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IS DEVELOPING NEW CAFÉ & CO-WORKING SPACE IN CANGGU-BALI STILL FEASIBLE? (A MARKETING PERSPECTIVE)

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Abstract

The café industry in Canggu is attractive for business, but also very competitive. As the village of digital nomads, combining three market segments of café, event space, and co-working space can be an attractive option for business development. Freelancers are seeking flexible workspaces along with premium-quality food and beverages. Although promising, a study to further see the feasibility is still needed. This study aims to analyze the business feasibility of establishing a café with event and workspace facilities in Canggu area. The research took an R&D approach with data collection methods of interviews, observations, and document research. This feasibility analysis took a market and marketing perspective. The Market analysis consists of market potential, competitor analysis, and market size, then the marketing analysis utilizes the 7Ps frameworks. The results show that the café, co-working, and event space concept has strong potential, demonstrating that this business model is viable for further development in the Canggu area.

Keywords: Feasibility Study, Marketing, Café and Co-Working Space, Canggu

1. INTRODUCTION

Bali is an island known for its rich culture and traditions. Its natural resources and tropical climate have long been enchanting the international eyes. According to the Indonesian Statistic Agency, by 2023, Bali is still the most visited destination in Indonesia by international tourists (Direktorat Statistik Keuangan, 2024). This condition undeniably has made Bali a prime location for tourism-related business development. The tourist activities in Bali are currently still centered around Southern Bali. Areas like Canggu and Tibubeneng at North Kuta District have grown exponentially. Some media have covered that tourist prefer staying around North Kuta area (Ermalia, 2022; Khoiri, 2022). The areas are not only attractive to the regular tourist, but also for the digital nomad. As the number of digital nomad tourist being the highest in these areas compared to others in Bali (Simangunsong & Tashandra, 2022), means that there is also a growing demand in café and co-working spaces in the area. Vice versa, the digital workspaces in cafes, offering high-speed internet, along with communities like digital camps and nomad academies, have created an ecosystem for digital nomads in Canggu (Prabawati, 2020a).

The official number of cafes and co-working spaces in Canggu is not available yet, but some media have written articles that show the overview of the rising popularity of this concept of café in Canggu (detikBali, 2022; Manuaba, 2023).

The emergence of new trends, such as Work from Bali (WFB) and Work from Cafe (WFC), has further boosted Canggu's popularity. Several cafes combined with co-working spaces have opened in Canggu, such as Tribal Co-Working Bali, Tropical Nomad Co-Working Space, Outpost Co-Working, and PUCO Rooftop Co-Working Space & Eatery. These co-working space cafes target a specific market segment: customers seeking comfortable environments to complete their work productively. Beyond being co-working spaces, many cafes also function as event venues. Events have now become a growing cultural trend, expected to continue evolving in the future. Observations suggest that combining event spaces with co-working spaces is highly complementary, with each concept compensating for the other's shortcomings. This hybrid concept presents innovation and potential prospects, particularly in the Canggu area, where it has yet to be fully realized. This concept holds significant potential as it merges three key markets: The Food & Beverage market, the event market, and the digital worker market. It is envisioned as a venue for events and meetings in a strategic location, offering clean and comfortable facilities, along with a menu featuring authentic Indonesian dishes made from high-quality ingredients.

From the explanation above, it is evident that the integration of event spaces and co-working spaces creates a unique concept. However, further analysis through a business feasibility study of an Event and Co-Working Space Café is necessary. Although there is a growing demand for this concept of business in Canggu area, the area itself is problematic. The Fodor Magazine currently crowns Bali as one of its "Not To Visit" list (Fodor's Travel, 2024). The list did not emphasize that a destination is not worth visiting but rather highlights the problem of over-tourism and its impact on the environment and local community. The issue of over-tourism in Bali mainly arises due to the imbalance of tourist distribution which is currently still gathered around the southern part of Bali, including Canggu. The visibly overcrowded district can bring opportunity as the demand is high, but it can also mean tight competition. For this reason, this paper aims to provide a preliminary insight into the feasibility of developing a hybrid business of café, co-working & event space in Canggu area from the marketing point of view.

