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## STRATEGY OF SUSTAINABLE BUSINESS DEVELOPMENT BASED ON COMMUNITY (STUDY OF TODAY'S MODERN COFFEE SHOP BUSINESS ACTORS)

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### ABSTRACT

*This study explores the sustainable community-based business approach adopted by modern coffee shops in Kendari City to boost community participation and foster customer loyalty. Through qualitative research, including case studies and in-depth interviews with business owners, employees, and community members, the findings indicate that involving the community in innovation and business adaptation strengthens customer relationships and enhances business sustainability. By engaging the community, coffee shops are able to create a sense of ownership, resulting in higher customer retention and greater brand loyalty. The approach also proves effective in addressing operational challenges such as fluctuating demand and supply disruptions by leveraging community-driven solutions. Furthermore, the adoption of sustainable practices, such as sourcing local ingredients, minimizing waste, and utilizing eco-friendly packaging, increases operational resilience and attracts environmentally conscious customers. This business model aligns with local policies promoting the sustainability of MSMEs and offers a replicable framework for other small businesses in similar contexts. Ultimately, the combination of community engagement and sustainable practices not only generates economic benefits but also builds social capital, ensuring long-term business resilience and contributing to local economic growth.*

**Keywords:** Business Strategy, Community, MSMEs

### INTRODUCTION

In recent years, the Modern Coffee Shop phenomenon has experienced rapid development in several cities in Indonesia, including Kendari. This shows a shift in consumer choices that increasingly prioritize a more personal and visually appealing shopping experience. Modern coffee shops in Kendari have now become community spaces that unite various groups of people, including young professionals, creative communities, and students. Modern coffee shops are not just places to gather, but also provide job opportunities and support micro, small, and medium enterprises. (Dambiski Gomes de Carvalho et al. 2021; Tambunan 2022) .

Modern coffee shops contribute to local economic development by creating opportunities for innovation and creativity (Peluso 2023) . This idea serves as a place for various communities to gather, dialogue, collaborate, and exchange ideas (Strauß et al. 2024) . This concept strengthens social relationships and interactions within the community (Husriadi and Ode Muhammad Sardin 2024; Klärner et al. 2022; Qi, Mazumdar, and Vasconcelos 2024).

In addition, Modern Coffee Shops provide a choice of space for various activities such as public meetings, workshops, and art events (Corpas et al. 2008; Taufani 2020) . In today's era that emphasizes the importance of sustainability, MSMEs in Kendari have



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begun to implement an environmentally friendly business approach to improve operational efficiency and attract consumers who care about the environment. This approach reduces carbon emissions, utilizes sustainable resources, and participates in social programs (Gayen, Chatterjee, and Roy 2024; Sun et al. 2024; Ziyaei et al. 2024) .

By emphasizing the importance of sustainability, MSMEs not only contribute to global initiatives in protecting the environment but also create a foundation for inclusive and sustainable economic development (Dasaraju and Tambunan 2023; Derhab and Elkhwesky 2023; Husriadi, Aswin, and Wahidin 2024).

Therefore, the implementation of sustainable business trends among MSMEs in Kendari is crucial in designing business strategies that can adapt to current market and environmental conditions. With the increasing recognition of the importance of the concept of community-focused sustainable business, this approach is considered a successful way to achieve inclusive and sustainable economic growth (Ellili 2024; Gupta and Vegelin 2016; Husriadi, M.; Musawir, LOA; Darwin, LOA and Muslimin 2024) .

This approach provides an alternative that does not only focus on financial profit, but also pays attention to social and environmental welfare, especially in addressing global challenges such as climate change, economic injustice, and social crises. Community-focused sustainable businesses emphasize the important role of local community participation and empowerment in all aspects of the company's operations, thus generating shared value that has a positive impact on all parties involved (Ahmad and Islam 2024; Carmen et al. 2022; Husriadi and Nurjanah 2024; Quang et al. 2023; Restrepo-Mieth et al. 2023).

In Kendari City, strategies to improve business resilience and strengthen social ties in the community have proven effective. However, Modern Coffee Shop business owners often face challenges such as lack of resources and difficulty in achieving a balance between sustainability and operational needs. Community participation is difficult to realize due to inadequate bureaucracy and regulations. Dependence on local communities can be a potential or a challenge for business actors.

With the benefit of community support, companies can strengthen customer loyalty, but over-reliance can carry risks if major changes occur in the community. Careful and planned management of community relations is required. This study aims to explore Modern Coffee Shop approach to expanding its business with the support of the local community and overcoming the obstacles faced.

The results are expected to provide an applicable understanding for similar business actors in other regions and contribute to the development of sustainable business theory according to the local context. It is hoped that this study will also provide suggestions for business actors in improving their strategies so that they can grow and develop amidst increasingly important social and environmental responsibilities.

## RESEARCH METHODS

This study uses a qualitative descriptive research design with a case study approach to analyze the sustainable business strategy of Modern Coffee Shop in Kendari. The research process begins with the selection of research locations, collection of primary and secondary data, and data validation through triangulation. Data collection techniques involve in-depth interviews, participant observation, and documentation studies. Data were analyzed using thematic analysis techniques with data coding, identification of key themes, and data interpretation to provide in-depth insights into the sustainable business strategies used by Modern Coffee Shop. The findings from the analysis are used to answer research questions and provide practical recommendations.



