



## ANALYSIS OF COFFEE STORE IN JAKARTA USING THE WASTE OF COFFEE TO CREATE A CREATIVE INDUSTRY

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### ABSTRACT

*Coffee pulp waste is one of the most significant industrial wastes today because, for the last three years, the coffee business has multiplied in Indonesia, especially in urban areas. Coffee pulp waste has economic value if it can use it. This study is (1) to describe the condition of the existing coffee shop in South Jakarta, (2) to find out the social business strategy for the development of the creative industries in the coffee shop by utilizing coffee grounds waste. This study is a qualitative descriptive with a case study approach. To determine the condition of the coffee shop, data was collected through interviews with 30 coffee shop owners in South Jakarta and observation. The SBMC analysis will continue to project the coffee pulp business as a social business. The results showed a coffee shop in South Jakarta produces coffee waste per day 1-5 kg. All owners have not utilized the coffee grounds waste. Through SMBC analysis, education is needed to the coffee shop owner as a supplier of coffee waste and open employment for the community who will recycle coffee grounds into cosmetics. This study concluded that the utilization of coffee waste could create a creative cosmetics industry while overcoming unemployment.*

**Keywords :** Business Strategy, Coffee, Social Business

### 1. INTRODUCTION

Business Model Canvas (BMC) is one of the analysis matrices most often used to analyze a business, both a business that is already established and a business that has just been started. Using BMC as an analytical tool helps business people know what strategies should be developed and developed. Along with the times, companies are also growing in managing their business, one of the growing social enterprises.

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The social enterprise is a concept created to solve social problems that still affect many people in this world. With the construction of social business, it was expected that social issues faced, such as poverty, education, health, and others, can be overcome sustainably. *Social Business Model Canvas* (SBMC) is a business model inspired by Business Model Canvas (BMC) that is commonly used by entrepreneurs to conduct business analyzes that will be and are being undertaken. The Social Innovation Laboratory creates a Social Business Model Canvas intending to support social innovators in designing their Business Models. At Social Enterprise, the focus is on the impact they create for the business's beneficiaries, not just creating profit. Therefore, the Social Business Model Canvas considers additional aspects that help create a social business model.

Food industry wastes generated from the food and beverage business owners is one of the most significant contributors to the trash. If we know how to process the garbage, a new industry will be created, which is also profitable and will undoubtedly reduce the organic waste generated from this industry. Based on the fact that every industrial process always produces waste, waste treatment should be done from the beginning of the production process. This means that waste management must be carried out from upstream to downstream. If this is not done, then the threat of pollution will be fatal (Xue et al., 2013; Mohanty, 2012). In particular, the food and beverage industry's production can produce waste liquid, solid, or any other form that is susceptible to the environment. Based on this, the handling and management of industrial waste results show a very high urgency. Furthermore, education for small-scale business actors related to the problem of handling and managing the consequences of business waste is crucial (Nasir and Fatkhurohman, 2010).

Economically, there is a lot of industrial waste that can be reprocessed to provide economic benefits. The waste processing industry refers to the effort to bring value benefits of waste produced by a particular industry, and also have an economic impact not only for production but also for the parties concerned against such misuse (Achillas et al., 2013). Waste generated by the food and beverage industry is not always in the form of rubbish or dirt, which cannot be reprocessed using modern technology. A substantial effort must be made to bring together parties who can utilize industrial waste with business actors that produce waste in their production activities. With the principles of 3R (reuse, reduce and recycle), 4R (3R + replace), up to 5R (4R + replant), the supply of waste from the food and beverage industry can be re-empowered and minimize residuals.

