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LEVERAGING BLUE OCEAN STRATEGY: CUTTING-EDGE APPROACHES TO CAFE MANAGEMENT DEVELOPMENT

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Information	Abstract:
<p>Article History:</p> <p>Received : 03.07.2024 Revised : 15.07.2024 Accepted : 21.07.2024</p> <p>Keywords: <i>Blue Ocean Strategy; Innovation; Survival Strategy.</i></p>	<p><i>In an increasingly competitive cafe market, innovation as a primary strategy is crucial to enhancing competitiveness and business growth in Tanjung Morawa. However, the challenges of effectively implementing innovation in cafe management may hinder cafes' ability to adapt to changing market trends and fluctuating consumer preferences quickly. Therefore, this research explores the role of innovation as a survival strategy in cafe management in Tanjung Morawa. Using the Blue Ocean Strategy approach, the study analyzes how innovation can enable cafes to create or redefine markets by offering unique value propositions and distinguishing themselves from competitors. The research methodology is descriptive qualitative, utilizing primary and secondary data sources, including surveys, interviews, documentation, and data analysis. Key informants include the owners of Skala Coffee, Cafe Abah Awak, and Selow Time Coffee. Data analysis techniques involve data reduction, presentation, and conclusion drawing. Findings demonstrate that innovation plays a crucial role in enhancing cafe competitiveness, with factors such as monitoring market trends, flexibility in responding to change, product quality, pricing, service delivery, and customer experience identified as keys to success. The practical implication of this research is that cafe owners must continue to foster innovation as part of their survival strategy in a competitive market environment.</i></p>

A. INTRODUCTION

The cafe industry has experienced rapid expansion, emerging as one of the fastest-growing sectors in recent decades. In this dynamic growth phase, cafe managers across diverse regions, including Tanjung Morawa, confront escalating challenges. These include fierce competition, shifts in consumer preferences, and external disruptions such as the COVID-19 pandemic, prompting them to seek innovative strategies for sustainability and growth. Situated within the evolving landscape of North Sumatra's development, Tanjung Morawa presents significant market potential amid stable economic growth. Nonetheless, cafe managers grapple with distinctive obstacles: mounting competition from major brands, evolving consumption trends, and heightened customer expectations for products and experiential offerings.

Selow Time Coffee stands out as the longest-surviving cafe in Tanjung Morawa, thriving since its establishment in 2013, marking 11 years of continuous operation. Following closely, Cafe Abah Awak has maintained development for over eight years since 2016, while Skala Coffee has sustained growth for seven years since 2017. These cafes' ability to endure and prosper underscores the importance of ongoing innovation and value creation for their clientele. A pertinent theoretical framework in addressing these challenges is the Blue Ocean Strategy, which advocates for carving out new market spaces and avoiding direct competition by introducing unique products or services that defy industry norms. In cafe management, adopting the Blue Ocean Strategy involves innovating products, services, or customer experiences to establish distinctive differentiation and explore uncharted "blue oceans" untouched by competitors.

Implementing the Blue Ocean Strategy in cafe management empowers owners and managers to transcend intense competition and pioneer new, untapped market territories. By identifying and capitalizing on unexplored market opportunities, cafes can avoid cutthroat price wars and cultivate unique value propositions for their clientele. Dinda Savira's (2023) research titled "Business Strategy with a Blue Ocean Strategy Approach in Facing Competition in Kolong Jember Cafes" delves into how Kolong Jember Cafe employs a strategic mix focusing on product and service

marketing, promotion, pricing, and location factors. The study reveals that Kolong Jember Cafe applied the Blue Ocean Strategy framework through strategic steps: eliminating less popular menu items, reducing traffic around the cafe, enhancing restroom lighting, and introducing spicy dishes favored by today's youth. While echoing similarities with Dinda Savira's (2023) exploration of the Blue Ocean Strategy in cafes, this study delves into innovation as a pivotal survival strategy in cafe management, grounded in the theoretical framework of Blue Ocean Strategy analysis.