2. LITERATURE REVIEW

2.1 Canggu and the SMEs

Canggu has not always been a tourist village. It started as an agriculture and fishery village. The development of tourism began along with the coming of surfers to the village in 1980s and then gradually the village was shifting socially and economically into a tourism-centered society with flocking tourism businesses (Adhinata & Sawitri, 2022). These businesses can be grouped into three categories which are innovators, adapters, and survivors. The innovators are those with well-thought-out strategies and well-financed. To some extent, these businesses are owned by foreigners. The innovators are more agile in answering the changing market, while the adapters are more likely to be the followers of the innovators. The survivors are those who have been operating for generations without defined strategies. They have extensive local knowledge but little about the trend and market. The businesses in this category of SMEs are usually locally owned and have not had a clear plan on how to compete in a fast-changing competition in Canggu area (Kludzeweit et al., 2020). The discussion by Kludzeweit et.al (2020) also

stated that the development in Canggu area cannot be stopped, but the three categories of SMEs can still thrive to survive without further pushing Canggu into a mass tourism area. Despite the rapid changes that are happening in Canggu, there have not been much researches that provide a clear feasibility study about developing any new café businesses in Canggu area. This topic of research can be very beneficial to see the development of Canggu phenomena in a yearly basis.

2.2 Café & Co-Working Space

The word “café” came from a French word which means “coffee”. Café originally an establishment that was only serving coffee known as coffee house. In the development, café also serve other light meals. Looking at history, a café has always been a place to socialize (“Cafe,” n.d.). In this highly online world with many remote working possibilities, cafes often also serve as “co-working spaces”. The term “co-working space” is a term that is used to describe a working arrangement where people from different teams and companies gather and work in one particular space (Howell, 2022). The growth of café and co-working spaces in Canggu cannot be separated from the shifting of the digital nomad base from Ubud to Canggu. Started 2016, Canggu has gradually moved to be a digital nomad village due to the establishment of digital start-ups in Canggu. Some of the reasons of preference are the complete package that Canggu can offer as a tourist area, which is the availability of attractions, accessibility, amenities, and ancillaries (Prabawati, 2020b).

2.3 Feasibility Study

A feasibility study is done to determine if a business idea is worth to develop or not provides any necessary information about a certain business idea before making an investment. It analyses any roadblock that could have the potential to influence the investment (Nykiel, 2007). The business feasibility study needs, among others, an analysis in terms of market and marketing aspects. These aspects include the analysis on market potentials, competitor analysis, market size analysis, and analysis on marketing strategy (Hasan et al., 2022; Kasmir & Jakfar, 2020) . This paper will only elaborate the results of the study on the competitor analysis and marketing strategy analysis from the perspective of marketing mix. The competitor analysis was done by identifying the possible competitors in the area and their strengths and weaknesses.

2.4 Competitor Analysis

A competitive analysis is crucial in the feasibility study, as it can be used to determine the right strategy for a company to compete in the competitive environment sustainably. The competitor analysis deals with the examination of business performance of the competitors. The analysis of business competitors, weighs in the success keys of the business and the area in which they have failed. By understanding the competitor's strengths and weaknesses, the company can anticipate the threat that those competitors can bring to the business by developing a strategy to compete effectively (Baxter, 2018; Fleisher & Bensoussan, 2007).

2.5 Marketing Mix

The feasibility from a marketing perspective was utilizing the 7Ps marketing mix framework. The marketing mix is a set of marketing tools a company can use to influence its market. By using this framework, the study aims to determine if the hybrid concept of

café, coworking and event space is feasible to be develop in Canggu area. This framework was also used to gain insight into the customer preferences from 4Ps perspective. The marketing mix was first coined by Jerome E. McCarthy in 1960 as a 4Ps framework consisting of Product, Price, Place, and Promotion. In 1981, another 3Ps were added by Bernard Booms and Mary Jo Bitner to answer the needs of service businesses. The 3Ps were Process, People, and Physical Evidence (Masterson & Pickton, 2014).

3. RESEARCH METHODS

This research follows the Research and Development (R&D) methodology. Research and Development (R&D) involves basic research activities to obtain information about user needs (needs assessment), followed by development activities to produce a product and evaluate its effectiveness (Sugiyono, 2017). The object of this research is the café and co-working spaces in Canggu – Bali. The type and source of data used is qualitative data. The qualitative data collection is carried out using primary and secondary sources related to the business of Event Cafés and Co-Working Space Cafés. Primary data comes from observations, documentation, and interviews. Secondary data is obtained through literature studies, including the internet, books, and journals.

