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From lifestyle to creative economy: Consumer choices, services capes, and digital drivers in Indonesia's coffee market

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ABSTRACT

This study reframes Indonesia's urban coffee boom as a consumer-culture phenomenon with concrete managerial and policy levers. Using a descriptive, integrative approach, we synthesize observations from a source presentation with established frameworks—Theory of Planned Behavior (TPB), servicescape and the stimulus–organism–response (S–O–R) model, hedonic consumption, and experiential marketing—to explain why youth segments dominate demand and why sweet, milk-based iced variants at ~IDR 23,000 have become the anchor offering. We argue that photogenic, comfort-optimized café environments act as dual-purpose assets: they enhance on-site affect (pleasure, arousal) and generate user-generated content that compresses customer acquisition costs via social proof. Baristas function as cultural intermediaries, translating origin stories and craft into authenticity cues that raise willingness to pay and loyalty. We propose a testable mechanism linking servicescape and social-media exposure (stimuli) to hedonic motivation and perceived value (organism), and onward to repeat visits, basket size, and eWOM (response). Practical implications include instrumenting the store-to-content funnel, managing menu complexity while preserving hedonic payoff, and building barista-led community programs. Limitations include reliance on descriptive materials and the absence of multi-city causal evidence; future work should combine SEM, field experiments, and digital trace data to estimate elasticities and quantify media yield.

Keywords: Coffee consumption, Servicescape, Hedonic consumption, Stimulus–Organism–Response (S–O–R), Theory of Planned Behavior (TPB), Social media marketing, and Creative economy.

1. Background

Coffee has transitioned from a primarily functional beverage into a lifestyle and cultural artifact, particularly in urban centers. It ligns with Maspul (2023) who states that coffee culture represents more than just a drinking habit but also a medium for social interaction and collective engagement that encourage connection, relaxation, intellectual discusson, and community involvement.

Coffee is one of the most popular drinks in the world; during the 2021–2022 cycle, around 176 million 60-kg bags were consumed (Maspul, 2025). Indonesia as one of the world's largest coffee producers and a robusta powerhouse sits at the nexus of upstream agricultural value chains and rapidly modernizing downstream cafe ecosystems. National consumption was forecast around 4.79 million bags in 2023/2024, reflecting steady domestic demand even amid macro headwinds (USDA/FAS). Beyond its export role, coffee thus functions as a domestic cultural commodity and a key node in creative-economy activity, generating employment and small-business formation across cities (United States Department of Agriculture, 2023). It also highlights the rapid growth of coffee shops – from 1,083 outlets in 2016 to about 3,000 outlets in subsequent years – framing the industry as part of the creative economy in which design, storytelling, and social media engagement are key to differentiation.

Indonesia's coffee industry holds immense potential, driven by the widespread proliferation of coffee shops across the country. These establishments, each boasting distinct characteristics and diverse price points, serve as catalysts for the development of Indonesia's creative economy. The rapid expansion of coffee shops has not only created employment opportunities but has also transformed the perception of baristas. Within this context, baristas are increasingly seen not merely as service workers, but as craftspeople and cultural intermediaries (Kwame Opoku et al., 2023). This shift in perspective has contributed to the industry's growth, fostering innovation and creativity in coffee preparation techniques, shop designs, and overall customer experiences. As a result, the coffee industry has become a significant contributor to Indonesia's economic landscape, attracting both local and international attention while showcasing the country's rich coffee heritage and entrepreneurial spirit. Understanding these shifts requires a synthesis of consumer behavior theory and socio-cultural analysis.

The Theory of Planned Behavior (TPB) (Ajzen, 1991) posits that attitudes, subjective norms, and perceived behavioral control shape intentions that, in turn, drive consumption. Hedonic consumption research (Hirschman & Holbrook, 1982) underscores the role of sensory pleasure, novelty, and experiential value. The stimulus–organism–response (S–O–R) framework (Mehrabian & Russell, 1974) offers an integrative lens for explaining how café atmospherics (stimuli) influence internal states (organism) and, ultimately, approach or avoidance behaviors (response). Finally, social media scholarship (Kaplan & Haenlein, 2010) explicates how user-generated content and community dynamics propel brand awareness, perceived trendiness, and trial intentions.

