CHAPTER V

CONCLUSION AND IMPLICATIONS

5.1 Conclusion

This study explored how coffee businesses in Padang City utilize tangible assets, intangible assets, co-creation processes, and adaptive capabilities to develop and sustain business competitiveness. Using a multiple-case study approach involving store-based and mobile coffee businesses, the study identified how different resources and capabilities are configured and mobilized within diverse coffee business contexts.

The findings demonstrate that tangible assets constitute the operational foundation of coffee businesses, particularly through financial resources, production equipment, raw materials, physical infrastructure, mobile units, and selling locations. Financial discipline was evident through different mechanisms, including centralized cash management, operational reserves, reinvestment of business earnings, investor funding, and careful control of operating expenditures. Similarly, raw material management involved supplier selection, inventory control, quality assurance, freshness management, and, when necessary, substitution of materials in response to availability and price changes. These findings indicate that tangible resources contribute to competitiveness when they are managed efficiently and aligned with operational requirements rather than merely accumulated.

The study further demonstrates that intangible assets play an important role in transforming tangible resources into customer value. Human capital, product knowledge, managerial experience, organizational routines, reputation, customer service, and relationships with suppliers, communities, and customers emerged as important intangible resources. Employee competence and product knowledge were particularly relevant because coffee businesses depend on consistent preparation, product quality, and customer interaction. Reputation was similarly developed through consistency, service quality, responsiveness to complaints, and the maintenance of customer trust. Thus, the findings indicate that the competitive value of physical and financial resources depends substantially on the knowledge, skills, routines, and relationships through which those resources are utilized.

The findings also reveal that co-creation represents an important mechanism for incorporating customer knowledge into business development. Customers contributed through direct suggestions, complaints, informal conversations, online reviews, social media interactions, requests for new products, and participation in community or institutional activities. These interactions provided businesses with information regarding customer preferences, unmet needs, product acceptance, and service expectations. In several cases, customer input contributed to menu development, product modification, service improvement, and relationship maintenance. However, the degree of formalization varied across businesses, with some relying primarily on informal face-to-face interaction rather than systematic customer-feedback mechanisms.

Another important finding concerns adaptive capabilities as a mechanism through which coffee businesses respond to changing market conditions. Businesses monitored social media trends, customer feedback, competitor activities, sales patterns, changes in customer segments, input prices, technological developments, and emerging opportunities. These observations were subsequently translated into adjustments in products, pricing, suppliers, selling locations, operating practices, equipment, and promotional activities. The findings suggest that adaptation is not limited to introducing new products but also includes modifying existing resources and routines to maintain their relevance under changing environmental conditions.

The study further establishes that business competitiveness is multidimensional. Profitability remains an important indicator of business success, but the cases also associated competitiveness with repeat patronage, customer satisfaction, employee stability, product and service consistency, operational resilience, differentiation, market relevance, and business longevity. This broader understanding indicates that competitiveness in the coffee business context extends beyond short-term financial performance and includes the capacity to maintain customer and organizational value over time.

The exploration of store-based and mobile coffee businesses provides additional insight into how resources can be configured under different operational conditions. Store-based businesses generally derive value from permanent physical environments, customer spaces, production infrastructure, and location-related resources, while mobile businesses utilize mobile units, flexible selling points, centralized support systems, and multi-unit coordination. Nevertheless, the findings do not indicate that one configuration is inherently superior to the other. Instead, both configurations demonstrate the importance of aligning resources and capabilities with customer needs, operational requirements, and market conditions.

Overall, the study concludes that coffee business competitiveness emerges from the coordinated configuration of tangible assets, intangible assets, co-creation, and adaptive capabilities. Tangible assets provide the operational foundation, intangible assets determine how effectively those resources are utilized, co-creation provides customer and stakeholder knowledge, and adaptive capabilities enable businesses to modify their resource configurations and practices in response to environmental change. The findings therefore suggest that sustained competitiveness depends not on isolated resources but on the ability of businesses to continuously integrate and renew their resources and capabilities in accordance with evolving customer expectations and market conditions.

5.2 Theoretical Contributions

This study contributes to the literature by integrating the Resource-Based View (RBV), Service-Dominant Logic (SDL), and Dynamic Capabilities perspective within the context of coffee businesses in an emerging local market.

First, the findings extend the Resource-Based View by demonstrating that tangible resources should not be examined independently from the intangible capabilities through which they are utilized. Financial resources, equipment, physical facilities, mobile units, and raw materials become strategically meaningful when supported by human capital, knowledge, organizational routines, relationships, and reputation. The study therefore reinforces the view that competitive value is associated with the firm's ability to effectively configure and deploy its resources.

