

ABSTRACT

This thesis explores how Bagi Kopi, an Indonesian coffee shop brand, can enhance its resilience and competitiveness by redefining its business model through the adoption of concepts from South Korean coffee shops. The research is motivated by Bagi Kopi's challenges in maintaining customer loyalty and attracting investors amid Indonesia's rapidly expanding and highly competitive coffee shop industry. The study examines how South Korea's coffee shop culture which is renowned for its creativity, thematic experience, and digital engagement can serve as a reference for strategic innovation in Indonesia.

A qualitative case study approach was employed, integrating semi-structured interviews with Bagi Kopi's co-founder, on-site observations of both Indonesian and South Korean coffee shops, and a consumer survey. Analytical tools including the Business Model Canvas (BMC), Empathy Map, and Diamond and Square Framework were used to diagnose the company's current challenges, capture customer insights, and formulate a new, customer-centered business model.

Findings reveal that Bagi Kopi's limited differentiation and weak customer engagement contribute to its low repurchase rate and limited investor appeal. In contrast, South Korean coffee shops thrive by blending strong thematic branding, experiential design, and technology-driven convenience. By adopting these strategies such as producing high-quality yet affordable coffee with consistent taste, developing comfortable and unique store concepts, enhancing emotional connections with community and customers, improving service and integrating technology Bagi Kopi can redefine its value proposition and strengthen its long-term competitiveness.

The study concludes that aligning customer empathy and business model is essential for sustaining growth in the saturated Indonesian coffee market. The resulting strategic framework offers actionable insights for Bagi Kopi and other local SMEs aiming to thrive through cultural adaptation and differentiated value creation.

Keywords: Business Model Innovation, Customer Satisfaction, Customer Loyalty, South Korean Coffee Shops, Empathy Map, Diamond and Square Framework, Bagi Kopi, Strategic Differentiation