This study is descriptive observations regarding Indonesian coffee consumption into a scientific narrative that aligns these concepts. We articulate research objectives, develop a conceptual framework linking café design, social sharing, and hedonic preferences to purchase frequency and loyalty, and propose methods for rigorous empirical validation. The contribution is twofold: (1) it situates Indonesia's café boom within established behavioral and experiential theories; and (2) it distills strategic guidelines for entrepreneurs and policymakers seeking to cultivate sustainable growth in the coffee value chain.

2. Method

This paper follows a descriptive, integrative methodology that synthesizes observations from the referenced presentation with established theories and secondary literature. First, we extract key propositions from the source material concerning market size, sociodemographic profiles, taste preferences, and managerial recommendations. Second, we map these propositions onto theoretical constructs from TPB, hedonic consumption, servicescape and S–O–R frameworks, and social media marketing. Third, we propose avenues for empirical validation, including survey-based measurement of attitudes, subjective norms, perceived behavioral control, and intentions; conjoint or choice-based

experiments to estimate attribute utilities for price, sweetness, toppings, and ambience; and quasi-experimental assessments of social media campaigns.

Sampling and Data. A stratified sample of urban consumers (ages 17–35) across major Indonesian cities (e.g., Jakarta, Bandung, Surabaya, Yogyakarta, Medan, Makassar) would capture heterogeneity by income, occupation (students vs. workers), and café density. Data collection would combine intercept surveys at cafés, online panels, and digital trace data (with appropriate consent) from social media engagements (e.g., likes, comments, shares). Measurement scales should adapt validated items for attitudes, norms, and perceived control (Ajzen, 2005), hedonic motivation (Voss et al., 2003), and behavioral intentions (repeat purchase, word-of-mouth). Analytical models could include structural equation modeling (SEM) to assess pathways from stimuli (design cues, social media exposure) to organism (affect, perceived value) to response (visitation frequency, spend per visit), as well as mixed logit models for discrete choice. Ethics. All data collection should comply with informed consent, data privacy, and ethical research guidelines, ensuring anonymity and secure storage of responses.

3. Result and Discussion

3.1 Market Growth and Cafe Proliferation

The increase from ~1,083 outlets in 2016 to ~3,000 in the following years signals a shift from niche to contestable mass market. Three forces plausibly explain this acceleration. First, low fixed-cost formats (kiosks, carts, mall micro-outlets) and modular equipment bundles reduce capital intensity, compress payback windows, and encourage rapid entry. Second, diffusion of third-wave signifiers (origin stories, manual brewing, latte art) lowers consumer uncertainty about quality while giving even small shops an "authenticity" veneer. Third, supply-side learning—shared supplier networks, standardized recipes, and barista labor mobility—creates industry templates that are easy to copy, shortening the idea-to-launch cycle.

Strategically, proliferation tightens competition and raises the bar for non-price differentiation. As creative-economy logics take hold, micro-brands compete in semiotic space (name, design language, narrative), not just in functional attributes. In such markets, brand storytelling and visual identities are not cosmetics; they are *choice architecture* that lowers search costs and creates mental availability, thereby sustaining willingness to pay even when drinks are similar.

Forward-looking test: Apply local market "density × time" panels to estimate whether new entry lifts category demand (market-expansion effect) or merely redistributes share (business stealing). If the former dominates, urban coffee is still in a growth regime; if the latter, the market approaches maturity/shake-out, and survival hinges on operational discipline and distinctiveness.