In this study, the author explores the challenges faced by cafes in Deli Serdang, particularly in maintaining competitiveness amidst a saturated market and dynamic consumer preferences. With the cafe industry's rapid expansion, Deli Serdang establishments encounter intense competition from established brands and emerging cafes, necessitating innovative strategies for survival and growth. Understanding how innovation can serve as a strategic tool in this context is pivotal, as it fosters differentiation and enhances customer appeal and operational efficiency.

Implementing the Blue Ocean Strategy framework within Deli Serdang's cafe sector offers a promising avenue for cafes to break away from traditional competition and carve out unique market spaces. This strategic approach encourages cafes to identify uncontested market areas—"blue oceans"—where they can offer novel products or services that fulfill unmet consumer needs. By adopting this approach, cafes can sidestep direct competition based solely on price, instead focusing on delivering unparalleled value and customer experiences.

B. LITERATUR REVIEW

Innovation

Innovation is a concept with various definitions from experts, but all emphasize the importance of change and progress. According to Kholifah (2021), innovation involves applying new techniques or approaches from input to output that bring real changes in social and economic fields. This definition highlights that innovation is not just about new ideas but also about how these ideas are effectively implemented to create meaningful change. According to Sisca (2021), innovation is a new initiative undertaken by a company by implementing creative thinking and research results. Sisca emphasizes that innovation involves implementing creative ideas that have

undergone thorough research to create new business opportunities. This shows that innovation is about creating something new and how the concept can be implemented to achieve business goals. As cited by Suryana (2019), Theodore Levitt of Harvard defines innovation as the ability to apply original ideas to existing challenges and opportunities to improve people's quality of life. Levitt emphasizes that innovation is a process focused on applying new ideas to solve existing problems and capitalize on existing opportunities. This definition underscores that innovation is about finding new ways to enhance life through creative and effective solutions.

Furthermore, the innovation process typically consists of five stages: idea generation (searching for new concepts), opportunity recognition (identifying potential), concept evaluation (assessing innovative ideas), development (creating new products), and commercialization (marketing products to the market). These stages show that innovation is a systematic and structured process involving multiple steps, from idea creation to product launch in the market. Experts agree that innovation is key to development and progress in various fields. By applying creative thinking and thorough research, innovation enables organizations and individuals to overcome challenges, capitalize on opportunities, and create sustainable new value. These definitions illustrate that innovation is a dynamic process requiring a blend of creativity, research, and practical application to achieve significant results.

Business Strategy in Islam

According to (Ikhsan, 2022), strategy is the art of leveraging an organization's skills and resources to achieve its objectives by fostering effective relationships with the environment under the most favorable conditions. Islamic Sharia provides comprehensive guidance and direction for all aspects of human life, including business practices. Since trade is an integral part of human life, it naturally falls within the framework of Sharia. Sharia-based business concepts should be implemented comprehensively (*kaffah*), with professionalism and wisdom (*Ihsan*), to prevent unjust practices and maintain a balance between worldly and spiritual values. The goals are to achieve *al-falaah* (success, victory, and glory), competitiveness, and *hayatan thayyiban* (a good life, benefit, and prosperity) for the entire community (Riyanto, 2020).

Islamic business ethics mandate that Muslims conduct their economic activities under the permissible and prohibited guidelines set by Allah SWT. These ethics allow individuals to engage in economic pursuits freely to improve their living standards as long as they adhere to moral principles. Business ethics are crucial in helping industry professionals address moral dilemmas in their daily operations. Properly understanding Islamic business ethics is essential to minimize the risk of business failure. Adhering to these ethical principles ensures that individuals do not feel inferior and that society benefits significantly from the transactions that occur (Hidayat, 2021). If sharia principles are to be applied to various business tactics, several considerations must be made, such as:

a. Product and Service Strategy

A product is a combination of goods and services a company offers to its target market, aiming to influence consumer behavior (Aisyah, 2020). In Islam, products are goods that can be exchanged and are morally beneficial. Sharia principles shift the sales paradigm by viewing goods and services as a unified entity from various perspectives. Unethical trade practices include obscuring product quality or neglecting moral obligations in business. The ideal business duty is sustainable and balances financial gain with adherence to fundamental moral, ethical, and societal standards. Deceit and dishonesty, such as concealing mutual interests, are unethical (Djakfar, 2022). Pursuing profit at the expense of quality is unfair and subtly suppresses consumers. Islam firmly opposes the notion that oppression is acceptable, as injustice inevitably leads to oppression. Allah SWT says:

وَقَالَ مُوسَىٰ رَبِّي أَعْلَمُ بِمَن جَاءَ بِأَهْدَىٰ مِنْ عِنْدِهِ ۖ وَمَن تَكُونُ لَهُ عَقِبَةُ الدَّارِ ۗ إِنَّهُ لَا يُفْلِحُ الظَّالِمُونَ

Moses responded, “My Lord knows best who has come with ‘true’ guidance from Him and will fare best in the end. Indeed, the wrongdoers will never succeed.” (QS. Al-Qasas, 28: 37)

b. Pricing Strategy

Price is the amount of money that consumers have to spend to get a product (Aisyah, 2020). Pricing is an important marketing mix component

because it clearly and directly influences consumer acceptance. In addition, prices are a very flexible tool that can fluctuate between periods of stability and increases or decreases. This is also the only component that makes money from sales (Kasali, 2021). Pricing strategy in Islam is based on the principles of justice and balance as governed by Sharia principles. Setting fair and reasonable prices is an obligation in trade, where transparency and honesty in pricing are highly emphasized. Islam teaches that traders should not exploit consumer needs to achieve excessive profits. Additionally, profits should be earned through honest effort and not at the expense of others. These principles encourage entrepreneurs to uphold equality and fairness in economic interactions, ensuring that the interests of society as a whole are well-maintained in every business transaction.

c. Promotion Strategy

Promotion is communicating a product and persuading target consumers to buy it. According to Kottler (in Aminah, 2020), strategy is a game plan to achieve the desired targets of a business unit. Promotion is an activity to convey product benefits and persuade customers to buy the products offered. Promotion is one of the determining factors for the success of a marketing program. Promotion strategy in Islam revolves around ethical values and moral principles when communicating with consumers. Islam encourages traders to use honest, non-deceptive, and non-misleading promotion. Promotions should be transparent and provide accurate information about the products or services. Additionally, Islam emphasizes the importance of respecting and honoring consumers in every business interaction, ensuring that promotions do not violate Islam's values of justice, truthfulness, and decency. Promotion strategies aligned with these values will build consumer trust and maintain business integrity in the long term (Aisyah, 2020).

d. Place Strategy

Place includes the company's activities in producing and placing its products so that they are available to target consumers (Aisyah, 2020).

Invitations, distribution methods, coverage, retail sites, sales territories, inventory locations and levels, courier services for delivery, and wholesale and retail sales are all included in the distribution (Kasali, 2021). Place strategy in sales according to Islam emphasizes principles of openness, accessibility, and comfort for consumers. Islam teaches that sales locations or businesses should be accessible and comfortable for everyone, regardless of social or economic status. Traders are expected to maintain cleanliness and security at their business locations as part of their moral responsibility to society. Additionally, Islam encourages traders not to engage in deceptive or manipulative practices regarding the location or condition of sales places. By implementing place strategies aligned with Islamic ethical values, traders can ensure that the consumer shopping experience is efficient, dignified, and fair to all parties involved (Aisyah, 2020).

Blue Ocean Strategy

Kim W. Chan and Renee Mauborgne, in their seminal work published in the *Journal of Business Administration*, define the Blue Ocean Strategy as a method to gain market share by redefining industry boundaries and generating insights from unconventional perspectives. This strategy, distinct for its focus on value innovation, contrasts the Red Ocean Strategy, which centers on competing within existing market limits. Value innovation is the cornerstone of the Blue Ocean Strategy, enabling companies to reshape their offerings to enhance customer value propositions and cost structures. This strategic pivot allows organizations to carve out new market spaces rather than vie for position in crowded, competitive arenas (Chan, 2005).

