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The Ups and Downs of Hipster Cafes in Malaysia: Navigating Trends and Challenges

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In recent years, Malaysia has seen a burgeoning trend of hipster cafes, characterized by their unique aesthetics, artisanal coffee, and eclectic menus. These establishments have become popular spots for young urbanites and tourists alike, contributing to the vibrant cultural tapestry of Malaysian cities. However, the journey of these hipster cafes is not without its challenges. This article explores the rise of hipster cafes in Malaysia, the factors contributing to their success, and the obstacles they face in a dynamic and competitive market.

The Rise of Hipster Cafes

Hipster cafes have proliferated in Malaysia's urban centers, particularly in cities like Kuala Lumpur, Penang, and Johor Bahru. These cafes often feature Instagram-worthy interiors, specialty coffee brews, and a focus on locally sourced ingredients. The appeal lies in their ability to offer a unique experience that contrasts with mainstream coffee chains. According to a report by Euromonitor International, the number of specialty coffee shops in Malaysia grew by 15% annually from 2015 to 2020 (Euromonitor International, 2021).

Factors Contributing to Success

Several factors have driven the success of hipster cafes in Malaysia:

1. **Consumer Preferences:** The rise of a more discerning consumer base that values quality and uniqueness over convenience has fuelled the popularity of hipster cafes. Millennials and Gen Z customers are particularly drawn to the artisanal and bespoke offerings of these establishments.
2. **Social Media Influence:** The visually appealing nature of hipster cafes makes them highly shareable on social media platforms like Instagram. This free publicity helps attract a steady stream of customers seeking to capture the perfect cafe

moment.

3. **Cultural Shift:** There is a growing appreciation for coffee culture and cafe lifestyle in Malaysia. Hipster cafes cater to this shift by providing spaces for socializing, remote working, and cultural engagement.
4. **Community Engagement:** Many hipster cafes emphasize community involvement, hosting events, workshops, and collaborations with local artists and businesses. This creates a loyal customer base and strengthens their presence in the local community.

Challenges Faced

Despite their popularity, hipster cafes in Malaysia face several significant challenges:

1. **High Operating Costs:** The cost of maintaining a hipster cafe is substantial, from renting prime urban locations to sourcing high-quality ingredients and maintaining aesthetically pleasing interiors. These expenses can be difficult to sustain, especially for new entrants.
2. **Intense Competition:** The cafe market in Malaysia is highly competitive, with numerous establishments competing for the same customer base. Differentiating themselves and maintaining customer loyalty in such a crowded market is a constant challenge.
3. **Economic Fluctuations:** Economic downturns and fluctuations in consumer spending can impact the profitability of hipster cafes. The COVID-19 pandemic highlighted the vulnerability of these businesses to sudden economic shocks.
4. **Evolving Trends:** Consumer tastes and trends in the food and beverage industry are constantly evolving. Hipster cafes must continuously innovate and adapt to stay

relevant, which can be resource-intensive and challenging.

In a nutshell, the journey of hipster cafes in Malaysia is characterized by both remarkable successes and formidable challenges. These establishments have carved out a niche in the market by appealing to a younger, trend-conscious demographic and leveraging the power of social media. However,

they must navigate high operating costs, intense competition, economic uncertainties, and shifting consumer preferences. To thrive in this dynamic environment, hipster cafes need to continuously innovate, engage with their communities, and adapt to changing market conditions. As they do so, they will continue to contribute to the cultural and economic vibrancy of Malaysia's urban landscapes.

References

[1] Euromonitor International, (2021). "Specialty Coffee Shops in Malaysia." Retrieved from euromonitor.com.

[2] Malaysian Investment Development Authority