The latest data shows that precisely in the South Jakarta area, 200 coffee shops have active operations. Every processing of coffee beans into coffee grounds must produce coffee grounds. The resulting coffee grounds are usually thrown away and become waste. In contrast, in reality, coffee grounds are rich in antioxidants so that they can be used as cosmetic ingredients, such as masks, body scrubs, bath bombs, soaps, and scrubs. Because of its unique texture, coffee grounds can also function as cleansers and shed dead skin cells (cleansers). Coffee grounds are also relatively acidic, so they are not liked by insecticides, insects, and ants. Coffee grounds are also rich in nitrogen residues so that they can be applied as plant-fertilizing nutrients. Coffee grounds are also rich in primary nutrients, so they can be used as a medium for growing mushrooms. The smell of aromatic coffee grounds with an antibacterial, antifungal, and anti-odor effect can also be applied as a refrigerator and room odor remover. The number of coffee shops that produce coffee grounds as waste in the South Jakarta area encourages research to be carried out related to the utilization of coffee grounds waste as one of the business opportunities that can be developed. The purpose of this study is (1) to describe the condition of the object of research (2) to find out what social business strategies for the development of creative industries in coffee shops by utilizing coffee grounds waste.

## 2. RESEARCH METHODS

The study was conducted with the object of research is the owner/manager of the coffee shop in the Jakarta area. There are thirty coffee shop owners in South Jakarta who are respondents of this study. This research uses a qualitative approach (Neuman, 2007; Creswell, 2009), which is descriptive, using a case study approach. Descriptive research methods in this study are used to obtain an overview of information, explanations, and conditions related to the application of the Social Business Model Canvas to analyze the creative economic opportunities of coffee grounds waste.

Data collection techniques carried out by interviewing coffee shop owners. Interviews are conducted in a structured manner with guidelines that have been prepared in advance. Interview questions included, among others, the type of coffee, the use of coffee grounds, the amount of waste a day, how to provide waste to those in need, and the interest of the store to work together in the future. In essence, the purpose of the interview is to get an overview of the SBMK that coffee shop owners can do if they utilize coffee grounds waste. Information is collected by identifying strengths, weaknesses, opportunities, and threats from the utilization of coffee grounds waste.

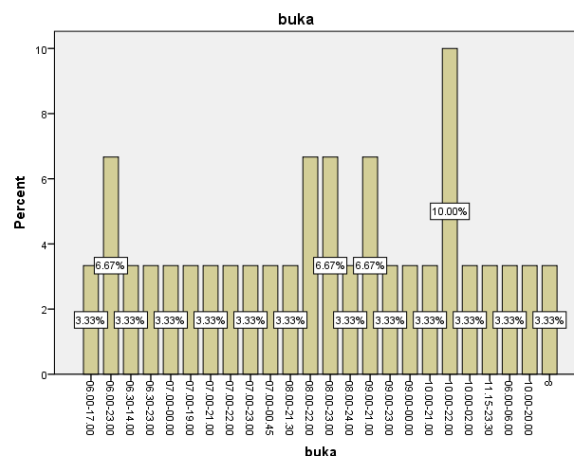
From the results of interviews with coffee shop owners using written guidelines prepared, qualitative data are produced, which are processed in the form of percentages. From the results of each question item, a description of the condition of the research object is useful for the author to determine the next steps as a follow-up to this research. This was complemented by the SBMC results and SWOT analysis.

## 3. DISCUSSION

The following is a description of the results of interviews conducted by researchers. Next, the researchers elaborated on the Business Social Model Canvas by answering existing questions before applying the SBMK to decide to run a business through the utilization of coffee grounds waste.

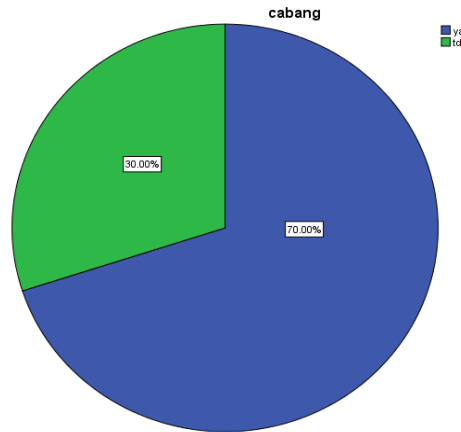
### Interview Result

From the study results, it was found that the coffee shop's operational time in South Jakarta is generally 10:00 to 22:00. This time shows that coffee shops open their shops during office hours until after work to be enjoyed every time. From the time allotted, customers are not limited to certain circles but include all ages, especially coffee enthusiasts (Graph 1).



