

The Coffee Shop Customer Perception of Product Acceptance and Willingness to Pay of Organic Coffee Beverages: A case study from small business “NgoopiKopi”

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Abstract

The coffee markets have attractiveness for newcomers to jump in. Recently, Drink a cup of coffee has become a lifestyle but already basic need of certain people. Many newcomers realize this opportunity, trying to build their coffee brand with specific product differentiation. As we know that customers are the most crucial aspect of business, we cannot ignore their perception. Customer perception is defined as the way that customers usually view or feel about specific services and products. It is also related to customer satisfaction, which is the customer's expectation towards the product/service. This research explores the customer's perception of the coffee product and their willingness to pay for certain coffee products. The analysis uses a small coffee shop business as a case study, namely “NgoopiKopi”, which builds its product differentiation by offering organic coffee. The data was collected from 150 customer feedback questioners and analyzed using the descriptive qualitative method. The result shows that customer's acceptance of the organic coffee product and customers' willingness to pay is below the expectation. This study becomes a consideration for the coffee shop owner who has a specific effect. They have to arrange a business strategy to educate their customers about organic coffee to increase customer awareness of organic coffee benefits. This research is significant for small businesses to give a critical perspective about customers' acceptance of the coffee product and customer willingness to pay.

Keywords

Customer acceptances, coffee business, small business strategy, creativepreneurship

1. Introduction

Coffee has been one of the most well-known and beloved beverages since the dawn of time and continues to be so today. Consuming coffee has become a habit not only for the elderly; young people are also enthusiastic about the beverage. Indonesia can produce over 400 thousand tons of coffee per year, accounting for approximately 9% of global coffee production. Researchers at the University of Southampton compiled data on the effects of coffee on every aspect of the human body, analyzing more than 200 studies, the majority of which were observational. Compared to non-coffee drinkers, those who consumed approximately three cups of coffee daily appeared to have a lower risk of developing heart problems or dying from them (Cornelis, 2019). The most significant benefit of coffee consumption is the decreased risk of developing liver disease, including cancer (Cornelis, 2019; Nawrot et al., 2003; Smith, 2002).

Coffee benefits the human body in numerous ways (Mednick et al., 2008; Ruxton, 2008). More than tea or chocolate, coffee can be beneficial as an antioxidant. Additionally, coffee has been shown to improve cognitive function and protect against cancer. It can have a refreshing and warming effect on the body for coffee connoisseurs with a high tolerance for caffeine. Several of the benefits of coffee drinking habits include that coffee contains no nutritional value for the body unless it is sweetened with sugar, cream, or milk. Among these benefits is that it acts as a stimulant in various activities, enhances the flavor of various beverages, and helps prevent prostate cancer (boron content in coffee can prevent prostate cancer). Caffeine is routinely given to premature infants during this period to help them cope with respiratory distress and apnea. Caffeine may also help aspirin and other pain relievers work more effectively. Caffeine is used in certain types of fever reducers and headache medications. Caffeine is also included in a combination of flu medications to help combat the drowsiness that results. It is being evaluated in conjunction with other asthma medications. Along with a pleasant taste and aroma, low caffeine coffee is also more beneficial for consumption because it stimulates the nervous system, improving mood and concentration.

Organic coffee is natural and free of chemicals. It contains 100% more delec coffee beans and is consequently highly beneficial to your health. For instance, it decreased the risk of developing certain diseases such as Parkinson's disease (reduced brain function), Alzheimer's disease (reduced memory), and cancer. Additionally, organic coffee can benefit skin health when used as a face mask to brighten and tone the skin. Additionally, it is applied to the scalp to hydrate it. With the public's concern for healthy growth and the rise of various diets designed to promote health, I intend to grow this business toward a more nutritious menu, specifically by substituting more nourishing ingredients, such as organic coffee. Although organic coffee is typical in the barista scene, many regard it as a new trend. Why? The public response to the new one has been overwhelmingly positive. Organic coffee is a reintroduced product that aims to be accepted with regular coffee to replace consumers' unique healthy coffee preferences. "NgoopiKopi" began in Bandung as a small café or coffee shop. This business was chosen because it caters to the public's interest in coffee, hanging out in a café, and conversing, making the task quite challenging.

1.1 Objectives

The Researcher is interested in the possibility of organic coffee products being accepted by customers. The purpose of this study is to ascertain consumer perceptions of organic coffee. What their expectations are and how willing they are to pay for them.