The research was done during the period of June – August 2024. There were three types of informants in this research. They are general consumer informants, event management (as event space consumers), and café management informants. Below is the profile data for the informants:

Table 1. Profile Data of General Consumer Informants in Canggu Area

Informant	Gender	Age	Occupation	Origin	Frequency of visiting Cafe
Informant 1	Female	32	Creative Marketing	Russia	3-5/Week
Informant 2	Male	36	Information Technology Support	India	2-3/Week
Informant 3	Female	28	Creative Marketing	Indonesia	1-2/Week
Informant 4	Male	24	University Student	Indonesia	1-2/Week
Informant 5	Female	55	Tourist Guide	Australia	3-5/Week
Informant 6	Female	23	University Student	Indonesia	3-4/Week

Source: Researcher (2024)

Table 2. Profile Data of Café Management Informants in Canggu Area

Informant	Gender	Age	Position	Origin	Workplace Types
Informant 7	Male	26	Senior Barista	Bali	Cafe
Informant 8	Male	47	Founder	Australia	Café & Coworking Space

Source: Researcher (2024)

Table 3. Profile Data of Event Management Informants

Informant	Gender	Age	Position	Origin
Informant 9	Male	25	Event Organizer	Bali
Informant 10	Male	32	Wedding Organizer	Indonesia

Source: Researcher (2024)

The data were analyzed qualitatively by applying the process of transcription, data reduction, data coding, data interpretation, data triangulation, and conclusion drawing. The triangulation was done by doing source-based cross-checking among the informants and with the observation data. This research acknowledges some limitations, including the limited time, the number, and the background variety of informants. The consumer informants were selected through the convenience sampling method, so the findings

cannot be made as a generalization. Other informants are selected purposively, due to their experience in the café field and event organizing field. Their answers may be related closely to their business experience in the fields and have the possibility to differ from the experience of other business practitioners.

4. FINDINGS AND DISCUSSION

This paper shows a feasibility study for starting a café, co-working, and event space in Canggu area, particularly at the Jalan Babakan Kubu area with the capacity of 100 seats. Based on the observations and interviews conducted, the findings meet the market and marketing aspects, summarized as follows:

4.1 Market Aspect

4.1.1 Market Potential Analysis

Market Potentials can be understood as forecasts on the expected demand of a product or service in a given environment. The market potentials speak more on the condition of the expected market rather than the numbers (Kotler & Keller, 2016). By this concept, the study tried to break down the market potentials of the hybrid business as Co-Working Space Café and Event Space Café. The Co-Working Space Café has significant market potential from the rising trend of flexible work and the need for modern collaborative spaces. The growth of the digital economy, coupled with post-pandemic shifts in work culture, presents a major opportunity for this concept to position itself not just as a dining space but also as a productivity hub. The Canggu area has been known as a digital nomad village in Badung area. It shows popularity among the expatriates, including the digital nomads, because of the ability to keep the rural ambiance compared to its neighboring areas such as Kuta and Legian (Rakhmadi, 2021). This shows that there is a significant number of tourists who need working spaces that cater to their online working needs. There is no available exact data to show how many digital nomads there are in Canggu area. Nonetheless, by comparing to the existing competitor, an average of net income can be made. According to the founder of Lighthouse Studi Bali, an average of IDR. 200.000.000 net income per month can be secured with their 100 seats capacity (interview, June 2024). This income comes from the co-working café concept.

The second market potential is from the event space café concept. This concept targeted on events revenue such as from small events, parties, weddings, and also from community events. The event program related to arts, music, workshops, and wellness can also be included. The market from this concept is aiming both individuals and corporate consumers. According to an interview with a Freelance Event Organizer (interviewed, August 2024).

“Canggu has great potential to host small to medium-sized events. Its relaxed yet modern environment, along with the large number of expats and digital nomads, makes it a perfect spot for various types of events, from workshops and networking events to private parties”.

Combining the concepts of a café, co-working space, and event venue can attract various customer segments, ranging from digital nomads and start-ups to companies needing multifunctional spaces for meetings or special events.

