

# Analysis of the Application of Circular Economy Concepts in Coffee Shop Business

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## Abstract

This research aims to analyze the application of circular economy principles in the coffee shop business as a step towards creating a sustainable business model. The concept of circular economy focuses on resource optimization by applying the 3R principles (Reduce, Reuse, Recycle) and reducing dependence on limited natural resources. The approach used in this research is descriptive qualitative, through case studies in several coffee shops that have adopted environmentally friendly practices, such as the utilization of recycled materials, processing coffee waste, and reducing the use of single-use plastics. Data collection was conducted through in-depth interviews, direct observation, and documentation tasks. The findings from this study show that implementing a circular economy can improve operational efficiency, create a positive image in the eyes of consumers, and provide both economic and environmental benefits. Although there are some challenges, such as high start-up costs and a lack of business and consumer awareness, the strategy is considered to have the potential to be implemented more widely. The hope of this research is to contribute to small and medium enterprises in developing businesses that are not only financially profitable, but also contribute to environmental conservation.

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## 1. Introduction

The issue of ecology is one of the five important issues of our time, along with globalization, democracy, human rights, and gender. In fact, the issue of ecology (environment) will continue to be an interesting and relevant topic to research, given that the environmental crisis has become a serious global problem and the need for concrete steps in dealing with ecological problems ranging from global warming, waste, human-caused natural disasters, forest fires, etc. Environmental disasters will increasingly occur if there is no awareness of the earth's population to make changes in a good direction in supporting and preventing ecological disasters.

Various disasters occur as a result of environmental damage caused by human actions and behaviors that exploit nature without regard to its sustainability and balance. As God's representatives on earth, humans should be able to protect the environment, but in fact, they are the main cause of ecosystem damage. Because of their greed, humans utilize natural resources without considering the negative effects that will arise, exploiting for personal interests without looking at aspects of environmental conservation. In addition, the impact of the ideology of materialism and capitalism as well as the use of inappropriate and environmentally unfriendly technologies also contribute to the increasingly severe environmental damage. In fact, based on research by the Walhi Institute, environmental problems have now reached an alarming level (Walhi, institute, 2015)

In the Islamic perspective, Islam greatly regulates human relations with God (حَبْلٌ مِّنَ اللَّهِ), with fellow humans (حَبْلٌ مِّنَ النَّاسِ) and with nature (حَبْلٌ مِّنَ اللَّهِ) the three important human (Muslim) principles include governance, environment, health, culture, social, political, legal, economic,

science and technology. Conceptually, the teachings of Islam strongly teach humans to always maintain and control every aspect of life that occurs on this earth. Islam also strongly emphasizes every living being to always maintain and care for the environment (earth) from destruction and damage.

Industrial development in the 20th century led to higher levels of public consumption, not only high consumption levels but also the rapid advancement of industrial technology in the modern era, especially with the emergence of new technologies such as Artificial Intelligence (AI) as well as industrial development in the modern era is not matched by the application of sustainability principles. The impact of the growth of consumer demand is getting higher, so the industry needs raw materials to drive the company's production wheels. The dominance of industrial raw material needs is still high in demand for resources derived from nature, Indonesia is one of the countries that is blessed with the potential and wealth of extraordinary natural resources. Starting from gold, copper to the latest nickel which is a superior commodity for large industry players such as electric cars, battery manufacturers and so on.

In the midst of rampant industrialization, often forgetting the basic principles of sustainability, humans are often too greedy to exploit natural resources excessively without calculating the impact of non-material and material losses that will be faced in the future. Industry players and the government ignore the negative impacts resulting from bad behavior with reckless exploitation of natural resources (irregular), of course nature provides everything but will not meet the needs of greedy humans who do not prioritize the principle of sustainability.