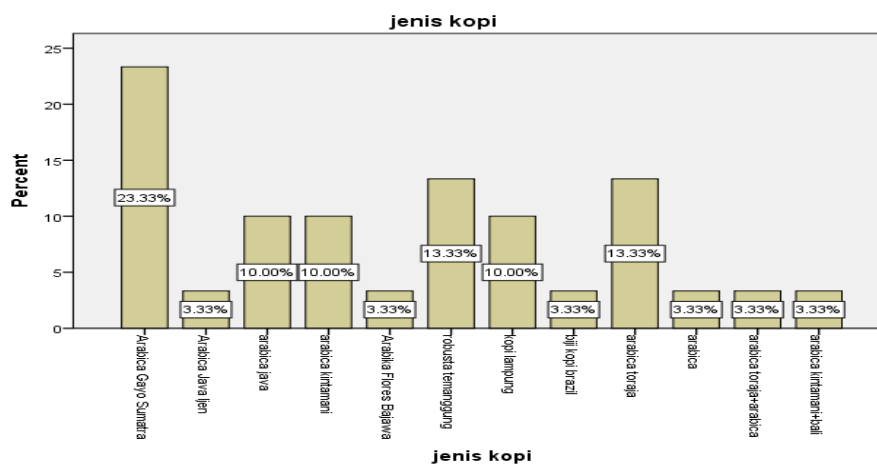
Graph 1. Coffee Shop Operational Hours in the Jakarta Area

From interviews illustrated in the pie chart, the majority (70%) of the coffee shop in South Jakarta already has branches in several places (Figure 2). The existence of departments everywhere indicates that the coffee shop was widely marketed and to be known by many customers. The metropolitan lifestyle to enjoy coffee has become a trend in recent years. This is so that this moment is utilized as much as possible for coffee shop entrepreneurs, not only opening a store at a longer time but also spreading branches in many places.



**Figure 2. Information Coffee Shops Have Branches Or Not**

Information about the type of coffee used in the coffee shop shows that the type of the most widely sold coffee is Arabica Gayo Sumatra (23%). Coffee with a bitter taste is widely sold, and many fans like coffee (Figure 3), although there are many other types that are pretty much sold, such as Temanggung robusta, arabica Toraja, and other types of the coffee archipelago that is not mentioned in the questionnaire answers.



**Figure 3. Types of Used Coffee**

The consequence of employers' coffee shop is the coffee waste in the form of the dregs of the coffee beans is processed. What was done by employers to address waste coffee grounds, which is quite a lot every day, the interviews indicate the amount of coffee grounds waste generated by the coffee shop during the day as much as 1-5 kg. It was stated 67% of the coffee shop (Figure 5). Of the amount that is pretty much, as much as 70% admit to not knowing the coffee shop benefits of coffee waste (Figure 6). Rather than waste and negative impact on the environment, waste coffee was provided free of charge to those in need (Figure 7). A total of

30 coffee shops, 73% of which have provided free of charge to producers who need coffee grounds to be recycled. The rest is sold at low prices (Figure 8).