Yunus & Sianggaran (2021), as cited by Naeem, A. M. et al. (2022), assert that the Blue Ocean Strategy empowers organizations to secure a competitive edge by pioneering unexplored market domains. This approach, synonymous with innovation-driven value creation, involves exploring untapped market opportunities, thereby distinguishing itself from the Red Ocean Strategy, which revolves around competition within established markets.

According to research by Kim W. Chan and Renee Mauborgne (2005), six key guidelines are recommended for effectively implementing the Blue Ocean Strategy: a)

Redefining Market Boundaries: The foundational principle involves reconstructing industry boundaries to help companies avoid Red Ocean competition and create new market spaces known as Blue Oceans, reducing search risk. b) Emphasizing the Big Picture over Details: Reducing risks in energy investment planning relies on prioritizing the big picture—a company’s overarching vision—over getting lost in minutiae. c) Exceeding Current Needs: This involves balancing traditional strategic techniques—prioritizing customer needs and refining segmentation to accommodate customer variability—aiming to expand the customer base and market share. d) Executing the Strategic Sequence Effectively: After strategic acquisition and creating a new value curve, developing a robust business model is crucial for assessing the strategy’s effectiveness in achieving sustainable growth and profitability. Key elements tested include buyer utility, pricing, costs, and adoption. e) Overcoming Significant Organizational Barriers: Successful implementation often requires overcoming identified organizational barriers such as resource constraints, cognitive biases, behavioral resistance, and political hurdles. f) Integrating Implementation into the Strategy: This principle highlights the importance of incorporating a fair process that positively impacts community attitudes and behaviors during strategy implementation.

Four Steps Framework

According to Kim W. Chan and Renee Mauborgne (2005), achieving blue oceans through value innovation requires a four-step framework analysis. These steps are outlined as follows: 1) Eliminate: Identify which current industry factors are non-essential and should be eliminated. These functionalities are standard but do not provide significant value to customers. 2) Reduce: Determine which elements can be reduced below industry standards. These features should be scaled back or removed because they do not significantly contribute to customer value. 3) Improve: Identify aspects that should be elevated above industry norms. These features can provide exceptional value to customers, even if competitors already offer similar features. 4) Create: Identify new industry elements that are currently missing and should be developed. This involves innovating new features that can provide substantial value

to customers, potentially fulfilling needs that customers may not even realize they have.

C. METHODOLOGY

This study employs a descriptive qualitative methodology, focusing on three cafes: Skala Coffee, Cafe Abah Awak, and Selow Time Coffee, each with a developmental history of over 7 years. Primary data were gathered through field observations and interviews with the managers: Mr Hadi from Skala Coffee, Mr Oka Ananda from Cafe Abah Awak, and Mr Ridu Habidarda from Selow Time Coffee. Secondary data were obtained from documented sources, providing comprehensive insights into the research subjects. The interview data were analyzed using data reduction techniques. Researchers conducted on-site visits to these cafes, incorporating interviews and documentation as integral components of the data collection strategy.

The study also utilized thematic analysis to identify recurring patterns and themes within the qualitative data. This approach allowed for a deeper understanding of each cafe's unique strategies and challenges. Additionally, the researchers considered the cultural and social contexts in which these cafes operate, acknowledging how these factors influence their development and customer engagement. By triangulating data from various sources, the study aims to present a holistic view of the factors contributing to these long-established cafes' sustained success and growth.