4.1.2 Competitor Analysis

Before launching a new business, owners need to understand the situation and conditions in the market to make informed decisions. One of the key steps is analyzing the local environment and identifying potential competitors, which helps refine the Event and Co-Working Space Café's concept and offerings. Below are competitors with similar concepts:

- a. Twelve Urban Café, located on Jalan Pantai Batu Mejan No. 12c, Canggu, this café operates from 8:00 AM to 12:00 AM. As an urban café, it offers a modern, stylish atmosphere suitable for both working and socializing, making it a strong competitor. It is a popular destination among tourists and has a Google rating of 4.9/5 stars from 1,210 reviews. Advantages: Weekly events like movie nights on Tuesdays, which are rare in Bali, attract digital nomads. Disadvantages: Delayed service for both dine-in and delivery, due to high foot traffic.
- b. Lighthouse, Podcast & Video Studios - Co-Working – Café, located at Jl. Raya Kerobokan No. 5X, this café operates from 8:00 AM to 7:00 PM. It offers a unique concept with podcast and video recording studios alongside co-working space. The café serves Indonesian-style western food, such as nasi campur with international flavors. It holds a Google rating of 4.7/5 stars from 193 reviews. Advantages: Its multiple studios attract creators who also dine on-site. Disadvantages: Limited hours; it closes at 7:00 PM, missing out on dinner and evening crowds.
- c. AT 06 (Dine | Coworking | Gym | Wellness | Events | Catering) Located at Jl. Batu Mejan No. 6, AT 06 operates from 6:00 AM to 10:00 PM and offers a multi-concept space, including dining, co-working, gym, wellness facilities, events, and catering services. It has a Google rating of 4.8/5 stars from 523 reviews. Advantages: It caters to a diverse market with its wide range of services. Disadvantages: Relatively high prices, starting at IDR 50,000 for food and IDR 30,000 for beverages, excluding 10% tax and 5% service charge, which may not suit local customers.

4.1.3 Market Size

Due to the lack of saturated data regarding the population size and the sample of tourists in Canggu seeking accommodation in the form of event and co-working spaces, the market size for this Co-Working Space Café, is estimated based on competitor analysis. Observations have also been made on Bagels, 12 Urban Café, AT 06 Dine, Coworking, Gym, Wellness, Events & Catering, Fine by SATUSATUCOFFEE, Joon Canggu, and Ring Djinar Coffee & Resto. Bagels has an annual gross profit of around IDR 2,160,000,000. 12 Urban Café generates an average annual revenue of IDR 4,400,000,000, while AT 06 has an average yearly revenue of around IDR 4,800,000,000. Fine by SATUSATUCOFFEE has an average annual profit of IDR 1,800,000,000. Joon Canggu's estimated revenue is around IDR 3,600,000,000, Ring Djinar Coffee & Resto's average sales are IDR 2,400,000,000, and Lighthouse Studio's is IDR 6,000,000,000. From this data, the total market size in the location where Co-Working Space Café is to be established amounts to IDR 25,160,000,000 annually.

Co-Working Space Café is expected to capture a market share of 26.3% in that area, or around IDR 6,609,600,000. Each month, the projected Event and Co-Working Space Café is expected to generate approximately IDR 550,800,000. The café has a capacity of 100 customers. Open every day from 8 AM to 10 PM, Co-Working Space Café operates for a total of 420 opening hours per month. If calculated in terms of Revenue Per Available Seat Hour (RevPASH), it stands at IDR 13,114 per seat per hour.

4.2 Marketing Mix

Marketing strategy refers to the marketing logic through which a company aims to create customer value and establish profitable relationships (Kotler & Keller, 2016). It aligns with the 7P marketing mix theory which consists of Product, Price, Place, Promotion, People, Process, and Physical Evidence. The feasibility of a café, coworking and event space from the 7P marketing mix is explained as follows:

4.2.1 Product

The Co-Working Space Café offers products such as food and beverages, co-working spaces, and event spaces. The food and beverage menu is intentionally limited to ensure the best quality, quantity, and pricing for the options available. The goal is to meet customer expectations, providing a positive first impression of the food and beverages. According to the informant (interviewed, August 2024):

“I’m drawn to cafes that serve quality coffee, fresh pastries, and healthy options like avocado toast or grain bowls. I appreciate places that offer locally sourced ingredients and have a focus on sustainability, which is important to me. I like spending time in cafes to work on my laptop, catch up with friends, or just relax with a good book. A comfortable environment with reliable Wi-Fi is key”.

