
Product and Service Design Analysis Case Study

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Article Info

Article history:

Received August 17, 2024

Revised August 20, 2024

Accepted August 21, 2024

Keywords:

Product design,
Cafes,
Innovation,
Competitiveness,
Efficiency.

ABSTRACT

Product and service design is important in determining a business's sustainability and success amid increasingly fierce market competition. In the context of the café industry, unique, attractive, and effective design plays a role in meeting customer needs and desires and building strong competitiveness. This research aims to examine the role of product and service design in improving operational efficiency and customer appeal, focusing on a case study of a café. The research uses a qualitative method, where data is obtained through direct observation and interviews with the cafe manager. The results showed that well-designed product and service design can improve customer experience, strengthen loyalty, and extend the business life cycle. Innovation-oriented design and customer needs have proven effective in the face of intensifying competition. In addition, the study also highlights the importance of technology integration in café design to improve operational efficiency. The findings provide practical insights for café owners and other business actors on utilizing design as a strategic tool to achieve sustainable business success and growth.

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1. INTRODUCTION

In an increasingly complex and competitive business world, product and service design is no longer considered a mere supporting element but a strategic component that can determine the company's success and sustainability [1]. Effective design integrates customer needs with business goals, creating products and services that satisfy and exceed consumer expectations [2]. In this context, product and service design is key to building a sustainable competitive advantage, especially amid ever-evolving and changing global market dynamics [3].

Innovative product and service design can influence various aspects of business, from brand perception to customer loyalty [4]. Tom Dieck et al., underline the importance of design as a tool to shape immersive consumer experiences, which can increase customer loyalty and lifetime value [5]. Furthermore, Elkhattat & Medhat emphasize that design quality includes functional aspects and involves aesthetic and emotional dimensions that can strengthen the relationship between the product and its consumers [6]. In this context, good design can create products and services that fulfill functional needs and provide high emotional value for customers [7].

In the era of globalization, where competition is local and global, companies are challenged to create relevant designs in various markets with different cultural characteristics and preferences [8]. Mathrani & Ibrahim emphasizes that successful product and service design must consider external factors such as international regulations, global trends, and cultural diversity [9]. This is becoming increasingly important in the era of digitalization, where rapid access to information allows consumers to compare

products from different corners of the world [10]. Design that is functional, innovative, and responsive to global market changes can be a key driver in winning the competition and maintaining market share [11].

In the context of the café industry, product and service design plays an important role in attracting and retaining customers [12]. Cafes compete not only in terms of the quality of food and beverages offered but also in terms of atmosphere, customer experience, and other added value that consumers can provide [13]. Northeast Coffee, a newly established café in Padang, Indonesia, faced the challenge of designing products and services that could attract customers amidst intense competition. With a strategic location and diverse market segments, Northeast Coffee must create attractive designs relevant to local preferences and global trends.

This research focuses on analyzing Northeast Coffee's product and service design to understand how the cafe designs and manages its products to remain competitive in a dynamic market. The study also explores how innovations in design can enhance the café's appeal and strengthen brand identity amidst intensifying competition. Using a qualitative approach, this research explores in depth how Northeast Coffee utilizes design as a strategic tool to achieve a competitive advantage.

2. METHOD

This research uses a qualitative approach with a case study method focused on Northeast Coffee. Data was collected through in-depth interviews with the cafe's owner and management and on-site observations. Semi-structured interviews enabled in-depth exploration of the implemented product and service design strategies, while observations provided additional context for analysis. Data were analyzed using thematic analysis to identify key product and service design themes. Data validity and reliability were maintained through method triangulation, combining data from interviews, observations, and supporting documents. All participants were fully informed about the purpose of the study and provided written consent to participate, and their identities were kept confidential.

3. RESULTS AND DISCUSSION

3.1. Northeast Cafe Life Cycle

3.1.2. Introduction Phase

Cafe Northeast focused on introducing the cafe to the public through various promotional activities, market research, and product development. This stage requires significant costs to build brand awareness and attract new customers. The introduction phase is a crucial stage where the right marketing strategy is indispensable to overcome the challenges of entry into a competitive market [14].

3.1.3. Growth Phase

Cafe Northeast showed stability characterized by an increase in consumer demand. Northeast responded to this growth by adding equipment and maximizing capacity to accommodate the increased demand. In the growth phase, companies need to focus on operational optimization to support sustainable growth [15].

3.1.4. Maturity Phase

Cafe Northeast is in a phase of maturity, characterized by increasing revenue and popularity among the public. The cafe has successfully built a loyal customer base and is able to survive in fluctuating market conditions. Research by Kang et al shows that product innovation and diversification are often necessary at the maturity stage to maintain competitiveness in the market [16].