2. Literature Review

Creativity in business is one of the entrepreneurial talents that the entrepreneur must possess. For survival in today's corporate environment, particularly during the global pandemic age. Creativepreneurship refers to an entrepreneur's capacity to develop a creative company that provides maximum value and benefit to consumers. Nowadays, the creativepreneur is dominated by the millennial generation, dubbed generation Z. Generation z is driven by a great desire to become an entrepreneur in order to express their enthusiasm (Mulyani et al., 2019).

The creativepreneur builds their new company from the ground up, starting with a concept and evolving into a tangible product. Product development is the process of taking a potential market and an assumption about a prototype and turning them into a marke product (Iheanachor et al., 2021). Ulrich et al. (2020) define product development as a series of processes or actions used to conceptualize, create, and sell a product. Customer involvement is required throughout the product development process, and the company will continue to operate (Chang & Taylor, 2016). Businesses now operate in a complicated environment characterized by a diversity of information and a proliferation of goods and services, all of which contribute to the shortening of product life cycles (Kutsikos & Kontos, 2013). Additionally, Shrestha (2015) notes that business possibilities take entrepreneurial ideas and transform them into

business opportunities. According to Gruber et al. (2015), business opportunities may be thought of as market defects that enable agents to gain economic advantage via introducing new or improved products or services.

According to the United States Department of Agriculture's website, "Organic coffee is coffee produced without the use of synthetic chemicals such as pesticides, herbicides, or artificial fertilizers." Additionally, it is stated that organic labels are granted only if 95 percent of the coffee beans originate from coffee bushes cultivated organically and naturally. Researchers at the University of Southampton compiled data on the effects of coffee on every element of the human body, analyzing more than 200 studies, the majority of which were observational. Compared to non-coffee users, individuals who consumed about three cups of coffee daily seemed to have a lower chance of developing cardiac issues or dying from them. The most significant advantage of coffee intake is the decreased chance of developing liver illness, including cancer. Because organic coffee includes 100 percent more delec coffee beans and is chemical-free, it is very good for one's health.

For example, it lowers the chance of developing certain illnesses such as Parkinson's disease (decreased brain function), Alzheimer's disease (decreased memory), and cancer. Additionally, it has been shown that organic coffee may be utilized to preserve skin health, for instance, by applying the pulp as a face mask to brighten and tone the skin. Additionally, it is used to promote scalp health. Coffee offers a plethora of health advantages. Coffee may be beneficial as an antioxidant, as coffee contains more antioxidants than tea or chocolate.

Additionally, coffee has been shown to enhance brain function and cancer. For coffee aficionados with a high tolerance for caffeine may have a refreshing and warming effect on the body. Several of the benefits of coffee drinking habits include the fact that coffee has no nutritional value for the body until it is combined with cream or milk. Among these benefits is its use as a stimulant in a range of activities, in various drinks, and in avoiding prostate cancer (boron content in coffee can prevent prostate cancer). Caffeine is frequently administered to preterm infants at this period to alleviate respiratory distress apnea. Caffeine may also enhance the effectiveness of aspirin and other pain medications, which is why certain kinds of fever relievers and headache medications include caffeine. Caffeine is also used in combination with flu medicines to counteract the resulting drowsiness. It is being tested in combination with asthma drugs. Besides creating a pleasant flavor and fragrance, low caffeine coffee is also more beneficial for consumption since it stimulates the neurological system, improving mood and focus.

As a result of the above, we may infer that there is much potential to develop a company around coffee, particularly organic coffee. In Indonesia, coffee goods, particularly drinks, are readily available throughout the city. For many individuals, coffee consumption has developed into a habit and way of life. One of Indonesia's coffee cafes, "NgoopiKopi" attempts to include organic coffee into their menu. "NgoopiKopi" is a small company in West Java, Indonesia. Their consumer segmentation ranges from the working class to the middle class. They were in the process of introducing a new menu to their coffee business. "NgoopiKopi" should conduct a consumer survey about their new menus. Customer feedback is critical when company owners are deciding on their next plan. They discussed consumer opinion, referred to as customer perceptions, to measure viewpoint and their perceptions of organic coffee. Additionally, it is critical to assess consumer willingness to pay for organic coffee. The willingness to buy related to customer perception and expectation. When the expectation met the reality, customers will have repurchase intention. Repurchase intention is a favorable choice made by a consumer based on their overall happiness with the product's and service's performance over time(Herjanto & Amin, 2020) . Repurchase intention is also a kind of commitment to a brand.