Pollution carried out by industrial companies has an impact on environmental pollution which is quite severe, starting from industrial waste that is not managed properly so that it pollutes water and soil, product packaging such as plastic which amounts to hundreds of tons that pollute rivers to the sea. According to data collected by the National Waste Management Information System (SIPSN) of the Ministry of Environment and Forestry, the national waste pile data is 40 million tons / year, and managed waste is 60.49% and unmanaged waste is 39.51% or equivalent to 15 million tons / year and from the data collected the average waste is in the form of food waste, 40% 30% plastic waste and 30% other combined industrial waste, wood and so on. This means that from the millions of tons produced per year there is still a lot of waste that is still not managed properly, from the data collected alone, 60% of the average managed waste only accumulates in landfills and only about 5-7% of national waste can be managed and recycled back into valuable goods. (Direktorat Jenderal Pengelolaan Sampah Limbah dan Bahan Beracun Berbahaya, 2019)

The presence of massive industrial areas in Indonesia in addition to providing a large economic impact also has a negative impact that is no less important than just economic activity, more and more industrial areas contribute greatly to climate change, air pollution in the form of pollutant gases and greenhouse gases as well as causing industrial waste and waste that causes water and soil pollution. More than 550 rivers in Indonesia are highly polluted, including the Citarum River in West Java and the Ciliwung River in Jabodetabek. When viewed in terms of trade off economic growth with environmental sustainability that must be revolutionized by the government and related stakeholders. Economic growth per capita with environmental quality is a hypothesis that often occurs around the world. The theory is that the higher the Gross Domestic GDP (GDP), the higher the environmental damage that will be received, the more industry will cause a lot of damage, especially industries such as PLTU which clearly damage air quality and cause accelerated climate crisis, in addition to the economy the government also needs to review the acceleration of the implementation of industrial transition in Indonesia towards sustainability (Rany,2020)

Industrial activities anywhere, especially in Indonesia, should be required to apply the principle of sustainability in terms of waste treatment, corporate governance, product packaging and so on. In accordance with the Regulation of the Minister of Environment and Forestry of the Republic of Indonesia number 9 of 2024 concerning the management of waste containing hazardous and toxic materials, as well as waste of the same nature, and also Law of the Republic of Indonesia Number 32 of 2009 concerning environmental protection and management that in accordance with the mandate of the Law national economic development must be carried out

based on the principle of sustainable development and prioritize environmental insight (Perlindungan dan Pengelolaan Lingkungan Hidup, 2009).

In the application of the Green Economy, it is not only applied to large industries, but the MSME sector, state-owned and private companies should switch to activities that prioritize green economic principles. Giant industries such as Danone, Nestle, Unilever are large companies that are responsible for the use of plastic waste piles around the world, these companies are still using their product packaging using disposable plastics and polluting the environment. There is no commitment for major companies in the world to commit to stop the use of single-use plastics in the sale of their industrial products. The social demands on companies arise as a reflection.

Corporate social responsibility also covers all key stakeholders. These parties include workers, consumers, shareholders, governments, and communities that have an important role in maintaining environmental sustainability for future generations. Social responsibility is described as: "The way in which a business behaves towards other groups or individuals in its social environment: customers, other businesses, employees and investors" Companies and governments should take strategic steps to prevent a waste apocalypse for the earth to be able to maintain the sustainability of human life in the future (Ridwan, 2016)

The problem of plastic waste will continue to increase along with the increasing population growth, the use of plastic has become an inseparable human habit, although the use of plastic is a very accessible and practical item, as consumers we need to limit its use wisely, minimize the use of disposable plastics by replacing them with items that can be used repeatedly such as tumblers, Plastic waste cannot be decomposed by nature, it takes 20 to 100 years to be decomposed by nature, moreover plastic waste can damage soil and water ecosystems because plastic waste is difficult to decompose by microorganisms and can cause mineral damage to soil and water. Strategic steps are needed to be able to change people's habits to reduce the use of plastic waste (Tantangan, 2021)