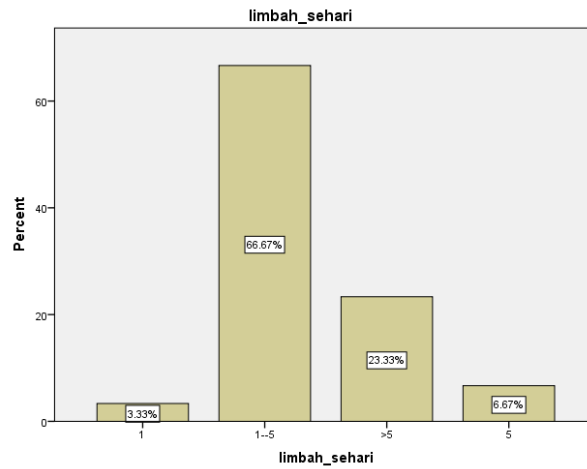


Figure 4 Amount of Coffee Waste Produced in a Day

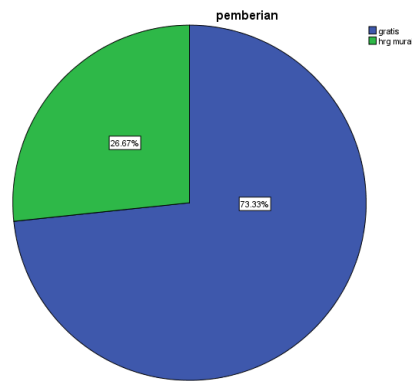


Figure 6. Knowledge of Coffee Waste Waste Utilization

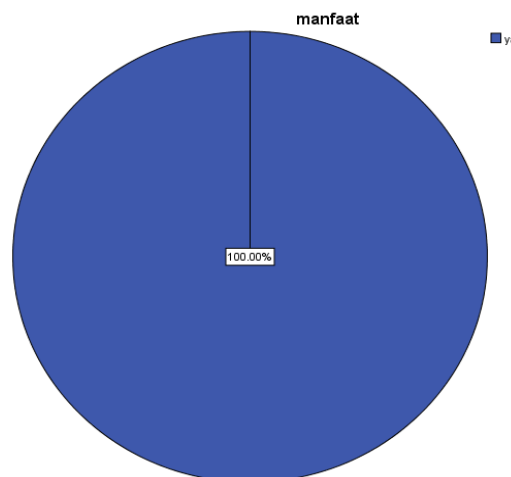


Figure 7. Desire to Share Coffee Waste Waste Cheaply or Free

To utilize coffee waste for economic value, 100% of the coffee shops studied said they were willing to work together to collect coffee grounds (Graph 9). This shows that as producers, they have realized that coffee waste or pulp cannot be left alone. After learning that coffee grounds

can be utilized and has implications for increasing revenue, all coffee shop owners admit that they are willing to benefit from coffee grounds waste to be used as cosmetics if there are parties who can provide new knowledge and skills using technology. Which party is meant to be of course can work together with the university or industry and other interested parties. Based on the results of interviews and observations conducted by researchers at 30 coffee shops in the South Jakarta area, the authors made SBMC analyze the social business of coffee grounds produced by coffee shops, from this SBMC it is expected that more coffee shops will be willing to provide pulp of coffee as a raw material for other processed products.

### **SBMC analysis**

There are 12 questions that must be answered; in this section, the author will answer one question at a time.

#### **1. What is the problem (Problem Statement) What social problems are found in the area where you will empower the community?**

Industrial waste has become one of the serious problems in the current era of industrialization, and industrial waste does not only come from large industries or industries that process products in factories, food, and beverage industries such as coffee shops, restaurants, cafes nowadays are also contributors to industrial waste. The fact that there is that every industrial process always produces waste; therefore, waste processing must be done from the beginning of the production process. This means that waste management must be carried out from upstream to downstream. If this is not done, then the threat of pollution will be fatal (Xue et al., 2013; Mohanty, 2012). In particular, the production of the food and beverage industry can produce liquid, solid or other forms of water that are vulnerable to the environment. Based on this, the handling and management of industrial waste show a very high urgency.

Furthermore, education for small-scale business actors related to the problem of handling and managing the results of business waste is essential (Nasir and Fatkhurohman, 2010). The fundamental problem in handling and managing waste is the lack of knowledge of business actors, mainly from small industry groups. This then becomes a justification for the low awareness of small scale business actors towards the management of waste management and management.

#### **2. Why does your business exist? (Mission Statement)**

The answer to this question is, because of the increasing public awareness to keep the environment clean and healthy. One of the efforts made is to utilize coffee grounds waste as raw material for making cosmetics or as a mushroom growing media. The purpose of using coffee grounds waste is to reduce the amount of waste generated from coffee grounds waste, with more and more coffee shops.