3.1.5. Decline Phase

Cafe Northeast has not yet reached this phase, given that the cafe is still in the maturity stage and continues to grow. According to Alnoor et al, diversification strategies and product innovation can help extend the maturity phase and prevent entry into the decline phase [17].

3.2. The uniqueness of Cafe Northeast

3.2.1. Cafe Concept

Cafe Northeast carries an elegant and minimalist concept, although it is not specifically defined by the owner. This concept is reflected in the atmosphere created at the cafe. Research by Kim et al confirms that a unique concept and atmosphere can increase perceived customer value and loyalty [18].

3.2.2. Product Design

Cafe Northeast's product design, including the "N Coffee" logo emblazoned on automatic coffee machines, equipment, and beverage packaging such as cups and bottles, reinforces a strong brand identity. According to Sharp et al, consistent and meaningful design can help strengthen brand identity and create a lasting positive impression in the minds of customers [19].

3.2.3. Venue Design

The minimalist and elegant space is complemented by spacious tables and comfortable chairs, making Cafe Northeast a great place for students to do their assignments. The cafe also has a rooftop, prayer room, and a special kitchen for baristas. Research by Al Halbusi et al. shows that the physical design and layout of a place of business has a significant impact on customer behavior and their satisfaction [20].

3.2.4. Target Market

Cafe Northeast's main target audience is college students, although it also serves the general public and neighborhood residents. Research by Kosiba et al. shows that proper market segmentation, specifically focusing on specific demographic groups such as college students, can increase marketing effectiveness and customer retention [21].

3.2.5. Innovation

Cafe Northeast continues to innovate in menu variations and plans to open branches in the Padang area to meet the growing needs of customers. Continuous innovation is key in maintaining relevance in the market [22].

3.2.6. Marketing Strategy

Cafe Northeast utilizes social media such as Twitter, Facebook, TikTok, and Instagram to reach a wider audience and build engagement with customers. Research by Jeswani, underscores the importance of social media as a marketing tool in building brand awareness and customer engagement [23].

3.3. Strategies for Surviving the Competition

3.3.1. Input Acceptance

Cafe Northeast provides a link for customers to provide feedback and suggestions. This feedback is filtered and used as the basis for innovation by the cafe's internal team. According to Nona et al., customer feedback is a valuable source of information for product innovation and service improvement [24].

3.3.2. Product Innovation

Cafe Northeast continues to innovate in menu variations and plans to expand market reach by opening new branches. Research by Herman et al. shows that continuous product innovation can help companies maintain competitiveness and meet dynamic customer needs [25].

3.3.3. Automation

Cafe Northeast has been using automated coffee machines to improve service efficiency, replacing traditional methods. This ensures consistency of product quality and speeds up service time. Research by Pooya et al. shows that service automation can improve operational efficiency and customer satisfaction [26].

3.3.4. Performance Evaluation

Cafe Northeast regularly holds monthly evaluation meetings, attended by the owner, baristas, cashiers, and internal teams, to assess performance and identify areas for improvement. Regular performance evaluation is important to ensure that the strategies implemented are working in accordance with the goals that have been set [27].

3.4. Quality Analysis and Customer Satisfaction

Cafe Northeast uses a quality model to manage its business, focusing on several key factors that affect customer satisfaction, such as room temperature, space, food and beverage variety, and speed of service. The technical assessment shows that Cafe Northeast has been successful in several indicators, although there is still room for improvement, especially in terms of automation and expansion. According to Nguyen et al., consistent service quality is essential in building customer satisfaction and loyalty [28].

4. CONCLUSION

In the ever-evolving digital era, utilizing technology in designing products and services has become crucial for companies to increase customer satisfaction and strengthen positive assessments of the products and services offered. This research emphasizes the importance of a design strategy that focuses not only on functional aspects but also on the aesthetic value and beauty of products and services. By implementing a holistic design strategy, companies can produce products and services that meet consumer needs and attract a wider market.

An effective product and service design strategy will increase a company's attractiveness and competitive advantage in an increasingly competitive market. Therefore, an in-depth understanding of design strategy is crucial for business continuity and growth. The application of digital technology in the design process, which includes innovation and automation, enables companies to adapt to market changes and customer needs more quickly and efficiently.

Good product and service design meets customer expectations and contributes to the company's long-term operational and strategic success. Therefore, companies must continue to innovate and adopt design approaches that align with technological developments and global market trends to remain competitive and relevant.

ACKNOWLEDGEMENTS

Our thanks go to the team at Northeast Coffee for their cooperation and valuable inputs. Furthermore, we appreciate the support of our colleagues and the management department at Andalas University, who have made significant contributions towards the completion of this research.

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