Figure 3.1 Research Methods

## RESULTS AND DISCUSSION

This section presents the results of research that discusses community-based sustainable business development strategies, especially at Modern Coffee Shop in Kendari City. The discussion covers the effectiveness of the strategy and provides a broad perspective on the impact of the strategies implemented. This research aims to provide a deeper understanding in field practice.

### A. Community-Based Sustainable Business Development Strategies

Figure 5.1: Effectiveness of Community-Based Sustainable Business Development Strategy



Source: processed, 2024

#### 1. Community involvement

The research findings show that community participation plays an important role in the sustainable business development approach carried out by Modern Coffee Shop in Kendari City. Entrepreneurs who successfully establish solid emotional bonds with the surrounding community can increase customer loyalty levels. These activities do not only focus on business relations, but also include participation in social and cultural events related to local values. This study supports the view that companies that are connected to local communities have a higher likelihood of achieving sustainability in the long term. In addition, consumer loyalty that arises from community participation contributes significantly to revenue stability and business development. However, this study also shows that community participation needs to be managed carefully, because excessive dependence on certain groups can create its own challenges, such as resistance to innovation that is needed for future business progress.

## **2. Customer loyalty**

The findings of this study indicate that customer loyalty is an important element in the sustainability of the Modern Coffee Shop business in Kendari City. This loyalty does not form suddenly, but is the product of various planned and ongoing approaches. This includes providing quality products and services, creating a pleasant environment, and building strong ties with the local community. Loyal customers not only contribute to consistent revenue, but also serve as powerful marketing ambassadors through personal recommendations to new potential customers. In addition, high customer loyalty also gives Modern Coffee Shop the ability to face challenges in increasingly fierce market competition. When consumers feel an emotional attachment and aligned values with a company, they are usually more willing to tolerate changes in price and quality, and show higher loyalty amid changing circumstances. Thus, creating and maintaining customer loyalty is a crucial approach to ensure the sustainability of Modern Coffee Shop business amidst rapid changes in economic conditions. The results of this study also emphasize how crucial a customer-oriented approach is in sustainable business development, which can ensure business continuity through long-term support from loyal customers.

## **3. Gradual community involvement in innovation**

This study shows that gradual community participation in the innovation process is one of the effective strategies to support the development of Modern Coffee Shop in Kendari City. This method allows business actors to implement changes gradually, so that each innovation made can be adjusted to the needs and expectations of the community. With continuous participation, the community not only functions as a recipient of innovation, but also actively participates in the development process, provides important feedback, and participates in adjusting the innovation to be more appropriate to the local context. The findings of this study indicate that gradual involvement can increase consumer adoption of innovation, reduce rejection, and strengthen the sense of community ownership of the business. In this way, Modern Coffee Shop has succeeded in maintaining its interests and appeal in a market that is always changing. The results of this study emphasize how crucial cooperation with the community is at every phase of the innovation development process, so that this becomes a key element in achieving the success of a sustainable business strategy.

## **B. Impact of Implementing Community-Based Sustainable Business Development Strategy**

### **1. Increased customer satisfaction**

The findings of this study emphasize the significance of gradual community participation in innovation as an efficient approach to advancing sustainable business in Modern Coffee Shop, Kendari City. By involving the community in stages, business actors can accommodate community input and needs in each phase of innovation development.

This makes the resulting innovation more appropriate and easily accepted by the community. This approach not only reduces the possibility of resistance to change, but also strengthens the sense of ownership and loyalty of the community towards the Modern Coffee Shop. In addition, by involving the community in the innovation process, Modern Coffee Shop can produce products and services that are more in line with local tastes. This can ultimately increase the competitiveness and sustainability of the business. The results of this study indicate that innovation implemented using participatory methods, in which the community is actively and gradually involved, is the key to developing a strong and sustainable business strategy in the face of dynamic changes in the market.

## **2. Relevance in everyday business practice**

The results of this study indicate that the importance of a sustainable business strategy that focuses on the community in daily activities has a crucial role in the success of Modern Coffee Shop in Kendari City. In this context, implementing strategies that take into account the needs and expectations of local communities has been shown to increase operational efficiency and strengthen relationships with consumers. The suitability of this strategy is seen from the adjustment of services and products that are in line with local preferences, which not only increases customer satisfaction, but also strengthens their loyalty. The research results indicate that companies that can adapt their daily activities to the social and cultural changes around them have a greater chance of long-term success. This shows that the success of Modern Coffee Shop does not only depend on innovation in products or services, but also on their skills in implementing appropriate strategies and being responsive to the needs of the community in daily business operations. Therefore, this study confirms that the importance of relevance in daily activities is a key factor in community-based sustainable business strategies, which significantly supports business continuity and sustainability in the long term.

## **CONCLUSION AND SUGGESTIONS**

The results of the study show that a community-based approach is effective in increasing the sustainability of Modern Coffee Shop in Kendari City. Community participation in innovation and adaptation to local needs can strengthen customer loyalty and operational efficiency. Daily business strategy is a crucial element for long-term success. Incorporating community elements into sustainable business plans is important, especially for micro, small and medium enterprises in urban areas. Recommendations for increasing community participation include increasing community involvement in decision-making and new product development. Sustainable business strategies must be responsive to social and economic changes. Sustainable business models in Kendari can be adopted by other regions with similar characteristics. Collaboration with the government and related parties is recommended to support the growth of MSMEs in urban areas. Further studies on the effectiveness of this strategy across different locations and cultures are needed.

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