#### **3. What problem solving can be made to overcome existing social issues, and how can these solutions characterize the area to develop social entrepreneurship? (Value Proposition)**

Utilization of coffee grounds waste as a raw material for making cosmetics or mushroom planting media is one way to create value not only for coffee shop owners but also for cosmetics entrepreneurs or mushroom farmers. Coffee grounds that used to be just rubbish and are not useful, using the right technology, can be used as raw materials for cosmetics. Of course, it is one form of value creation and encourages an increase in the creative economy.

**4. What value do you create? (Problem Statement, Mission Statement, Value Proposition)**

The value created from this coffee pulp waste is turning waste into raw materials that can be used to produce different products. The problem of waste originating from coffee grounds waste can be reduced if the coffee grounds waste is used for raw materials.

**5. How do you reach out to your stakeholder segments to deliver your value? (Stakeholder Segment, Key partners)**

It is necessary to have an approach and education about the value that can be created from the utilization of coffee grounds waste produced.

**6. What type of relationships do you build with each stakeholder segment to deliver your value? (Stakeholder Relationship, Channel)**

This type of relationship as a partner to work together with mutual benefit and form a community of coffee shop owners to be able to collect coffee grounds waste collectively using a system that is created and provides benefits for those who join this community.

**7. What income do you generate from each stakeholder segment for your value? (Revenue Streams)**

By collaborating / building cooperation with coffee shop owners who are willing to surrender their coffee pulp waste, the effort to make cosmetics with the necessary ingredients of coffee grounds can run. The business of mushroom cultivation with coffee grounds waste can also be developed. If there are many cosmetics enthusiasts from coffee grounds waste, the activity to reduce coffee grounds waste can be used as a profitable business. Besides building new jobs for the community around the coffee shop to make pure cosmetics or other simple products from waste coffee grounds (such as scrubs, masks, soap, or air freshener).

**8. What are the most critical assets needed to make your business model work? (Key Resources)**

Various assets required to make this social project work include the coffee shop owner, the wife/employee of the coffee shop, the community was living around the coffee shop. Through them education about the utilization of coffee grounds waste can be started, one of the concerns is education about how to utilize coffee grounds waste and education about how much waste is reduced from coffee grounds waste if the waste is used to make other products that have economic value and become one form of creative economy creation.

**9. What are the most important actions you must take to make your business model work? (Key Activities)**

Activities/actions that need to be taken so that this business can start by educating the coffee shop owner that the coffee grounds produced by the coffee shop have value and can be used as raw materials for making simple cosmetics. After education, invite the coffee shop owner to become a partner by collecting coffee grounds so that it can be taken to be used as raw material. Then educate residents around the coffee shop who do not have a job to process coffee grounds into pure cosmetics, such as scrubs, masks, soap, or air fresheners. Teach you to make packaging and market products from waste coffee grounds to coffee shops that have provided coffee grounds.

**10. What network of suppliers and partners makes your business model work? (Key Partner / Channel)**

The supplier of raw materials is a coffee shop as a waste producer. At the same time, its partners are residents around the coffee shop who is willing to participate in developing a simple cosmetics business through the utilization of coffee grounds waste.

**11. What costs are needed to make your social entrepreneurship project work, what you get from this business (Cost Structure, Revenue Stream)**

The various costs required to start a business using coffee grounds are described in this section. Fees required include production costs, promotional costs, and marketing costs.

**12. What impact have you made on this social business activity, and how can you keep this social business running (sustainable)? (Intended Impact)**

This social business project exists because it wants to solve existing social problems, namely reducing waste coffee waste and creating value from coffee waste. It makes coffee grounds as a pure cosmetic raw material that can be made by people who live around coffee shops. The project tries to solve social problems by referring to SDGs number 8: Decent Work and Economic Growth and figure 12: Responsible Consumption and Production. The creation of new jobs by developing a simple cosmetics business based on coffee grounds became one of the efforts to solve social problems by referring to SDGs no.8. At the same time, SDGs No.12 helped coffee shop owners be more responsible for businesses conducted through management waste/rubbish produced from coffee grounds provided daily. The activity of utilizing coffee grounds also teaches coffee shop consumers to share responsibility for what they consume.