In modern times, green economic theory has emerged as a great hope for the global economy. Green economy is an aspect that must be considered in sustainable development, taking into account the magnitude of risks and problems for future generations, namely the misuse of capital that provides incentives, the destruction of natural and geographical conditions and so on. Green economy principles must be applied when industrializing in various sectors to reduce negative impacts on the environment. Basically, the nature of the green economy is to generalize global positive practices and identify the implementation of business activities (industry). The subject of this research is the theoretical, methodological and practical approach to the application of the green economy in the context of the implementation of sustainable development goals, which is also the basis of the United Nations (UN) sustainable development goals introduced since 2015, namely sustainable environment-based economic development (Latifah & Abdullah, 2024)

In Indonesia, one of the rising business trends among young people is the Coffee shop business, the number of coffee shops in Indonesia according to data from the Ministry of Trade is 100,000 units in Indonesia, and this figure will continue to grow. With the current number of outlets, the total profit of coffee shops in Indonesia reaches Rp 4.8 trillion (Shalsabilla, 2023). The profit figure is quite large for the Coffee shop business in Indonesia. In addition to the large number of outlets with a fairly large profit level, the majority of coffee shops in Indonesia still use a lot of products or market using materials made from disposable plastic, rarely do coffee shops apply the principle of sustainability, not only related to waste but also food waste from food businesses in Indonesia is also quite high, this is a common homework for the government, business owners, industry players, MSMEs to jointly start a movement to switch by applying the principle of sustainability.

The use of environmentally friendly products has added value for business actors in running their business, in addition to being environmentally friendly, it will also add a positive image for companies or business actors in running their business. The application of the Circular Economy concept is a new thing in business, even only a handful of companies have adopted the concept. This is a distinct advantage for companies if they use this concept, besides being able to

build a positive image, it can also increase the additional selling value of the company to consumers (Sari & Setiawan, 2017)

In this research, the writing makes Kopi nako Daur Baur Bogor to be used as material for study and research in the application of business concepts based on Circular Economy. Coffee nako Daur Baur is expected to be a pioneer of the Reuse, Recycle, Reduce movement in the business world, one of which is in the field of coffee shops with 30 outlets throughout Indonesia according to the IDX Channel website. This study aims to explore the progress of sales tactics in modern times, which not only prioritize quality, price, and product excellence, but also pay attention to environmental sustainability and social responsibility towards society. An industrial sector that applies the principles of the Circular Economy can realize sustainable development. This movement can be a pilot and campaign for every industry player, the government and all parties including the community to be wiser and utilize waste and take responsibility for their environment.

The 3R concept is an alternative solution offered based on studies and impacts to reduce industrial waste, community waste and household waste. The 3R concept evolved with the term Green environment. The name Green is considered to represent the environmental conservation movement. So far, the economic model has been dominated by the concept of Linear business industry with the application model of "take, make, sell and dispose" in the use of its resources. The use of Linear Economy continuously overuses resources for production purposes. The Circular Economy model is expected to be the answer to the worsening condition of the earth. Production and business models apply the principle of sustainability. So far, the industry has used the concept (From Cradle to grave) with activities to extract resources, processed into products, then disposed of in landfills, piling up then having a bad effect on the environment (Harahap & Dwiningsih, 2022)

The implementation of Circular Economy with an economic system combines reducing, using, and recycling activities with the main goal of increasing economic value, environmental quality and its impact on social justice and sustainability. The implementation of Circular Economy is an alternative method of choice for communities, governments and businesses to always prioritize green business models that can reduce and have a positive impact on the environment for future generations (Susilo, 2023)

The output of the application of the Circular Economy concept aims to introduce a green economy and business model as well as a green lifestyle for the community. Also provides a new perspective on the business environment in running a sustainable business that can provide added economic value. such as the Circular Economy business model carried out by Kopi nako daur baur is expected to have a positive effect on every business actor, government and society to be able to jointly move to save the earth by still being able to do business normally without abandoning the principles of sustainability. The Circular Economy concept is a concrete step for business people to be able to contribute significantly to saving the earth in ecological disasters caused by human activities. However, it takes many parties to make sustainable environmental campaigns effective and efficient so that the real impact of humans to preserve the environment can be realized in the future.