D. RESULT AND ANALYSIS

Formulation of Survival and Innovation Strategies Used in Cafes

Based on interviews with several cafe managers conducted by researchers, it can be seen that:

Table 1. Product and Services Strategy

Scale Coffee	Cafe Abah Awak	Selow Time Coffee
"Our main strategy is to use high quality ingredients and ensure a great customer experience.	"Our strategy focuses on offering various menu options and unique customer experiences. We	"Our strategy ensures consistent quality and taste in our food and coffee drinks. We constantly

<p>We use fresh ingredients for all our products and train our staff to offer friendly and professional service. We have also innovated by using technology to improve efficiency and customer service. Our online ordering system lets customers order ahead, reducing wait times and helping us manage inventory better."</p>	<p>regularly introduce new and innovative coffee drinks and dishes to keep our offerings fresh and exciting. We also prioritize providing friendly and responsive customer service. Another innovative approach we use is hosting creative events and promotions, which attract new customers and maintain loyalty among our regulars."</p>	<p>listen to customer preferences and update our menu to ensure everyone enjoys their visit. We are also creating a loyalty program to thank our regular customers. Recently, we introduced new items like coffee mocktails and healthy snacks to our menu as part of our innovation efforts."</p>
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Table 2. Pricing Strategy

Scale Coffee	Cafe Abah Awak	Selow Time Coffee
<p>"Our strategy aims to give customers great value while keeping our business sustainable. We think about the costs of ingredients and production, setting fair prices that keep us competitive. We offer discounts and special deals during special times like holidays or our cafe's anniversary to attract new customers and increase sales."</p>	<p>"Our primary strategy is to set prices that reflect the exceptional quality of our products and the unique customer experience we provide. We aim to differentiate ourselves through competitive pricing, emphasizing superior quality, added value, and the inviting atmosphere we cultivate in our cafes."</p>	<p>"Our strategy is to establish fair pricing for our products by factoring in the costs of raw materials, labor, and a reasonable profit margin. Additionally, we consistently monitor competitors' prices to remain competitive."</p>

Table 3. Promotion Strategy

Scale Coffee	Cafe Abah Awak	Selow Time Coffee
<p>"Our promotional strategy leverages online platforms, including Instagram, Facebook, our website, and online ordering systems, to introduce new menus, announce special events, and offer discounts to loyal customers. This</p>	<p>"Our promotional strategy centres on fostering community and enhancing customer engagement. We achieve this by creating captivating and relevant content for our social media channels. Additionally, we actively</p>	<p>"One of our primary strategies is to prioritize digital marketing. We actively engage on social media platforms like Instagram and Facebook, regularly sharing updates about our latest menu items, special promotions,</p>

approach helps increase brand awareness and attract new customers." participate in local and events at our cafe. community events and Additionally, we invest in collaborate with other targeted online advertising businesses in our area to to enhance our visibility strengthen our presence and reach a broader and build meaningful audience." connections."

Table 4. Place Strategy

Scale Coffee	Cafe Abah Awak	Selow Time Coffee
"Our main strategy is to create a comfortable, unique environment with a Balinese theme. We also cater to working customers by providing a cozy area with electrical outlets and Wi-Fi access.	"In our place strategy, we keep up with the latest interior design and technology trends. Our cafe is designed with distinct zones, featuring plenty of green plants and natural decor for a fresh feel. We offer various seating options, from open spaces with natural light to quiet corners. We also provide Wi-Fi and a room for live music, enhancing the customer experience."	"Our venue strategy uses natural elements like wood and green plants to create a relaxing atmosphere amidst the city's hustle and bustle. We offer Wi-Fi and background music to make it feel like a home away from home."

Implementation of the Blue Ocean Strategy Framework

The four-step blue ocean strategy framework was obtained from the answers of several cafe customers.

Table 5. Four-Step Framework at Scale Coffee

Respondent Number	Factor Removed	Factor Reduced	Factor Improved	Factor Created
1	-	-	-	Game Facilities, such as Uno
2	Less popular menu	-	The quality of the coffee taste is sometimes inconsistent	-
3	-	-	Invisible cafe logo	-

Based on the table above, it can be seen that the answer from the respondents for the Coffee Scale, the removed factor is the less popular menu, which confuses customers when

ordering and, of course, makes the stock of ingredients purchased more efficient. While there are no other factors to reduce, according to customers, the coffee scale is good, so nothing needs to be reduced. Furthermore, the improved factor is the quality of the coffee taste, which is sometimes inconsistent, confusing customers about the original taste. The factor that needs to be improved is the cafe logo, which is less visible, so it impacts the cafe's branding and image. Lastly, the factors that need to be created are game facilities such as Uno and various other games so that customers feel at home in the cafe for a long time.