The next page contains the SBMC table, which is a simple application of the above explanation.



<p><b>Masalah Sosial</b> Banyaknya kedai kopi di Jakarta, dan mereka menghasilkan sampah/limbah ampas kopi</p>				
<p><b>Mission Statement</b></p> <ul style="list-style-type: none"> <li>- Edukasi pemanfaatan ampas kopi</li> <li>- Edukasi membuat kosmetik sederhana dengan menggunakan ampas kopi</li> <li>- Edukasi untuk memasarkan produk kosmetik sederhana dari ampas kopi ke kedai kopi yang memberikan ampas kopinya untuk diolah</li> </ul>				
<p><b>Key Partners</b></p> <ul style="list-style-type: none"> <li>- Kedai kopi</li> <li>- Penduduk / masyarakat yang dekat dengan lokasi kedai kopi</li> <li>- Supplier kemasan</li> <li>- Bank Sampah</li> </ul>	<p><b>Key Activities</b></p> <p>Edukasi pemanfaatan ampas kopi</p> <p>Menjalin kemitraan dengan pemilik kedai kopi</p> <p>Menjual produk kosmetik dari ampas kopi ke kedai kopi mitra</p>	<p><b>Value Proposition</b></p> <p>Kosmetik sederhana dengan bahan dasar ampas kopi yang berasal dari kedai kopi di sekitar tempat tinggal penduduk.</p>	<p><b>Stakeholder Relationships</b></p> <p>Memberikan edukasi /pemahaman tentang berbagai manfaat limbah ampas kopi</p> <p>Membeikan sampel / coba gratis kosmetik sederhana dari ampas kopi yang dibuat oleh penduduk sekitar</p> <p>Memberikan cerita pada setiap kemasan tentang bagaimana produk itu dihasilkan dan nilai yang terkandung di dalamnya</p>	<p><b>Stakeholder Segments</b></p> <ul style="list-style-type: none"> <li>- Penduduk di sekitar kedai kopi (ibu rumah tangga atau remaja usia produktif yang tidak memiliki pekerjaan/tidak bekerja)</li> <li>- Kedai kopi di Jakarta</li> </ul>

	<p><b>Key Resources</b>                  Ampas kopi dari kedai kopi                  Peralatan untuk memproduksi kosmetik sederhana dari ampas kopi                  Ibu rumah tangga / remaja usia produktif untuk membuat kosmetik sederhana</p>		<p><b>Channels</b>                  Langsung: membuat cerita darimana kosmetik itu berasal (menggunakan bahan baku apa) pada kemasannya                  Tidak langsung: Kampanye tentang pemanfaatan limbah ampas kopi pada media sosial</p>	
<p><b>Cost Structure</b>                  -biaya produksi                  -biaya promosi dan penjualan</p>			<p><b>Revenue Streams</b>                  Menjual kosmetik sederhana yang berbahan dasar ampas kopi                  Memanfaatkan ampas kopi untuk membuat berbagai produk komersial yang dapat dijual</p>	
<p><b>Intended Impact</b></p> <ul style="list-style-type: none"> <li>- <b>Jumlah sampah ampas kopi berkurang</b></li> <li>- <b>Jumlah pengangguran berkurang</b></li> <li>- <b>Menjadi daerah yang dikenal sebagai penghasil produk dari ampas kopi</b></li> </ul>				

#### 4. CONCLUSION

The results of this study indicate that coffee grounds waste has not been utilized directly by the owner, even though the waste has many benefits. The owner of the coffee shop as a businessman does not yet have the responsibility for the coffee grounds produced, besides the lack of awareness in waste management. Through SMBC analysis, education is needed to the owner of the coffee shop as a supplier of coffee waste and opening up job opportunities for the surrounding community to recycle coffee grounds into pure cosmetics. By doing this social business, coffee waste has the selling power as a creative cosmetics industry and can overcome the unemployment problem.

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