## **2. Methods**

Based on the approach and type of data used, this research uses descriptive research methods. This research focuses on an in-depth exploration of the implementation of Circular Economy in a coffee shop business (case study of Kopi Nako daur Baur Bogor). This approach was chosen because it allows researchers to understand the processes, experiences, and perspectives of various parties directly involved in the circle of implementation of the Circular Economy concept. By using a qualitative approach, the data that can be obtained is descriptive, so that it can provide a rich and detailed picture of the subject to be studied in depth.

This research uses a qualitative approach to process and analyze the data obtained in achieving the research objectives. The first stage of analysis uses descriptive analysis which contains information about the business model of Kopi nako Daur Baur Bogor in the application

of the Circular Economy. Then develop research using qualitative data, interviews, observations, and analyze the data. The results are equated with theoretical studies. The overall analysis results will be reviewed in business model analysis using the Circular Business Model Canvas model (Rijali, 2019).

### **3. Results and Discussion**

#### **3.1. Results**

##### **Description of Research Results**

In the description of the results of research conducted by conducting stages of observation, interviews and collecting other information related to the focus of research Analysis of the application of the Circular Economy in Coffee Shop with a case study of Coffee nako Daur Baur Bogor. Researchers will reduce data and describe the results of the research that has been done. Researchers in this case will describe the results of research in the form of interviews, documentation and findings in the research that has been done.

In the information gathering phase, researchers conducted conversations with coffee shop owners, staff, and customers. The findings from these conversations indicated that the coffee shop has implemented a number of Circular Economy principles, such as the use of recyclable packaging, sustainable business branding and marketing, and waste reduction. In this study, the researcher also conducted direct observations to understand how Kopi nako Daur Baur as the object of research practices Circular Economy. Findings from these observations indicate that Kopi nako Daur Baur Bogor has implemented a number of principles of Circular Economy, such as the use of recyclable packaging and waste reduction.

Observation in research aims to see firsthand the description and condition of the environment or place that will be the object of research. In observation, researchers harmonize the Circular Economy theory with direct implementation in the field in detail and in depth. Then observe whether in principle Kopi nako Daur Baur has fully implemented the policy of the Coffee shop business outlet that adopts the Circular Economy or not in theory and practice. In theory, Circular Economy is an economic system approach that is oriented towards the circulation of resources by maximizing the benefits and value of raw materials, components, and products. The aim is to reduce the amount of unused and discarded waste. In a Circular Economy scheme, materials and products continuously cycle through various processes such as maintenance, reuse, repair, remanufacture, recycling, and composting. The basic idea of the Circular Economy is to reduce resource use, waste, emissions, and wasted energy by closing the production and consumption cycle through product life extension, innovation in design, good maintenance, reuse, remanufacturing, recycling into the same product, and recycling into new products. The core of the Circular Economy involves reducing waste and pollution, keeping products and materials in use as much as possible, and supporting the regeneration of natural systems.

Based on the theory above, the description of Circular Economy is an activity oriented towards the principle of Sustainable Business (sustainability) which not only focuses on business oriented but also Sustainable oriented. Theory and practice are required to run continuously. From the results of Field Observation 3 times, researchers saw firsthand the practice of Circular Economy that has been implemented by Daur Baur's Kopi nako in this case as the object of research on the application of Circular Economy. The Sustainability Campaign is not only carried out to attract consumers to come directly to the Kopi nako Daur Baur outlet but, Kopi nako Daur Baur proves the sustainability campaign with practices that have been carried out since Kopi nako Daur Bogor was established. From the results of field observations conducted by researchers, it was concluded that in terms of data, documents and activities Kopi nako is very committed to campaigning for Sustainability both in theory and practice.

##### **a. Research Interview**

From the results of interviews conducted for 2 months with 5 visits in the February-March period, researchers can provide text and answers from the results of the research conducted.

The research questions are divided into 3 parts of research questions for consumers who come to visit at Kopi nako Daur Bogor, these questions consist of the application of the Circular Economy, consumer behavior and acceptance of the Circular Economy.