3. Methods

The purpose of this study is to ascertain consumers' perceptions of coffee goods and their willingness to pay for certain coffee items. The research utilizes a tiny coffee shop as a case study, namely "NgoopiKopi", which differentiates itself from competitors by providing organic coffee. The data was gathered from 150 consumer feedback interviewers and evaluated using a descriptive qualitative approach. The data processing in this research was qualitative. Qualitative research is descriptive and often employs analysis. Qualitative research places a greater emphasis on process and meaning (perspective topic). This study uses the descriptive analysis research technique to elicit information about an individual's views, reactions, or impressions. The debate must be qualitative or verbal in nature.

4. Data Collection

For the data collection, the Researcher does with questionnaires shared to 150 respondents taken randomly from customers/visitors/colleagues "NgoopiKopi" Bandung. This questionnaire is distributed online through Line, Whatsapp, and other applications. Besides, we use survey techniques. Today the word "survey" is used most often to describe a method of gathering information from a sample of individuals. This "sample" is usually just a fraction of

the population being studied. In "The Survey Handbook", it is said that survey is a system for collecting information from or about people to describe, compare or explain their knowledge, attitudes, and behavior.

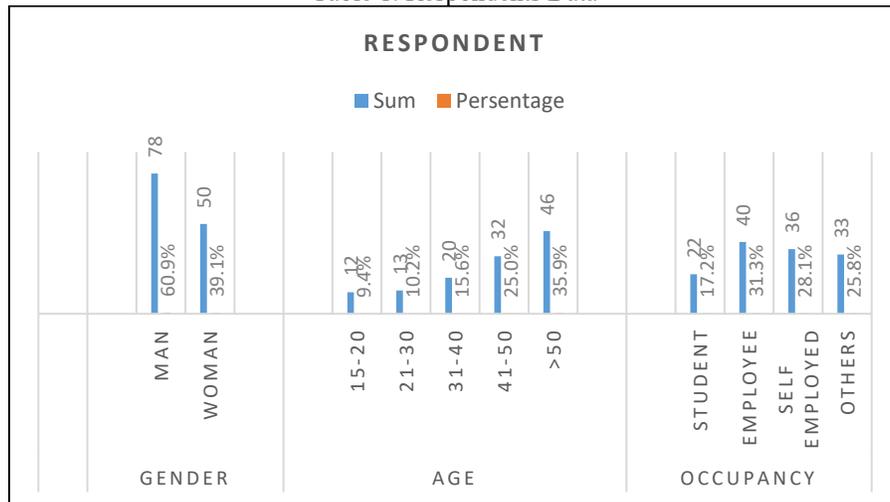
5. Results and Discussion

Sampling from the population uses questionnaires as a data collection tool. Our questionnaire was shared with 150 respondents taken randomly from customers/visitors/colleagues "NgoopiKopi" Bandung. This questionnaire is distributed online through Line, Whatsapp, and other applications. Of the 150 questionnaires, 128 were reassembled. Questionnaires are made in 3 parts, namely:

1. Respondent Data
2. Perception of coffee
3. Interest in organic coffee

5.1 Respondent Data

Table 1. Respondents Data

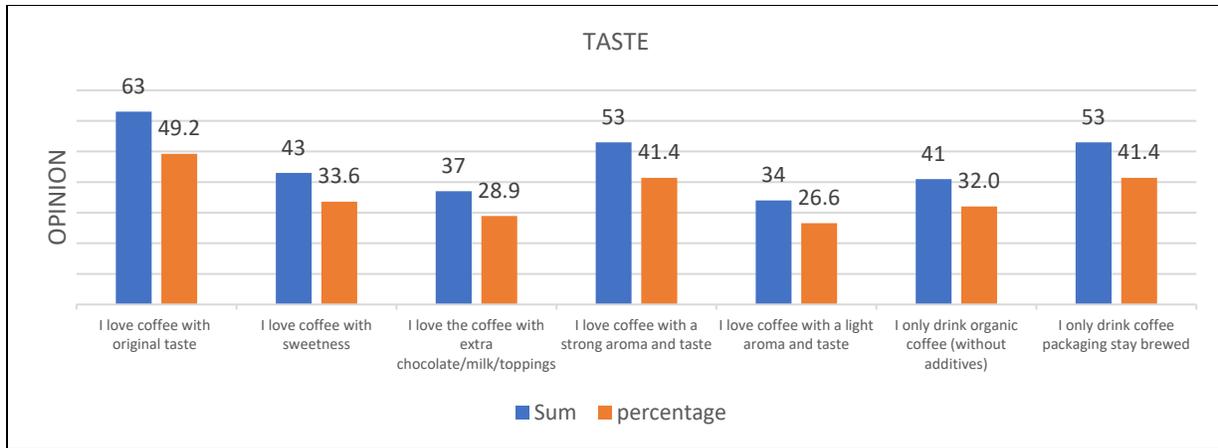


60.9 percent of respondents in this study are male, while 39.1 percent are female. The responder population ranges in age from 15 to over 50 years. The bulk of responders are in their twenties, the prime of their productive years. Perhaps, due to the work from home (WFH) period during the epidemic, they have more flexible schedules and wifi access to complete surveys.

5.2 Perception About Coffee

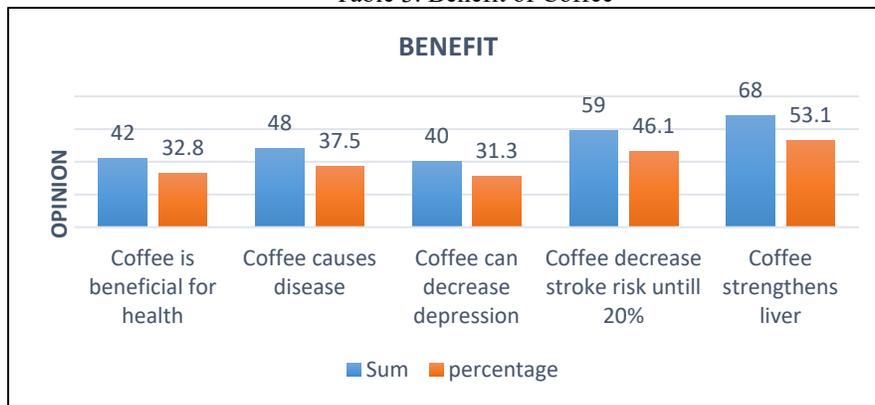
Customer perception is defined as the way that customers usually view or feel about specific products. It is related to customer satisfaction which is the expectation of the customer towards the product. In this case, it is their perception of "NgoopiKopi's coffee beverages product.

Table 2. Taste of Coffee



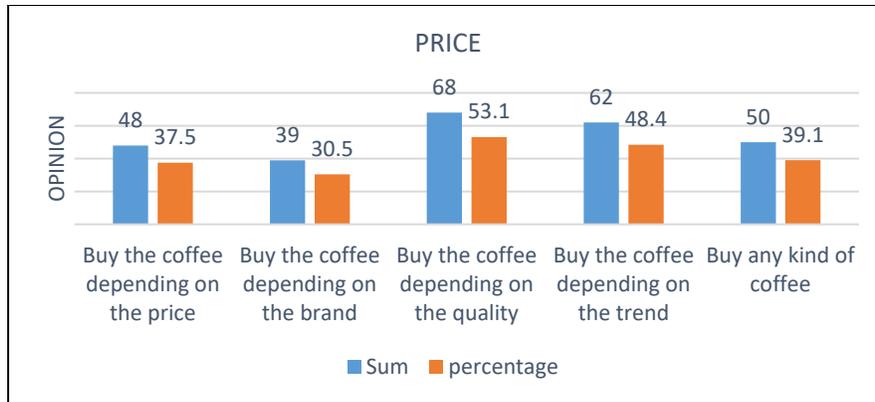
In terms of coffee perception, 63 percent prefer the original flavor, while 36.3 percent favor moderate sweetness. Thirty-seven individuals (28.9 percent) preferred more coffee toppings. 41.4 percent of respondents preferred a strong fragrance and flavor in their coffee, while 26.6 percent chose a moderate aroma and flavor. Many respondents strongly agreed to drink organic coffee. This is possibly due to a need for diversity to prevent boredom, to experiment with creativity, or due to the current trend in beverages. There is 32 percent of respondents who claim they exclusively drink organic coffee (without additives), indicating that organic coffee has significant sales potential.

