

# The Future of Retail and Service Design

## Sustainable, Phygital, and Community

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## Chapter 8

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### Neighbourhood Consumption

The Impact of Neighbourhood  
Atmosphere on the Coffee Shop  
Experience

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## 8 Neighbourhood Consumption

### The Impact of Neighbourhood Atmosphere on the Coffee Shop Experience

*Mia Münster*

#### **Abstract**

Coffee shops have been extensively studied from various disciplinary and methodological perspectives. However, the influence of the host neighbourhood on the café experience has received little attention. To illuminate the impact of neighbourhoods on user experiences, participant observations and interviews were conducted at coffee shops, and the shops' social media posts were analysed. This research was centred on speciality coffee shops in Hong Kong and Copenhagen situated in neighbourhoods that had not previously hosted such establishments. The results show that customers' experiences of these café visits are holistic, transcending the café itself to include the atmosphere of the neighbourhood. These shops and the services they offer are distinctive in several ways: their location in neighbourhoods independently perceived as interesting, the seamless design of the transitional spaces between the cafés and their neighbourhoods, the integration of neighbourhood atmospherics into the cafés' interiors and social media posts, and finally, their locally influenced services. Overall, the findings suggest that these establishments are not viewed as mere isolated cafés but rather as essential parts of a greater consumer experience that encompasses the surrounding neighbourhoods.

#### **Introduction**

Coffee shops are of central interest to researchers studying coffee consumption from various disciplinary and methodological perspectives. They are commercial establishments designed for the brewing, purchasing, and consumption of coffee, yet they also provide a space for sociality in which people can develop connections and, potentially, communities (Ferreira et al. 2021).

While cafés are typically located where people live, work, or shop, recent research has identified a trend of specialty coffee shops opening outside these districts. In European cities, such as Copenhagen, coffee shops have started to appear in abandoned buildings in remote, formerly industrial areas (Münster 2024). A similar trend is observable in Hong Kong, where coffee shops

have emerged in retail spaces in older neighbourhoods previously dominated by suppliers of industrial hardware and commercial goods (Barber and Münster 2023). Research indicates that these coffee shops introduce new demographics to neighbourhoods they might not otherwise visit and offer patrons a desirable alternative to well-known commercial districts (Barber and Münster 2023; Münster 2024).

Research on retail formats commonly considers location to be a relevant factor when evaluating stores (Kent and Petermans 2017). In contrast, research on store atmospherics, which examines the ‘sensory qualities that the designer of the artificial environment sought to imbue in the space’ (Kotler 1973, p. 51), typically studies consumer responses to atmospheric components within store interiors, overlooking the host neighbourhood’s influence (Turley and Milliman 2000). However, the external features surrounding stores, such as storefronts, awnings, entrances, display windows, building architecture, and immediate surroundings have been recognised as atmospheric components that can impact the user’s shop experience (Turley and Milliman 2000). Turley and Milliman (2000, p. 195) argued that this aspect of store environments deserves greater attention, since ‘the exterior is the first set of the cues normally seen by a consumer’.

Yet, a store’s exterior is no longer the first thing consumers usually notice. The rise of social media means that, today, stores are not always discovered on the street and chosen based on visual appeal and proximity to the consumer’s home or work – they are also selected on platforms such as Instagram based on their visual presentation (Chen and Lin 2024). Thus, beyond understanding the impact of neighbourhoods on consumers’ experiences of contemporary specialty coffee shops, it is important to study how neighbourhood characteristics are, strategically or unconsciously, integrated into stores’ physical designs and online representations.

This chapter explores the role of neighbourhoods in experiences of coffee shops located in Copenhagen and Hong Kong – two cities in which the author has had the opportunity to conduct in-depth studies. It asks, How do neighbourhoods influence users’ experiences of cafés in those locations? How are the cafés integrated into their neighbourhoods? And what neighbourhood characteristics are considered valuable by consumers? To answer these questions, observations of people and environments were conducted, including interviews with store owners and customers, and shop designs and social media posts were analysed.

The research focused on cafés in areas that had previously lacked such establishments. In such areas, patrons may have fresher memories of why they chose to visit that particular café and neighbourhood and thus be capable of explaining their choice. In contrast, customers may visit well-established cafés merely out of habit, making it harder for them to articulate their motivations (Savin-Baden and Major 2013). Moreover, focusing on newer cafés can uncover emerging trends in contemporary coffee culture and reveal neighbourhood characteristics valued by users, thereby benefiting startups, designers, and urban developers.