### **b. The Application of Circular Economy**

Kopi Nako Daur Baur Bogor is a coffee shop concept that introduces a new kind of place, not just a hangout spot. Kopi Nako Daur Baur carries the mission of environmental care with the concept of Creative Sustainability. Plastic waste is transformed into aesthetic design elements, from walls made of used cups to recycled furniture. Every corner is designed for a more eco-friendly coffee experience.

The Kopi Nako group has been established since March 7, 2018, and has business branches that focus on sustainability concepts, namely Kopi Nako Daur, one of which is Kopi Nako Daur Bogor. Although it has been established for 2 years, the researcher conducted interviews and observations with consumers to strengthen the research findings and obtain objective research results to find answers from the study. From the research, a number of questions (application of Circular Economy) were asked to consumers, here are the interview questions and the results of the interviews:

The question was given to one of the consumers named Nanda and Silva, a 12th-grade student at Kosgoro High School in Bogor.

- 1) Have you heard of the term Circular Economy?

*"honestly, for the Circular Economy itself, I have never heard of the term, but from the concept when I came to visit Nako Daur Baur Coffee, which I saw a lot of used materials, so maybe the Circular Economy is like recycling that I understand"*

*The next question, addressed to the same informant.*

- 2) Why choose to visit Kopi Nako Daur Baur Bogor?

*"Kopi Nako is one of my favorite coffees, because coincidentally it is not only Kopi Nako daur Baur that I have been to, Kopi Nako Pajajaran, Coffee Nako Kebon Jati have also been visited, coincidentally Kopi Nako daur Baur is the closest to school and its location is in the city center so the access is closer. Also Kopi Nako daur Baur Bogor, besides the good concept, the place is also aesthetic from various angles, instagramable for photos for work and hanging out, moreover the overall price is worth it for coffee shop standards so it's not too expensive and cheap standard"*

- 3) The third question relates to the application of the Circular Economy, how important is the application of the Circular Economy?

*"It is indeed important for a business/coffee place if it uses a concept like this, the impact is good for the environment, not only for the environment, it can also be an attraction for people to have coffee, especially if the design of the place is like this, it will definitely be pursued by people who love coffee"*

Another informant named Yuniar who works for a National Retail company added that it is related to the application of the Circular Economy at Kopi nako Daur Baur Bogor to add to the results of the research conducted as follows;

*"Kopi nako is one of the most popular coffees in Bogor and even in Jabodetabek, we come to the area in Jabodetabek, we will definitely find Kopi nako, incidentally I just visited Kopi nako Daur Baur Bogor. First impression seeing on social media Kopi nako, there is a branch of Kopi nako using recycled products. First because of curiosity and also an instagramable place, I decided to come to Kopi nako Daur Baur, it turns out that the concept and location are really very inspiring for other culinary / coffee businesses in Bogor, it turns out that coffee shops can play a role in the environment, not only pursuing profit but also really having an impact on the environment. This can be a good pilot, especially the problem of waste is a problem everywhere, I hope there will be other coffee nakos that can have a high commitment to small things, namely waste," he said.*

### **c. Consumer Acceptance of the Circular Economy**

In the implementation of the Circular Economy, the positive impact of consumer behavior is very important to implement, after all, the implementation of the Circular Economy will in

parallel have a positive impact not only for business actors but also have a positive impact on consumers, namely changing the behavior of consumers or people in building awareness of concern for the environment.

In this study, researchers looked for patterns of consumer behavior after visiting Kopi nako Daur Baur as the object of research in the implementation of Circular Economy implementation.

In extracting information through observations and interviews, researchers conducted interviews with informants of visitors/consumers of Kopi nako Daur Baur Bogor, researchers aimed to explore statements and information to consumers related to consumer acceptance before and after visiting Kopi nako Daur Baur Bogor.

The following questions were asked by researchers to consumers.

- 1) Are you willing to pay more for products produced with Circular Economy principles?

