinking coffee is no longer merely a morning habit but has evolved into a lifestyle need for millennials, particularly Generation Z. Overall, the references support the idea that drinking coffee has become a way of life for young people since it is related with enjoyment, experience, social status, and emotional considerations. The coffee consumption trend extends beyond young adults and includes people of all ages.

b. Development of information technology

Coffee marketing at Sinia.Co is carried out conventionally by coffee shop owners. They have not yet taken full advantage of the development of social media. If the use of social media is increased, the coffee shop will be better known. The use of social media must be carried out optimally so that Sinia. Co products can be more widely known by consumers. Social media applications are
currently commonly used to promote various businesses in the creative economy and other fields. Furthermore, the development of technology and information supports future generations and supports more comprehensive marketing of a product, and information technology capabilities have a significant effect on the competitive advantages of coffee shop SMEs (Simamora & Sulistianingsih, 2022).

2. Threat
The threat factors possessed by the Sinia.Co-coffee shops are as follows:

a. Level of competition/competitors
The increasing number of new competitors with the same type of business means that coffee shops need to be aware of this problem by making the latest innovations so that coffee shops continue to exist and become the primary choice among the public, from the interviews conducted with many of its current competitors, Sinia.Co does its own thing while maintaining taste and comfortable service and ensuring supporting facilities are maintained in good condition. Coffee shops have become a social habit and way of life for many Indonesians, especially the younger generations. To effectively compete with rival places, coffee shops must understand and adapt to the interests and demands of their target market. Alfirahmi (Alfirahmi, 2019) highlights the evolution of modern coffee in Indonesia, which was prompted by the Luckin coffee boom in China and the expansion of information and communication technology. The proliferation of coffee shop businesses has created fierce competition among coffee shops in the region. To survive and develop, companies must increase their competitive advantage and choose the right marketing strategy (Githa et al., 2022). Coffee shops must adapt to these changes and use technology to improve competitiveness. Another research conducted by Damariyanti et al. (Damariyanti et al., 2021) highlights the threat of increased competition in the coffee shop business. As the number of coffee shops increases, coffee shop operators must adopt effective techniques for differentiating themselves and maintaining a competitive advantage. In conclusion, competitors pose a threat to coffee shops, and coffee shop owners need to understand consumer preferences, create a unique atmosphere, differentiate themselves from competitors, build brand loyalty, adapt to technological advancements, and cater to the preferences of their target market to maintain a competitive edge.

b. Fluctuations in raw material prices
Fluctuating prices of coffee raw materials certainly affect Sinia.Co's business fluctuations in raw material prices will significantly affect the profits of Sinia. Co. These examples demonstrate the difficulties that coffee businesses confront while procuring raw supplies and the resulting influence on pricing methods. Chuaca et al. (Chuaca et al., 2022) and Nurani et al. (Nurani et al., 2022) explore the impact of raw material availability and manufacturing costs on coffee product pricing. Coffee businesses frequently experience difficulties due to insufficient raw supplies and expensive fees. The scarcity of high-quality raw materials can be attributable to various variables, including supply chain challenges, seasonal fluctuations in coffee output, and coffee bean quality and sourcing.
Furthermore, factors such as production costs, shipping expenses, and market demand can all impact coffee pricing. Overall, Sinia.Co needs to carefully manage its raw material sourcing, production costs, and pricing strategies to navigate the challenges of limited raw materials and high prices. By focusing on service quality, customer satisfaction, brand image, and product quality, coffee shops can differentiate themselves from competitors and justify their pricing to customers.

CONCLUSIONS
Sinia.Co Coffee Shop has built a strong presence in the coffee industry by leveraging these internal strengths. Affordable prices, distinctive taste, supporting facilities, and easy accessibility, the weaknesses consist of a limited menu, limited promotions, and brands that are not yet well known. In contrast, for external factors, the opportunities consist of the coffee-drinking lifestyle, developments in information technology while The threats it faces consist of competitors and fluctuations in raw material prices.

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