## Literature Review

### *Waves of Coffee Consumption*

Originating in Ethiopia, coffee drinking spread to the Arabic world by the 15th century and Europe by the 17th. European coffeehouses emerged soon thereafter (Broadway et al. 2020) and continue to serve as informal gathering places (Oldenburg 1989; Broadway and Engelhardt 2021). Habermas (1991) traced the emergence of the concept of the ‘public sphere’ to the coffeehouses of 17th-century London, where citizens debated current affairs and competed for political and economic influence. Despite changes over the centuries due to globalisation and other trends, coffee shops have retained their core function: facilitating coffee consumption and social interaction.

Coffee consumption has undergone an evolution sometimes described in terms of ‘waves’. In the first wave, coffee became an inexpensive, everyday consumer item through products such as instant coffee and industrially produced machine coffee. Typically consumed at home or in unembellished cafés, it became a staple of day-to-day life around the world. The second wave involved the success of what are now major brand-name coffee shops. These brands – Starbucks is a prime example – capitalised on leisure aspirations by offering higher-quality products, a wider variety of drinks, and comfortable interiors in which to consume them. The third wave is defined by the so-called specialty coffee market, whose purveyors offer an even higher level of coffee exclusivity, including traceable beans, local and customised roasting, specialised barista craft, and a design-conscious consumer experience. Iterations of this stage can be found globally (Tucker 2017; Ferreira and Ferreira 2018), and their designs are central to their appeal.

### *Consumption of Place*

In *Consuming places*, Urry (1995) describes how places were reimagined as centres for consumption within which products and services are evaluated, purchased, and consumed. The places themselves also become objects of consumption – particularly visual consumption. They are consumed by locals as well as tourists, facilitating local enthusiasm, social and political movements, repeat travel patterns, or simply the pleasure of hanging out or strolling around in an interesting area (Urry 1995).

Urry calls for research that engages with relationships between social and physical environments. This includes the interdependencies between the consumption of products and services, on the one hand, and natural and built environments, on the other. Coffee shops in remote areas, particularly those with outdoor seating areas, offer an interesting perspective on this interdependency. They attract outside interest and, conversely, offer a vantage point on the neighbourhood (Barber and Münster 2023; Münster 2023). The shops are crucibles in this sense, producing alloys of neighbourhoods, built spaces, and consumption.

Studies of user experiences in commercial spaces often highlight ‘atmospherics’. First defined by Philip Kotler in 1973, ‘atmospherics’ refers to stimuli in commercial environments that can influence users’ experiences of services and products. In addition to internal atmospheric stimuli, including the general interior, store layout, interior displays, and human variables, there are external variables, such as the storefront, building architecture, and surrounding area (Turley and Milliman 2000). Few studies have explored how the broader surroundings of a place influence the atmosphere experienced by visitors. Chloe Steadman et al. (2020), albeit focusing on football matches rather than coffee shops, demonstrated that the perception of atmosphere is not confined to the consumption environment. It is influenced by the planning of the event, the journey to and from the event, and memories associated with the event (Steadman et al. 2020).

This suggests that the impact of a venue’s atmosphere transcends the immediate vicinity, shaping the user experience on a more expansive scale – a point that takes us beyond extant conceptualisations in retail and service marketing, where atmospheres are typically presented as relatively enclosed and controllable.

#### *Coffee Consumption in Copenhagen and Hong Kong*

Despite very different histories of coffee consumption in Hong Kong and Copenhagen, the specialty coffee wave is prominent in both cities, accompanied by growing specialty café cultures with many similarities.

Denmark is among the world’s top five consumers of coffee (Dansk Kaffeinformation 2022). Since its emergence in the 17th century, coffee consumption has been a social magnet for Danes. Interest in specialty coffee has grown of late, inspiring specialty coffee shops, albeit mostly in larger cities – especially the capital, Copenhagen.

The coffee culture in Hong Kong is relatively young but has grown remarkably in recent years, making it one of the specialty coffee industry’s leading centres. During the COVID-19 pandemic (2020–2022), Hong Kong was isolated due to travel restrictions. Remarkably, specialty coffee shops thrived during this period. This partly reflects the conditions imposed by the pandemic. Decreased economic activity lowered building rents, allowing new entrepreneurs to enter the market, and travel restrictions motivated Hongkongers to seek out local experiences and explore lesser-known neighbourhoods within their own cities (Barber and Münster 2023; Siqui and Magramo 2021). As other retail businesses struggled or were forced to close, informal counts by local enthusiasts suggest that in 2021 alone, somewhere between 220 and 300 new coffee shops opened in Hong Kong (Barber and Münster 2023).