Looking at the preferences, the types of products that are feasible to offer include delicious, high-quality, and affordable food and beverages. This is also supported by the café’s comfortable ambiance, with adequate facilities such as fast Wi-Fi internet. In addition to the menu, the café provides co-working and event spaces, including a co-working office, meeting rooms, outdoor working spaces for smoking areas, a mini movie night mockup, a podcast studio, and a small outdoor stage for events of small to medium scale. A pool table is also available for customers to use during breaks or when they want to relax and hang out. Customers’ time at the café varies depending on their purpose: Casual visits (just for food, drinks, and facilities) take about 2 hours. Event participants usually spend 4 hours at the café. Co-working customers typically stay for 6 hours. The café offers a blend of Indonesian and Western dishes, and management ensures quality control with continuous food engineering analysis. If a particular menu item does not sell well, it will be replaced. Customers can also make special food requests, provided the ingredients are available. All menu items use high-quality ingredients stored properly to maintain freshness, and the café ensures that food is healthy and MSG-free. Additionally, the café offers buy-out options for the co-working and event spaces to accommodate the demand for such facilities in Canggu. The event and co-working space services aim to enhance customer experience through ongoing development and quality control.

4.2.2 Price

Pricing in Canggu cafés varies significantly based on the concept, service, and food offered. This café’s mix of Indonesian and Western dishes and high-quality, healthy ingredients allows it to compete with other premium cafés in the area. Interviews reveal that customers are generally willing to pay: IDR 70,000 for a meal, IDR 35,000 for a drink, IDR 150,000 for co-working spaces, IDR 400,000 for meeting/event spaces. The café’s pricing ranges Food: IDR 18,000 to IDR 128,000, Non-alcoholic beverages: IDR 16,000 to IDR 44,000, Co-working space: Starts at IDR 150,000, Meeting/event space: Starts at IDR 350,000. (based on interview, June 2024).

Table 4. Café Pricing Strategy Illustrations

Recipe	Fello Signature Otoro Tuna Steak				
Restaurant	Fello, Event & Co-Working Space Café				
Manager in Charge	Jonathan Dharma			Date	
Number of Portions	5	Food cost		Menu Price	Rp 68,000
Serving Size/ gr	500	Cost per Recipe	Rp 24,044	Food Cost % Actual	35%
Unit of Measure Per Serving	gr	Cost per Portion	Rp 24,044	Food Cost % Ideal/margin cost/desire cost	40%
Q factor	10%	Q Factor /Portion	Rp 26,449	Ideal Selling Price (28%)	Rp 60,110
		Beverage .	39		
		Margin per Portion	Rp 41,551		
		PERCENTAGE (%)	61		

Ingredients	Recipe Quantity (EP)			Yield Costing			Recipe Cost	
	Qty	Weight	Volume	AP/Unit	Unit	Yield%		EP/Unit
Kentang	150		gr	Rp 30	gr	100%	Rp 30	Rp 4,500
Mentega	10		gr	Rp 28	gr	100%	Rp 28	Rp 280
UHT Milk	30		ml	Rp 17	gr	100%	Rp 17	Rp 510
Garam	10		gr	Rp 24	gr	100%	Rp 24	Rp 240
Black Papper	10		gr	Rp 64	gr	100%	Rp 64	Rp 640
Selada	50		gr	Rp 25	gr	100%	Rp 25	Rp 1,250
Wortel	50		gr	Rp 18	gr	100%	Rp 18	Rp 900
Gula Merah	20		gr	Rp 20	gr	100%	Rp 20	Rp 400
Kecap Asin	5		ml	Rp 15	gr	100%	Rp 15	Rp 74
Saus Tiram	5		ml	Rp 50	gr	100%	Rp 50	Rp 250
Otoro Tuna	200		gr	Rp 60	gr	80%	Rp 75	Rp 15,000

NO	Qty	Price	Total	Basic Cost	Profit	Sharing
1	Fello Signature Otoro Tuna Steak	5	68,000	340,000	Rp 121,004	218,996
REVENUE	BEP (Break Event Point)	1.78				
			340,000			