Table 6. Four-Step Framework at Abah Awak Coffee

Respondent Number	Factor Removed	Factor Reduced	Factor Improved	Factor Created
1	-	-	A variety of snacks served	-
2	-	Food and drink prices	-	-
3	-	-	-	Game facilities, such as uno, etc

Based on the table above, it can be seen that the respondents' answers for Cafe Abah Awak are no factor to be removed; according to customers, the cafe is good, and there is no need to remove factors. In addition, the reduced factor is the price of food and drinks; according to customers, these prices are relatively high for students/teenagers. The factor that has been improved is the variety of snacks served, thereby attracting more customers by offering a wider choice. Furthermore, in Abah Awak Cafe, the factor that needs to be created is game facilities such as Uno and other games so that customers feel at home in the cafe for a long time.

Table 7. Four-Step Framework at Selow Time Coffee

Respondent Number	Factor Removed	Factor Reduced	Factor Improved	Factor Created
1	-	-	Variety of non-coffee drinks	-
2	-	-	-	Music Live
3	-	-	Faster ordering process	-

Based on the table above, it can be seen that there are no factors to eliminate in the respondents' answers for Selow Time Coffee. Moreover, in Selow Time Coffee, there is no reducing factor. Nevertheless, at Selow Time Coffee, the factor that has been improved is the variety of non-coffee drinks to reach more customers who may not like coffee or want to try something new. The improved factor is a faster ordering process to increase customer satisfaction by reducing waiting times and increasing operational efficiency. Furthermore, at Selow Time Coffee, the factor that needs to be created is live music, thereby creating a livelier and more interesting atmosphere with a live entertainment experience

Discussion of Findings

Formulation of Business Strategies Used by Skala Coffee, Cafe Abah Awak, and Selow Time Coffee

Referring to the results of observations, interviews, and documentation, as well as data analysis that has been carried out and refers to the focus of the problem, the author will discuss the findings in the field. Based on the data analysis, it is evident that the business strategy employed by Skala Coffee, Cafe Abah Awak, and Selow Time Coffee encompasses product, price, promotion, and place strategies.

Firstly, about product strategy: Each cafe focuses on high-quality products, taste consistency, specialities, and service, adhering to Islamic business ethics by offering premium products. This emphasis on quality helps these cafes remain competitive in the market. Secondly, from the pricing strategy, the pricing strategy balances the value provided to customers with the sustainability of the business. This involves considering raw material costs, production processes, and reasonable profit margins while ensuring competitive prices. Third, for promotional strategy: Promotion is key to stimulating customer interest. These cafes actively promote their businesses on social media platforms like Instagram and Facebook to reach a wider audience and engage customers. Next, for place strategy: The success of product marketing is closely linked to the distribution strategy, which includes the location and ambience of the cafes. Skala Coffee's Balinese theme creates a unique atmosphere that attracts customers. Cafe Abah Awak's use of green plants and natural decor fosters a welcoming environment, while Selow Time Coffee combines green plants with

natural wood elements to create a homey feel. These distinctive concepts enhance the customer experience and contribute to the cafe's success.

The research findings on the business strategies employed by Skala Coffee, Cafe Abah Awak, and Selow Time Coffee offer a comprehensive look into how product quality, pricing, promotion, and place strategies contribute to success in the competitive cafe industry. While these findings provide valuable insights, they also spark an academic debate among scholars and industry experts. This debate delves into the strengths and potential limitations of the identified strategies, exploring their effectiveness and sustainability in a dynamic market environment. This discussion aims to understand better how these strategies can be optimized for long-term business success.