3.2 Sociodemographic Profile and Price–Taste Fit

This study indicates that youth (17–25)—often students with IDR 1.0–1.5 million monthly income—dominate purchases, preferring sweet, milk-based iced coffee near IDR 23,000 per cup. Interpreted through the Theory of Planned Behavior (TPB), three levers are visible (Ajzen, 1991). (a) Attitudes: Palatability (sweetness + milk mouthfeel) and price fairness shift outcome evaluations positively; (b) Subjective norms: Café-going is social; co-visitation and posting behaviors normalize frequent purchase, amplifying peer-induced intentions (Kaplan & Haenlein, 2010); (c) Perceived control: Simple menus, ubiquitous e-wallets, and high outlet density reduce friction, increasing the felt ease of "just getting coffee."

Economically, the IDR ~23k anchor minimizes price pain for students while keeping enough unit margin to fund ambience and content creation. The sweet profile is also a risk-reducer for early adopters (Hirschman & Holbrook, 1982): it narrows taste variance and converts first-time trial into habit. Over time, this configuration can create path dependence: consumers habituate to sweetness and iced textures, dampening willingness to switch to more bitter, higher-priced specialty profiles unless the experience (story, space, status cues) compensates.

Forward-looking test: Estimate own- and cross-price elasticities by segment (student vs. worker) using transaction data or discrete-choice experiments. Expect higher price elasticity among students and stronger sweetness utility among new users, with elasticity attenuating as loyalty deepens.

3.3 Role of Cafe Design and Photogenic Environments

The presentation's emphasis on unique, attractive, photogenic cafés aligns with servicescape theory (Bitner, 1992) and the S–O–R paradigm (Mehrabian & Russell, 1974). Physical cues (lighting, spatial layout, seating ergonomics, charging points, acoustic comfort, olfactory signatures) act as stimuli that modulate affect (pleasure/arousal), which then shapes approach behaviors—dwell time, add-on purchases, and intent to return.

In Indonesia's café economy, the servicescape is dual-use: it must both deliver comfort and "render well" on camera. The Instagrammable interior collapses the boundary between private experience and public signaling. In TPB terms, this raises subjective norms by broadcasting participation; in S-O-R terms, the visual stimulus is amplified digitally, priming cravings and visit intentions for viewers (Kaplan & Haenlein, 2010).

Operational implication: Treat design not as a sunk cost but as an asset with media returns. Track *media yield per square meter* (UGC posts/m²/month) and *content-led conversion* (visits attributable to UGC exposure). Redesign zones with low media yield or poor comfort scores.

3.4 Menu Engineering and Sensory Strategy

For the youth core, sweetness calibration and texture play (toppings, cold foam, ice cream) deliver hedonic lift (Hirschman & Holbrook, 1982; Voss et al., 2003). The menu should be engineered along three planes: (1) Choice architecture: Elevate a few signature SKUs with prime real estate and anchor pricing; use bundles (drink + snack) to raise ticket size; deploy limited-time offers (LTOs) to create cadence without permanent complexity; (2) Hedonic–health spectrum: Maintain sweet bestsellers while offering reduced-sugar and plant-based variants for health-conscious niches—preventing leakage to competitors without diluting the core; (3) Complexity management: Each new SKU increases training time, inventory variance, and service time. Enforce a menu-complexity budget (e.g., target seconds added per transaction and incremental spoilage cost).

Evidence strategy: Use conjoint/choice modeling to estimate marginal utilities for sweetness, milk type, caffeine strength, toppings, and price; simulate optimal menus under margin and prep-time constraints. Validate with A/B tests on digital menus; measure throughput, waste, and CLV uplift.

3.5 Social Media as a Low-Cost Growth Lever

Social media compresses customer-acquisition cost (CAC) because it converts private consumption into public signals at scale through user-generated content (UGC). In café categories, where product utility is partly experiential and symbolic, posts that foreground sensory cues—steam curls, pour shots, ice clinks, crema swirls—operate as vivid stimuli that heighten affect and prompt cravings in near real time, consistent with the stimulus–organism–response (S–O–R) framework. When these visuals are attached to identity-relevant scenes—study nooks, date corners, branded merchandise—the content doubles as self-presentation, inviting peers to imitate the behavior. In Theory of Planned Behavior (TPB) terms, this visibility thickens subjective norms: "people like me are doing this now," which raises intentions to visit (Ajzen, 1991). Unlike traditional ads, UGC cues originate from peers, so they inherit credibility and feel less like persuasion (Kaplan & Haenlein, 2010), which helps explain why a well-run UGC flywheel—prompting, reposting, and rewarding creators—can outperform polished brand assets on a per-impression conversion basis.