Table 3. Benefit of Coffee



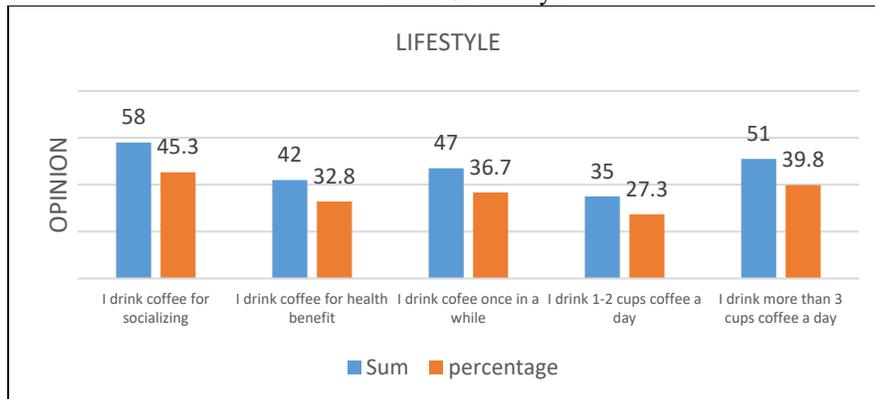
About the benefit of coffee, respondents who consider coffee beneficial for health there is 32.8 percent of respondents (the majority do not agree coffee causes disease represented by 37.5 percent respondents. Some respondents agreed if Coffee can reduce depression, represented by 31.3 percent then there 46.1 percent respondents who argue that common for the benefits of coffee in lowering the risk of stroke and 53.1 percent respondents about coffee that can strengthen the liver. In this list, we can see that 32.8 percent respondents who consider coffee beneficial for health, they enjoyed coffee and know coffee give health benefit in general. So there needs more education about coffee to the wider community supported by existing research and journals. The goal is to make people consume coffee with good benefits for health, not Common coffee, but organic coffee.

Table 4. Price of Coffee



In terms of price, respondents are not fixated on the price of buying coffee, this is indicated by the answers of 37.5 percent of respondents. A total of 30.5 percent of respondents, also did not buy coffee depending on the brand. According to 53.1 percent of respondents are buying coffee with price depending on the quality. Most respondents strongly disagree when buying coffee depends on the trend or buy any coffee represented by 48.4 percent and 39.1 percent respondents. Can be seen here that respondents already have their tastes, they are willing to spend more money for the quality and benefit that coffee can give, which means they do not mind buying organic coffee that costs more than regular coffee.

Table 5. Lifestyle

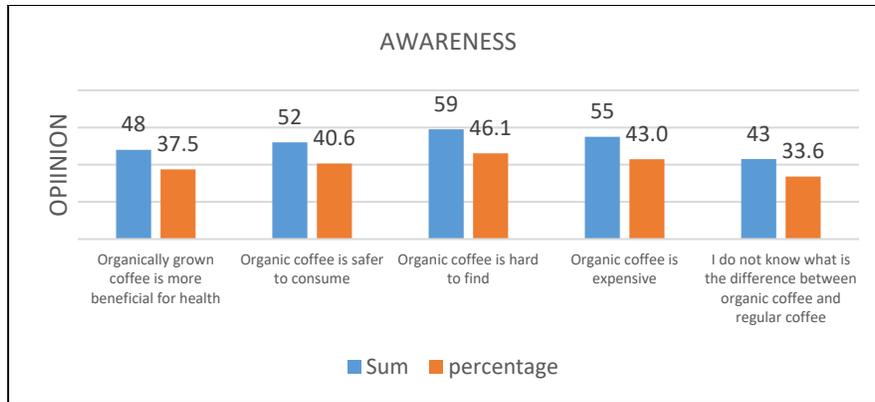


Respondents drink coffee as a lifestyle, they are not drinking coffee for social relationships or healthy life, indicated by 45.3 percent of respondents, they considered it common to drink coffee for health reasons represented by 32.8 percent. respondents (The frequency of drinking coffee seems to run regularly), where there is 36.7 percent who drink coffee occasionally, 27.3 percent respondents strongly agree to drink coffee 1-2 cups per day. While those who do not agree to drink coffee >3 cups per day there is 39.8 percent. Coffee is a lifestyle for the most respondent, proofed by 27.3 percent of respondents who strongly agree to drink coffee 1-2 cups per day