Looking at opponents' viewpoints: dependence on product quality, while focusing on product quality is important, this research may overlook the importance of continuous product innovation. In a rapidly changing industry, relying solely on high quality may not be sufficient to maintain long-term competitiveness. Furthermore, for limitations of pricing Strategy, a balanced pricing approach may not be flexible enough in fluctuating economic conditions. This research might underestimate how pricing strategies must be adapted to respond to changes in the market and production costs. In addition, the long-term effectiveness of social media promotion, although social media is effective in the short term, there are concerns about the sustainability of this strategy. Social media algorithms change and can affect reach and engagement. This research may not consider the over-reliance on a single marketing platform. While an attractive place concept can enhance the customer experience, the costs of maintaining unique decorations and ideas can become a long-term financial burden. This research might not explore the sustainability aspect of such place strategies. It can be seen that this research provides valuable insights into how product, price, promotion, and place strategies can be applied to sustain café businesses in a competitive market. However, this academic debate highlights areas that need further consideration, such as continuous product innovation, pricing flexibility, and sustainability of place strategies. Considering all these aspects, a holistic approach can help café businesses achieve long-term success.

Implementation of the Blue Ocean Strategy Framework at Skala Coffee, Cafe Abah Awak, and Selow Time Coffee

Based on the data analysis, it is clear that formulating a Blue Ocean Strategy requires an analytical tool, specifically a four-step framework, to reconstruct buyer value elements and create a blue ocean. Analyzing Skala Coffee, Cafe Abah Awak, and Selow Time Coffee provides insights into how these cafes have addressed the framework's four steps: First, about the elimination. This step involves removing factors that hinder competition. At Skala Coffee, less popular menu items were eliminated to simplify ordering and improve inventory efficiency. Cafe Abah Awak and Selow Time Coffee did not eliminate any factors. Secondly, for the reduction. This step requires companies to reconsider whether their products or services have been excessively designed to keep up with competition. Neither Skala Coffee nor Selow Time Coffee identified factors to reduce, but Cafe Abah Awak reduced prices for food and beverage products. Third, the improvement. This step focuses on enhancing a company's potential. Skala Coffee improved the consistency of coffee drink quality and made its location logo more visible. Cafe Abah Awak increased the variety of snacks offered, while Selow Time Coffee diversified its non-coffee drinks and expedited the ordering process to reduce wait times. Fourthly, about creation. This step involves finding new sources of value for buyers and generating new demand. Skala Coffee introduced game facilities for young children, such as Uno. Cafe Abah Awak implemented similar creation steps, while Selow Time Coffee added live music to enhance the cafe experience. Through these steps, each cafe has utilized the Blue Ocean Strategy to differentiate itself in the competitive cafe industry.

The discussion about how Skala Coffee, Cafe Abah Awak, and Selow Time Coffee implement the Blue Ocean Strategy framework aims to create untapped market space by emphasizing value innovation. Data analysis shows various approaches these three cafes took in executing this strategy, including elimination, reduction, enhancement, and creation steps. This discussion will highlight the successes and challenges faced by each cafe in implementing the strategy and its impact on their competitiveness and business sustainability.

Some academic debate arguments supporting the Implementation of Skala Coffee: Supporters of Skala Coffee's strategy argue that eliminating less popular menu items has helped improve operational efficiency and simplify customer ordering. Enhancements such as improving the consistency of coffee flavors and clarifying the location logo have also been effective in enhancing customer experience and the cafe's visual appeal. Additionally, the creation step of providing game facilities for children is seen as a targeted innovation to attract the family market segment. On the other hand, some critics argue that Skala Coffee may be too focused on elimination and not investing enough in the reduction step, which could further reduce operational costs. They also argue that the innovations are still limited and do not fully exploit the broader market potential. Furthermore, creating game facilities may not appeal to all customer segments, especially those seeking a quieter and more professional cafe atmosphere.

Furthermore, the discussion about findings from Cafe Abah Awak is considered successful in implementing the reduction strategy by lowering the prices of food and beverage products and increasing price competitiveness in the market. Enhancements by adding snack variety are also seen as effective in meeting diverse customer needs. Creating a natural decor and green plants concept provides customers with a refreshing and appealing atmosphere, creating a unique and memorable experience. However, some argue that Cafe Abah Awak has not fully utilized the elimination step to remove unnecessary elements. Critics also suggest that lower prices are attractive, and product quality should not be compromised. They recommend that the cafe focus more on product quality improvement in addition to variety.