Marketlist			PURCHASE ORDER				portion
Item	Qty	Unit	QTY	Unit	unit price	Total Price	
Kentang	750	gr	0.75	Kg	Rp 30,000.00	Rp 22,500	5
Mentega	50	gr	0.05	Kg	Rp 28,000.00	Rp 1,400	5
UHT Milk	150	ml	0.15	L	Rp 17,000.00	Rp 2,550	5
Garam	50	gr	0.05	Kg	Rp 24,000.00	Rp 1,200	5
Black Papper	50	gr	0.10	Kg	Rp 32,000.00	Rp 3,200	5
Selada	250	gr	0.25	Kg	Rp 25,000.00	Rp 6,250	5
Wortel	250	gr	0.25	Kg	Rp 18,000.00	Rp 4,500	5
Gula Merah	100	gr	0.10	Kg	Rp 20,000.00	Rp 2,000	5
Kecap Asin	25	ml	0.00	Box	Rp 89,000.00	Rp 371	5
Saus Tiram	25	ml	0.03	Kg	Rp 50,000.00	Rp 1,250	5
Otoro Tuna	1,000	gr	1.00	Kg	Rp 60,000.00	Rp 60,000	5
					Rp 393,000	Rp 105,221	

Source: Data Processed (2024)

Looking at the accepted price range by the consumer in Canggu area, a comparison then being made by calculating a pricing strategy as illustrated at table above. From the illustration can be seen that the accepted pricing range is still within the acceptable range from the management point of view.

4.2.3 Place

The projected café is located at Jalan Babakan Kubu, Canggu, Kuta Utara, Badung, Bali. This strategic location attracts both local and international visitors. Canggu is known for its vibrant tourism, with many expats and digital nomads in need of co-working spaces. Additionally, the area offers complementary facilities like accommodations, hospitals, and is close to beaches and Denpasar city center. It takes

approximately 30 minutes to reach the café from Denpasar, making it accessible for locals. According to an interview with a guest (Interviewed, August 2024).

“Canggu is a prime spot for cafés. With so many expats and digital nomads in the area, there’s always a demand for good working space cafés”.

This demonstrates that Canggu is an ideal location for a co-working space café, given the high demand.



Figure 1. Café Design Illustrations
Source: Data Processed (2024)

4.2.4 Promotion

To increase brand awareness and reach a broader audience, the café will utilize social media platforms such as Instagram, TikTok, email, WhatsApp, and its website. Advertising through Meta Business tools will focus on targeting tourists on vacation. Interviews show that influencers and Key Opinion Leaders (KOLs) play a crucial role in promotion. As noted by a customer (interviewed, August 2024).

“I usually find out about cafés from Instagram, TikTok, or influencers”.

Collaborating with local and international Key Opinion Leaders (KOL’s) can attract more attention and build a positive brand image among tourists and locals. Word-of-mouth marketing is also vital. According to a customer (interviewed, August 2024).

“A café recommended by friends has a better chance of me trying it”.

This emphasizes the importance of providing excellent products, services, and facilities to encourage customers to share their experiences. While digital promotion is essential, print media remains relevant. Advertisements in local magazines, flyers, and posters will target audiences who may not be active on social media. Distributing printed materials in strategic locations like hotels, malls, and local communities will help strengthen the café’s brand presence and enhance its credibility.



Figure 2. Café Promotions Illustrations
Source: Data Processed (2024)

4.2.5 People

Human Resource Management (HRM) plays a vital role in ensuring the café operates smoothly. Cushway (1994) defines HRM as “part of the process that helps the organization achieve its objectives.” Employees are crucial to the café’s success, and attentive, polite service can significantly impact customer experiences. As expressed by a customer (Interviewed, August 2024).

“Great service is a must. Attentive and polite staff can make or break my experience at a café”.

Therefore, the café focuses on people-oriented management, ensuring fair treatment of all employees regardless of background. From this finding, for a café to be easily accepted in Canggu area, the characteristics of front-liners who are professional, friendly, and respectful, exceeding customer expectations, are still the main feasible strategy to be implemented. As Canggu is currently the heart of Bali tourism, finding suitable staff with excellent customer service skill can be considered relatively easy. With the abundance of tourism schools in the island, not to mention those from the neighboring island, finding a technically qualified candidate is not an issue.

A consideration that should be put into mind by the new investors is finding talent that can gather or build a community. As also been shown by Kludzewit et al. (2020), that the digital nomads also rely on the benefit that they can reap from the strong community bond provided by the co-working spaces. This implies that a co-working space with a highly active consumer community will be most likely attractive to digital nomads. The existence of strong-bonding groups of digital nomads can potentially lead to active co-working space activities, which also means good business. So finding the right talent is the issue, since it takes socially active persons, with great communication skills, and extensive networking.