The strategic frontier, therefore, is not audience size per se but the conversion efficiency of narratives circulating in the feed. Barista point-of-view stories are especially potent because they humanize craft, translating upstream complexity—origin, roast curve, extraction—into simple, empathic micro-

lessons that build epistemic trust. Signature-SKU micro-stories, meanwhile, compress memory: a 12–15 second loop that ties a drink's look, flavor metaphor, and serving ritual becomes a mental shortcut shoppers can recall at the point of choice. These two strands—human craft and memorable product schema—seed a repeatable grammar that creators and customers can riff on, enabling scale without creative fatigue. The role of the brand is to orchestrate, not monopolize, the storytelling: establish recognizable visual cues, provide shootable spaces and props, and remove friction for customers to post (clear sightlines, good lighting, stable Wi-Fi, subtle "share here" prompts).

Platform mechanics make the difference between attention and action. Short-form video algorithms privilege early engagement velocity, watch time, and completion rates; thus, creative must "hook" in the first seconds, resolve a micro-tension (What does it taste like? How is that foam made?), and land a concrete next step (show the counter, payment tap, pickup handoff). Captions and on-screen text should anchor price and availability to minimize drop-off from curiosity to indecision, particularly for price-sensitive youth segments. Geo-tagging and neighborhood hashtags localize discovery, aligning exposure with store catchments. Crucially, content needs cadence more than perfection: a predictable rhythm of human-scale posts sustains salience and lowers marginal production cost as teams learn a repeatable format.

Because social exposure spills across channels ("dark social" shares in chats and DMs), naive last-click attribution will understate true contribution and over-reward paid ads. A more defensible approach triangulates three lenses. First, run geo-split or time-series holdout experiments: vary organic posting intensity or creator partnerships in matched zones and estimate incremental lift in footfall, tickets, and cohort retention. Second, use cohort tracking to compare post-exposure groups with matched unexposed cohorts on 30/60/90-day repeat rates and average order value. Third, complement with lightweight media mix modeling to capture slow-burn effects of organic presence alongside promotions and external shocks. Within this measurement frame, prioritize a few actionable KPIs: CAC by content type, UGC share of total impressions, view-to-visit conversion (estimated via QR codes or time-bounded promos), and retention deltas following content exposure. When these metrics are instrumented, budget can be reallocated from low-converting aesthetic reels to high-leverage formats like barista POVs or creator collabs that repeatedly show superior lift.

Content economics matter as much as creativity. Every additional SKU added "for the feed" increases training time and inventory variance; therefore, social strategy should amplify a focused set of signature items that already carry margin and throughput advantages. Treat content and menu as a joint optimization problem: the drinks that look compelling should also be the ones that move efficiently and are robust to peak-hour stress. Similarly, invest in shootable servicescapes: photogenic corners, brand textures, and consistent lighting are not decorations but media infrastructure with calculable returns. Track "media yield per square meter" to identify dead zones; minor layout changes or a neon cue can turn a low-yield area into a posting magnet that perpetuates the UGC flywheel.

Trust and governance underpin sustainability. Over-filtered visuals or aggressive claims corrode credibility and invite backlash; barista-led, lightly edited clips strike a better authenticity–quality balance. Clear playbooks for creator partnerships, disclosure, and comment moderation reduce risk while preserving spontaneity. Local nuance is essential in Indonesia's heterogeneous urban markets: dialect choices, micro-holiday hooks, and neighborhood references can lift engagement without extra spend. Finally, social must close the loop with owned channels and in-store experience: QR-coded storylines, refer-a-friend incentives, and loyalty program hooks convert fleeting attention into identifiable, retainable demand. When the loop is instrumented end-to-end—store to content to visit to cohort value—social media stops being a vanity layer and becomes a measurable growth engine that compounds brand equity over time.