Moreover, arguments supporting implementation at Selow Time Coffee are that creating live music is a successful innovation that enhances the atmosphere and attracts customers. Enhancements such as speeding up the ordering process and adding variety to non-coffee drinks are also effective in improving customer satisfaction and expanding the market. However, critics argue that Selow Time Coffee could do more in terms of elimination and reduction to improve operational efficiency. They also believe that live music may not appeal to all customers and could disrupt those seeking a quieter environment.

The strategies implemented by Skala Coffee, Cafe Abah Awak, and Selow Time Coffee demonstrate efforts to compete in the cafe industry and conduct business ethically and by Islamic business principles. Maintaining product quality, setting fair prices, engaging in honest promotions, innovating for the common good, and paying attention to social and environmental responsibilities align with Islamic teachings in conducting a sustainable and dignified business. Business in Islam does not merely pursue profit but also emphasizes justice, honesty, and balance in every transaction.

From the perspective of Islamic business, the strategies implemented by Skala Coffee, Cafe Abah Awak, and Selow Time Coffee reflect the application of Sharia principles in their business practices. They maintain product quality by using halal and good ingredients, setting fair prices for the product's value without harming consumers, and conducting honest and transparent promotions. Additionally, their innovations for the common good and attention to social responsibility demonstrate their commitment to balance and sustainability principles in Islam. Businesses based on Islamic teachings emphasize justice, honesty, and mutual benefit, focusing not only on profit but also on the blessings and welfare of the wider community.

E. CONCLUSION

Based on the research and analysis conducted, it can be concluded that innovation is an effective strategy for sustaining cafe management in Tanjung Morawa, particularly when analyzed through the Blue Ocean Strategy approach. By innovating, cafes can create new markets or transform existing ones by offering unique value and distinguishing themselves from competitors. Successful implementation requires attention to local market trends, flexibility in responding to changes, and a focus on product quality, pricing, service, and the overall customer experience.

Implementing the Blue Ocean Strategy framework at Skala Coffee, Cafe Abah Awak, and Selow Time Coffee presents an interesting case for academic debate. Proponents argue that the strategic moves to eliminate, reduce, improve, and create within these cafes exemplify a successful application of Blue Ocean principles. For instance, eliminating less popular menu items at Skala Coffee enhances operational efficiency and customer satisfaction by simplifying choices and optimizing ingredient

use. This aligns with Kim and Mauborgne's (2005) emphasis on reducing complexity to unlock new demand.

Conversely, critics might contend that the steps taken by these cafes, while innovative, do not fully capture the essence of creating uncontested market space. They argue that mere adjustments in menu offerings and service enhancements might not suffice to achieve a true Blue Ocean shift. The focus on incremental improvements, such as introducing game facilities at Skala Coffee or live music at Selow Time Coffee, may be seen as insufficiently radical to redefine market boundaries fundamentally.

Furthermore, there is debate over the sustainability of such innovations. While proponents highlight the initial success in attracting customers and differentiating from competitors, critics question whether these innovations can maintain their novelty and continue to provide a competitive edge in the long term. The challenge lies in continuously identifying and implementing new value propositions that resonate with evolving customer preferences.

Additionally, the debate extends to the effectiveness of the pricing strategies employed. While Skala Coffee and Cafe Abah Awak have taken steps to align prices with customer value perceptions, the extent to which these strategies balance profitability and competitive positioning remains a contention. The academic discourse thus centers on whether these cafes can sustain their innovative approaches and pricing strategies to achieve long-term success in the dynamic cafe industry.

Lastly, applying the Blue Ocean Strategy at Skala Coffee, Cafe Abah Awak, and Selow Time Coffee underscores the potential for innovation to drive success in the cafe industry. However, the academic debate highlights the complexities and challenges inherent in sustaining such innovations and achieving true market differentiation.

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