Second, the findings contribute to the Service-Dominant Logic perspective by demonstrating the role of customers as sources of knowledge and participants in value creation. Customer feedback, informal conversations, online interaction, product requests, and community engagement demonstrate that value is not generated exclusively within the boundaries of the coffee business. Instead, customers contribute information and experiences that can influence product, service, and business development.

Third, the study contributes to the Dynamic Capabilities perspective by demonstrating how coffee businesses sense changes, seize opportunities, and reconfigure resources. Adaptation was observed through changes in products, pricing, suppliers, selling points, technology use, and operational practices. These findings illustrate how relatively small and locally embedded businesses can develop adaptive responses despite operating within resource constraints.

More importantly, the integration of the three perspectives suggests that resources, customer interaction, and adaptation should be understood as interconnected processes rather than independent dimensions. Resources provide the foundation for value creation, customer interaction generates market knowledge, and adaptive capabilities enable businesses to transform that knowledge into changes in resource utilization and organizational practices. This integrated perspective provides a more comprehensive explanation of competitiveness in the coffee business context.

5.3 Managerial Implications

The findings provide several practical implications for coffee business owners and managers in Padang City.

First, managers should prioritize resource efficiency rather than resource accumulation. Investment in equipment, physical facilities, mobile units, and inventory should be based on their contribution to operational efficiency, product quality, and customer value. Financial resources should also be monitored systematically to ensure sufficient working capital while maintaining opportunities for reinvestment.

Second, coffee businesses should strengthen human capital and product knowledge. Employee training should not be limited to technical coffee preparation but should also include customer service, communication, product knowledge, problem solving, and understanding of standard operating procedures. These capabilities are particularly important for maintaining consistency across employees and, in multi-unit businesses, across different selling points.

Third, businesses should develop systematic mechanisms for capturing customer feedback. Although informal interaction can provide valuable information, businesses may benefit from combining direct conversations with online reviews, social media monitoring, customer surveys, and sales data. Customer feedback should then be evaluated systematically to distinguish temporary preferences from opportunities that have sufficient market potential.

Fourth, managers should strengthen their adaptive capabilities by continuously monitoring market trends, customer preferences, competitor activities, input costs, and technological developments. Adaptation does not necessarily require major changes. Small adjustments in menus, prices, packaging, operating hours, selling points, promotions, or service procedures may be sufficient to maintain market relevance.

Finally, businesses should understand competitiveness as a long-term process. Profitability should remain an important performance indicator, but it should be considered alongside customer retention, employee stability, operational consistency, reputation, and continued market relevance. Maintaining these elements simultaneously may strengthen the ability of coffee businesses to survive and develop in an increasingly competitive market.

5.4 Limitations of the Study

This study has several limitations that should be considered when interpreting its findings.

1. First, the study focuses on coffee businesses operating in Padang City, meaning that the findings are strongly embedded within the local economic, cultural, and competitive environment. The findings therefore should not be generalized statistically to coffee businesses in other cities or regions.
2. Second, the study employs a qualitative multiple-case study design and relies primarily on interviews with owners, founders, managers, and operational representatives. Consequently, the findings primarily reflect managerial and organizational perspectives. The study does not quantitatively measure the strength of relationships between resources, capabilities, co-creation, and competitiveness.
3. Third, the cases vary in terms of business age, scale, operational structure, and business model. This variation provides valuable empirical richness but also means that the depth and availability of information may differ across cases.
4. Fourth, some aspects of customer participation and business performance were primarily identified through informant accounts rather than independent customer-level or financial data. Future research may therefore strengthen the evidence by incorporating multiple sources of data, including customer

interviews, observations, financial indicators, transaction data, and digital engagement metrics.

5.5 Suggestions for Future Research

Future studies can extend this research in several directions.

1. Future research could employ a mixed-method or quantitative design to test the relationships identified through the qualitative findings. Constructs such as tangible assets, intangible assets, co-creation, adaptive capabilities, and competitiveness could be operationalized and tested using survey-based methods.
2. Future research could investigate the customer perspective more directly. Examining how customers perceive product quality, service, brand reputation, personalization, and co-creation would provide a complementary perspective to the managerial findings of this study.
3. Future studies could examine coffee businesses in other Indonesian cities or regions to determine whether the patterns identified in Padang are also evident in different market environments.
4. Longitudinal research could examine how coffee businesses develop their resources and capabilities over time. This would be particularly valuable for understanding how businesses transition from early-stage operations toward more established and multi-unit business structures.
5. Finally, future research could further investigate the role of digital platforms and social media in customer co-creation and adaptive capabilities. Digital platforms increasingly provide businesses with real-time information

regarding customer preferences, trends, reviews, and market responses, making them an increasingly important component of contemporary competitiveness.