*"Actually, coffee has now become part of the needs, not only the need to support work or leisure but also a lifestyle in itself, especially if the coffee shop is good, aesthetic and the price is worth it in every circle, of course people flock to come, especially since this coffee shop uses the concept of the environment, it seems like a new coffee shop concept in Bogor in particular, in my personal opinion, if it is worth it and the concept is good, I don't mind coming and spending money to hang out often, especially since Kopi Nako is one of the top 5 best Kopi Nako in Bogor."*

Next, the researcher asked the second question related to the acceptance of the Circular Economy on consumers of Daur Baur nako coffee as follows;

- 2) Do you think that the application of Circular Economy in cafes can provide benefits for the environment and society?

*"Actually, it could be possible, back again whether the environmental commitment is really carried out, but when talking about the benefits of the name business, this concept will definitely return to the company, well, economically the community may not have an exact nominal, but for the sustainability of the environment that has an impact on society it feels very impactful, especially if this concept is disseminated to the community, it will definitely have a lot of impact on society and the environment"*

The last question asked by researchers to support research related to the application of Circular Economy in the coffee shop business Kopi nako Daur Baur. The next question is related to consumer acceptance of the Circular Economy as follows;

- 3) What advice do you have for the cafe in implementing Circular Economy?

*"To be honest, I don't really understand how Circular Economy is implemented, but clearly if I give advice, the volume of recycling can be increased and the business range expanded, if it can be fully recycled it would be even better. Moreover, coupled with a more aesthetic place, also for the location to be removed, if possible, the outdoor place can be semi-outdoor so that in the future, if it is hot or rainy, there is no need to be complicated and fight for seats."*

Based on the results of interviews with consumers named Panji, a coffee employee in the Ciomas Bogor area aged 27 years, explained that *"as far as he knows and visits coffee shops in Bogor, this is the first time there is a coffee shop that has the concept of recycling, Kopi nako Daur Baur is indeed a champion in terms of concept and quality of food / drinks coupled with a new concept, namely Daur Baur, it looks like Kopi nako is on par or even more with coffee companies such as Sturbucks, even Sturbucks class, has not massively used the concept of recycling, only Kopi nako."*

From the narrative of the Informant and the results of observations and studies conducted from the answers of the Manager, Employees and Consumers of Nako Daur Bogor Coffee, the Recycling Concept is a new concept in the world of coffee in Bogor in particular and generally in Indonesia, the big vision of this waste problem should be a shared commitment and responsibility, both from government elements, business actors, to consumers have an important role in environmental issues and can have a positive impact on the environment, especially when it comes to waste. Waste is a big problem for the environment both in Indonesia and even around the world. The difficulty of plastic waste to decompose, pollute rivers and cause natural and social disasters is the main goal that every element of society should be able to contribute significantly to the environment.

### **3.2. Discussion**

Kopi Nako or Kanma Group was founded by a group of 10 people making a big splash in the culinary, service and lifestyle business. Starting from a restaurant business that has a strong concept and modern style, this gathering has taken a more serious tone with a business vision and mission to develop the culinary world. With more and more outlets under management and as the culinary business grows, the founders need an operator or platform that can bridge all restaurants and coffee shops and align the vision and mission of these founders. Hence, in 2019, Kanma Group was established. Kanma, which is the word "makan" (eating) spelled backwards, was initiated by the founders because essentially, the culinary businesses established by our founders started with their love for eating and culinary adventures. Kanma Group has become a platform for several restaurants and is a pioneer in Bogor's culinary industry, which now also extends to areas outside Bogor. The humorous tone in the name "Kanma Group" makes the business concept very relevant to the Indonesian lifestyle, which is rich in humor, laughter, family bonding, and of course enjoying delicious food with friends. Today, Kanma Group has more than 55 restaurant or cafe branches in the Greater Jakarta area, ranging from authentic Italian, Indonesian and Sundanese cuisine to coffee shops and clubs.