5.3 People's awareness and attention to organic coffee

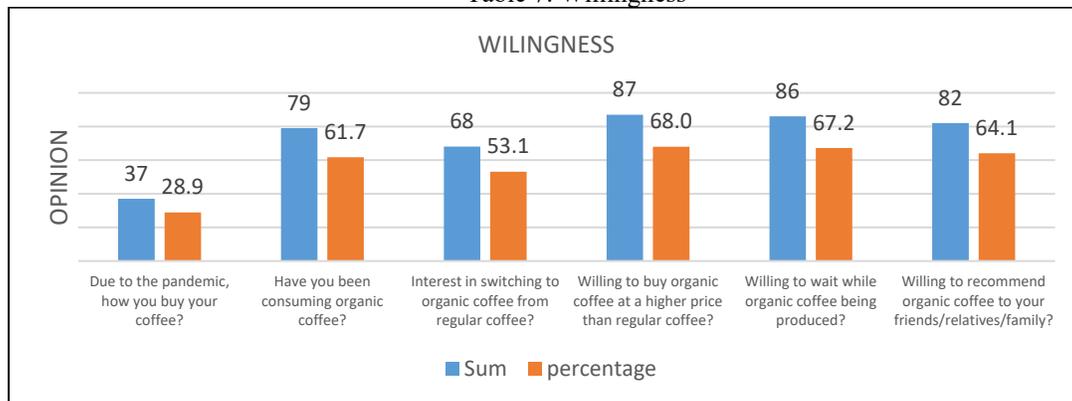
People's awareness is the first step in developing the demand for our products. If people's awareness is still low, it means that we must make more efforts to increase their awareness.

Table 6. Awareness



Generally, respondents' interest in organic coffee is quite good, and organic coffee can be developed. This can be seen from the respondent's answer 37.5 percent of respondents consider organically grown coffee more beneficial for health, and much more strongly agree if organic coffee is safer to consume that is according to 40.6 percent of respondents. The majority of respondents, 46.1 percent consider organic coffee is not too hard to find, they consider it Common. A total of 43 percent considering the price is coffee reasonable. Then 33.6 percent do not know what is the difference between organic coffee and regular coffee. This list has shown that respondents' interest in organic coffee is quite high, but information about organic coffee is still lacking, as well as their level of knowledge to distinguish organic coffee from regular coffee. Most of them realize that organic coffee is safer to consume that is according to 40.6 percent of respondents, so it can be said that the organic coffee market opportunities are still well open.

Table 7. Willingness



During this pandemic, most of the respondents, 28.9 percent, buying coffee by "Take Away" This is related to the government's policy of providing dine-in services due to the decrease Covid 19, we only allowed to serve "Take Away" system. There 61.7 percent of respondents have been consuming organic coffee. There is 53.1 percent of respondents have not been interested in switching to organic coffee. Even 68 percent of respondents are still hesitant to buy organic coffee at a higher price than regular coffee. Those who like organic coffee are willing to wait if not ready stock, representing 67.2 percent of respondents. Respondents are still hesitant to recommend organic coffee to their friends/relationships/family, shown by 64.1 percent of respondents.

The willingness level of respondents seemed low because of doubts about organic coffee mainly because the price is relatively more expensive than coffee in general. It also raises doubts to encourage their friends/relationships/family. We need to measure the variables of the survey tools that we provide to the target market so that we know the response. We measure variables based on the target market response so that we can know our shortcomings and advantages in the market. Thus we can adjust or improve the model/concept of our products/business to run optimally.

6. Conclusion

The Researcher is interested in the possibility of organic coffee products being accepted by customers. The purpose of this study is to ascertain consumer perceptions of organic coffee. What their expectations are and how willing they are to pay for them. The purpose of this study is to ascertain consumers' perceptions of coffee goods and their willingness to pay for certain coffee items. The research utilizes a tiny coffee shop as a case study, namely "NgoopiKopi", which differentiates itself from competitors by providing organic coffee. The data was gathered from 150 consumer feedback interviewers and evaluated using a descriptive qualitative approach. The result shows that customer's acceptance of the organic coffee product and customers' willingness to pay is below the expectation. This study becomes a consideration for the coffee shop owner who has a specific effect. They have to arrange a business strategy to educate their customers about organic coffee to increase customer awareness of organic coffee benefits. This research is significant for small businesses to give a critical perspective about customers' acceptance of the coffee product and customer willingness to pay.

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