4.2.6 Process

The café has streamlined processes to ensure efficient service. Customers can order food and drinks directly at the café or through online applications. The food and beverage preparation process is designed to be quick without compromising quality or presentation. The booking process for co-working and event spaces is easy and flexible, with simple registration and payment methods. Customers can pay via cash, cards, or digital payment platforms. All these processes are designed to create a seamless experience, prioritizing customer satisfaction and ensuring every visitor feels comfortable and has their expectations exceeded.

“I appreciate a smooth process clear menu, easy ordering, quick service, and staff that check in to ensure everything is good. Good service is essential. I appreciate staff who are attentive and make an effort to provide a pleasant experience” (interview, August 2024).

4.2.7 Physical Evidence

Physical evidence refers to the tangible aspects that customers experience when interacting with the café’s products and services. This includes the design of the building, atmosphere, and ambiance.

A customer explains that “The relaxed and cozy atmosphere, with visually pleasing décor, makes me feel at home. The right lighting and not-too-loud music also add to the comfort” (interview, June 2024).

This expressed that a Co-Working Space Café needs to ensure that every aspect of its physical environment is thoughtfully planned to create a memorable experience for customers. The design and layout are intended to foster a relaxed yet productive atmosphere, enhancing both leisure and work experiences for visitors. This comprehensive 7P marketing strategy for the Co-Working Space Café aims to create a competitive advantage by offering high-quality products, efficient service, and a welcoming environment while ensuring a seamless customer experience through both digital and traditional promotional efforts.



Figure 3. Café Environment Illustrations
Source: Data Processed (2024)

As previous research had shown, Canggu is on roll as the center of digital nomad activities. This situation has made the area very attractive to investors in developing new hospitality businesses. The media has highlighted how overcrowded Canggu has become. This issue also concerns many stakeholders as the cycle can soon turn to a decline if the situation cannot be controlled. Under these circumstances, the results of this research can be used as an insight into the market condition in Canggu, two years after the pandemic. Developing new business in Canggu is still possible, although thorough strategies should be made. This research also shows that each part of the 7Ps in the marketing mix does has its portion in creating an appealing place for the consumers. The people aspects should be highlighted, especially in Canggu area. This is due to the high communal characteristics in the Canggu’s expats and tourist communities.

5. CONCLUSION

Based on the overall research on the feasibility test aspects of the Café concept from a marketing perspective, the conclusion of the interview results which are divided into 3 sides, namely prospective customers, event crew and café management, can be concluded as follows:

Co-Working Space Cafe received a positive response as seen from the respondents who were interviewed. The results show that there is a significant demand for event space and workspace in Canggu area. The feasibility will be higher if the spaces also provide quality food and beverages. By combining the market of café, co-working space, and event space the business can aim for a wider market segment. This study shows that Co-Working Space Cafe that offers a unique concept and a modern design with natural elements, where indoor plant decorations and aesthetics and green outdoor areas create a relaxed ambiance can create a competitive advantage. The use of high-quality ingredients without artificial flavoring also preferable by the Canggu market. Since the community is quite crucial for Canggu market, the business needs to build an environment that support the community activities. This should be achieved not only by designing the physical environment but also from the human resources perspective. Creating a favorite place for remote workers that induces digital nomad community activities can be an advantage that can help the business to stand out amidst the competition of cafes in the Canggu area.

Some challenges in the form of brand awareness still need to be developed. Co-working space cafes that do not yet have sufficient capital will seek partnerships and investors to help finance the initial capital. Another challenge is the fairly high competition in the Canggu area and from those who already have good brand awareness. Co-working space cafes that also offer event spaces are predicted to be able to compete with their competitors because they have uniqueness and advantages that are still very rarely found in other cafes in Canggu.

Due to the research's limitations, there are some recommendations for future research. The research only shows a preliminary insight that covers only a small area of Canggu. Future research can be aimed at covering a wider area and to find more structured data on the market conditions in Canggu area. A mixed method that combines qualitative data and quantitative data can be beneficial in generalizing consumer preferences in Canggu. This type of data, by far, has not been openly available. This can be due to the fast-changing situation in Southern Bali tourism, and the resources that may be needed for thorough research. A yearly basis research on Canggu and its neighboring villages will be beneficial to monitor the development and to make strategies for more sustainable tourism development in Canggu.

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