One of the business branches established by Kanma Group is Kopi nako Daur baur, this business is an initiative from Kopi nako that aims to apply sustainable design to Kopi nako's architectural and branding elements. This movement seeks to reuse our waste materials into new products with renewed function and value. We hope this initiative can inspire Kopi nako's friends to adopt a more sustainable lifestyle.

#### **a. Kanma Group Circular Economy Concept**

As a coffee shop, the business owner realizes that many products use plastic cups, which are consumed by Kopi nako consumers and discarded after use. As the number of Kopi nako outlets continues to grow, we are increasingly aware of this problem. This awareness has led to creative ideas/concepts on what we can do with this waste as a form of Kopi nako's responsibility towards our own waste. Through collaboration, we have implemented our creative idea to reuse Kopi nako's plastic cup waste. By prioritizing Sustainable Design, our first project is, we have made this arrangement of plastic cups into one of the architectural elements in the form of a wall at Recycle.

Through collaboration, Kopi Nako has transformed by implementing creative ideas to reuse Kopi Nako's plastic cup waste. By prioritizing sustainable design, by turning these plastic cups into architectural elements: walls in the Recycling Room of each Kanma Group outlet. one of them is the implementation of a wiremesh wall built from 150-240 kg of Kopi nako plastic cups, not only beneficial to the environment but also serves as a visually appealing and unique display. The project is accessible to anyone, anywhere. The Kopi nako Daur Baur outlet embraces the concept of sustainable design. Kopi nako reuses 500 kg of used plastic cups from Kopi nako, which have been transformed into furniture for Kopi nako from each outlet spread.

#### **b. Circular Economy Movement**

The Daur Baur program is an initiative movement from Kopi nako to apply sustainable design into building architectural elements as well as branding Kopi nako in the Coffee business network in Indonesia. This movement aims to reapply waste materials that have been produced and used into other products that again have new functions and values as the purpose of the Circular Economy. The Kopi nako movement is expected to also inspire consumers of Kopi nako to be able to implement a lifestyle with sustainable living awareness. This sustainable living movement has been carried out by Kopi nako in branding and used the results of Recycle in the ornaments of Kopi nako outlets, this collaboration is very important to make Kanma Group a pioneer of the sustainability movement in business. Examples of goods produced from the sustainable movement carried out by Kanma Group in the Kopi nako subsidiary Daur Baur.

#### **c. Analysis of Coffee nako's Circular Economy Implementation**

In 2021, Kopi nako/Kanma Group launched a program called Daur Baur, which aims to recycle nako coffee plastic cup waste into materials with new functions and values. Through



collaboration with various parties, as well as prioritizing sustainable design, Kopi nako succeeded in turning this pile of plastic cup waste into an architectural component in the form of a wall in the Daur Baur outlet space. This initiative was first implemented at the Kopi nako Alam Sutera outlet branch in addition to functioning as part of waste management, the wiremesh or wall in the Daur Baur building is made from a summary of 150 to 240 Kopi nako plastic cups. In addition to offering a sustainable concept, Kopi nako also offers a unique appearance and is able to attract the attention of visitors.

Meanwhile, in 2022 until now, Kopi nako has again raised the theme of sustainable design at Kopi nako Senayan Park to the latest opening of Daur Baur outlets, namely Daur Baur Bogor and Kemang. In this Daur Baur initiative, as many as 500 kg of used plastic cup material from Kopi nako was reused and processed into furniture for this Kopi nako Daur Baur shop. Even if calculated, Kopi nako Daur Baur already has 4 outlets that carry the theme of sustainability and will increase in the future to be able to support environmental commitments by recycling and reusing the accumulation of consumption waste generated from Kopi nako outlets throughout Indonesia.