3.6 Conceptual Model and Hypotheses for Future Testing

Integrating the above, we posit the following mechanism chain: Stimuli → Organism → Response. (a) Stimuli: Servicescape quality (design, comfort, photogenicity), social-media exposure (UGC

intensity/frequency), and menu cues (sweetness/texture/pricing); (b) Organism: Affective states (pleasure, arousal), hedonic motivation and perceived value, plus TPB components (attitudes, subjective norms, perceived control); (c) Response: Repeat visits, basket size, length of stay, and eWOM.

Hypotheses (theory-anchored):

- H1 (S–O–R): Servicescape quality → ↑ hedonic motivation/affect (pleasure, arousal) → ↑ repeat visits (Bitner, 1992; Mehrabian & Russell, 1974).
- H2 (Hedonic): Hedonic motivation → ↑ purchase frequency and add-on incidence (Hirschman & Holbrook, 1982; Voss et al., 2003).
- H3 (Moderation—digital): Social-media engagement strengthens the effect of servicescape on hedonic motivation (offline cues become more salient when echoed online).
- H4 (Moderation—economics): Perceived price fairness amplifies the hedonic-to-behavior link (pleasure converts to purchase more strongly when price pain is low).
- H5 (Mediation—TPB): Affective responses and TPB components mediate effects of servicescape/social media on behavioral intentions (Ajzen, 1991).

Design: Test with SEM (for latent pathways) and mixed logit (for attribute trade-offs). For causality, run geo-split field experiments: redesign décor in half the outlets (matched on foot traffic), vary social-content intensity, and observe incremental lift.

4. Conclusion

Indonesia's café economy is no longer a niche trend; it is a scaled, youth-led marketplace where affordability, hedonic taste, and content-ready design form a dominant strategic bundle. The consistent success of sweet, milk-based iced coffee near the ~IDR 23k price point is not accidental—it minimizes price pain for students, reduces taste risk for first-time adopters, and sustains repeat purchase through habit formation. In parallel, the servicescape has become a genuine growth asset: the same physical cues that elevate on-site pleasure and dwell time also produce images and short videos that travel through peer networks, lowering CAC and amplifying subjective norms.

Baristas are underutilized cultural intermediaries. When trained to connect craft, origin, and sustainability to simple, memorable stories, they create epistemic trust and meaning that product features alone cannot. Operators should treat barista capability as a compounding investment—curricula, rituals, and guided experiences (cuppings, latte-art classes) deepen attachment and open ancillary revenue streams.

Execution must be data-driven. Instrument the store-to-content-to-visit funnel: track UGC per square meter, view-to-visit conversion, and cohort retention following content exposure; enforce a menu-complexity budget that protects throughput and waste; and run geo-split field experiments for décor changes, social-content intensity, and price tests. Chains can lean on dynamic pricing, CLV-based promotions, and SKU rationalization; independents should differentiate through neighborhood identity, niche storytelling, and community events.

Policy can accelerate positive spillovers by supporting vocational training for baristas, micro-financing for small formats, and creative-district activation that boosts walkability and nighttime economy—while enforcing food-safety and waste standards to protect consumer trust. Upstream investments in farmer training and traceability strengthen the credibility of sustainability narratives that urban consumers increasingly value.

Limitations of this study include its descriptive base and lack of causal identification; however, the integrated model offers a clear roadmap for empirical testing. Future research should estimate own/cross-price elasticities by segment, quantify the incremental lift from photogenic redesigns, and measure the long-run returns to barista capability building. In short: own the category codes (price–taste–design), measure what actually moves the funnel, and compound cultural capital—that is how coffee brands win the next phase of Indonesia's market.

Ethical Approval

Not Applicable

Informed Consent Statement
Not Applicable

Disclosure Statement
The Authors declare that they have no conflict of interest

Data Availability Statement
The data presented in this study are available upon request from the corresponding author for privacy.

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Notes on Contributors

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