The Circular Economy business activities implemented by Daur Baur nako coffee or Kanma Group in this case are as follows:

- 1) Implementing the Reuse, Reduce, Recycle Program: in this activity program, Kopi nako applies the principle of sustainability in its business activities, in addition to aiming as part of business branding, this program is also a form of Kanma Group's commitment (Kopi nako Daur Baur) in supporting environmental conservation. Kanma Group is committed to being able to continue to develop the Reuse, Reduce, recycle program to be applied throughout its business branches to be able to realize this sustainability program consistently and with full commitment. This form of commitment has been implemented from 4 Kanma Group business outlets, one of which is Kopi Nako Daur Baur Bogor. The outlet can implement Circular Economy in building concepts, sales activities and marketing or branding.
- 2) Implementing Business Marketing Programs: Kopi nako consistently not only branding the business with the concept of sustainability with the implementation of the Circular Economy in the form of the Reuse, Reduce, Recycle program. However, Kopi nako Daur Baur also applies a discount of 10 to 30% if visitors or consumers buy drinks at Kopi nako Daur Baur outlets using tumblers (drinking places). This movement not only provides insight (understanding) to consumers to be able to start switching from the use of disposable plastic packaging to the use of environmentally friendly packaging (tumbler).
- 3) In addition to the Reuse, Reduce, Recycle program and Branding discounts for customers who use tumblers, visitors and consumers can see firsthand how the beverage bottle waste processing plant is produced and processed into finished goods and valuable again. This can provide education to consumers regarding the application of the Circular Economy as well as part of the education and business branding carried out by Kopi nako Daur Baur.

Finally, Kopi nako Daur Baur/Kanma Group also uses the used goods campaign, in this case Kanma Group as the company that houses the Outlet Kopi nako Daur Baur implements a program to sell Outlet souvenirs made from recycled materials. For example, bags (tote bags), bottles, watches made of coffee powder and so on.

## 4. Conclusion

This research examines the application of the Circular Economy concept in the world of coffee shops, The findings of this study show that the application of the Circular Economy not only provides benefits to the environment, but also plays a role in improving operational efficiency and business competitiveness. First, the implementation of the Circular Economy in coffee shops includes more efficient waste management. By implementing a reduce, recycle and reuse strategy, coffee shops can reduce the amount of waste generated. For example, coffee waste can be used as organic fertilizer, and the packaging used can be designed to facilitate recycling or reuse. This not only contributes to the reduction of negative effects on the environment, but can also lower operational costs associated with waste management.

Furthermore, the selection of sustainable raw materials is a critical factor in the implementation of the Circular Economy.

Coffee shops that choose organic coffee beans, local products, and eco-friendly ingredients not only support sustainable agricultural practices, but also attract consumers who are increasingly concerned about sustainability issues. By doing so, coffee shops can build a positive reputation in the eyes of customers and increase their loyalty.

Likewise, innovation in products and services is an important component in the implementation of the Circular Economy. Coffee shops can develop new products from leftover materials or offer services that promote sustainability, such as cup return programs or providing discounts for bringing their own containers. These innovations not only enrich the customer experience but also add value to the business.

This research indicates that implementing Circular Economy principles in coffee shops can provide significant environmental and economic benefits. By implementing effective waste management strategies, selecting sustainable raw materials, and innovating products and services, coffee shops can not only reduce negative effects on the environment, but also increase their competitiveness and profitability.

Through the implementation of Circular Economy, coffee shops can reduce waste by recycling materials used, maximizing resource utilization, and creating added value from the products produced. In addition, consumers' awareness of sustainability issues is increasing, so businesses that implement Circular Economy principles can attract more customers who care about the environment.

Overall, this research recommends that coffee shop owners consider implementing Circular Economy in their business strategies to achieve long-term sustainability and contribute to environmental protection. Finally, this study suggests that coffee shop owners consider integrating Circular Economy into their business strategies. This approach will not only support the achievement of long-term sustainability but also play a role in maintaining the environment and enhancing community well-being. By implementing the principles of Circular Economy, coffee shops can become role models for other businesses in creating more sustainable and responsible business models. Overall, the application of Circular Economy in coffee shops is a strategic step that can bring dual benefits, both for the environment and for the sustainability of the business itself. This research is expected to serve as a guide for future research as well as field practices in the effort to build a more sustainable economy.

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