Compared with Hong Kong, the number of Danish shops focused solely on specialty coffee is limited, but several bakeries have introduced specialty coffee to supplement their pastry and bread offerings. Denmark has

a tradition of high-quality baked goods, and the consumption of bread and pastries brings people together (Moat 2018). Thus, specialty coffee is a natural addition to bakeries that specialise in exclusivity and craft. Bakeries serving specialty coffee also exist in Hong Kong, but they are rare and represent a newer concept with no roots in Hong Kong's culture. Nonetheless, Hong Kong's specialty coffee shops increasingly offer freshly prepared meals with ingredients carefully selected to complement the coffee.

#### *Coffee Shop Locations Outside Traditional Commercial Areas*

While specialty coffee shops exist throughout Hong Kong and Copenhagen, they are increasingly located outside traditional commercial areas (Barber and Münster 2023; Münster 2024). Accounting for this trend is complicated. The growth in small, independent specialty shops might reflect pandemic-era conditions or the desire to support local business, be part of a local community, or create an identity distinct from those of larger chains (Ferreira et al. 2021; Siqi and Magramo 2021).

Specialty coffee shops are spread across Copenhagen. They are often small and located in mixed-use residential areas or on side streets in commercial districts. Recent research has identified an ongoing trend of coffee shops opening in buildings originally intended for purposes other than housing a café – for example, industrial buildings in outlying neighbourhoods (Figure 8.1) (Münster 2024). Interviews with patrons of these shops have revealed that the new occupants value the buildings for their spaciousness, which accommodates lingering and other activities. The buildings are also cherished for their distinctiveness and for displaying elements of their past uses, creating synergy between the old and the new. Furthermore, patrons value these shops for their presence in appealing neighbourhoods (Münster 2024).

In Hong Kong, specialty coffee shops have opened citywide in recent years. They are frequently found in older mixed-use residential areas – particularly in renovated ground-floor spaces in buildings dating from the 1960s to the 1980s (Figure 8.2) – inhabiting spaces formerly occupied by industrial hardware suppliers, or grocery stores that sold herbs, fruits, or tea. These coffee shops are typically small, independent, carefully designed, and visually appealing. The stores are usually narrow and deep, with limited frontage (Hong Kong Memory 2012; Barber and Münster 2023). Open or transparent facades have traditionally been uncommon in restaurants and older cafés in Hong Kong, but the reverse holds for specialty coffee shops, where transparency and openness between the interior and exterior have been identified as key design elements (Barber and Münster 2023). This could reflect either inspiration from other countries or these shops' localisation on quieter, less-trafficked streets, where surrounding noise and activity are minimal. Transparency in facade design attracts interest from the street while simultaneously offering customers a vantage point from which to survey the



Figure 8.1 A café in a repurposed building in Copenhagen. Photograph by the author.



Figure 8.2 A new specialty coffee shop next to an older hardware store in Hong Kong. Photograph by the author.

surrounding neighbourhood (Barber and Münster 2023; Waxman 2022). As in Copenhagen, coffee shops in older neighbourhoods of Hong Kong are defined by their presence in areas considered appealing by the specialty coffee segment, and the surroundings inform the users' experiences (Mok 2022; Barber and Münster 2023).

In both cities, the presence of coffee shops transforms neighbourhood retail landscapes, attracting individuals who might not otherwise venture there. Unlike in the past, when cafés were typically stumbled upon by passers-by (Oldenburg 1989), newer establishments are often hidden gems not easily glimpsed by pedestrians. Instead, they are predominantly promoted through social media or word-of-mouth recommendations (Chen and Lin 2024; Barber and Münster 2022).

## **Methodology**

Since this study was exploratory, a qualitative methodology was employed (Gioia et al. 2013; Crick 2021) to explore the cafés' characteristics, integration into the local environments, and strategies for incorporating neighbourhood atmospherics into the café experience. Prompted by the focus on spatial design and user experiences, a multimethod approach was adopted, including observations of places and environments (Sussman 2016), participant observations (Saldaña 2013; Madden 2017), analysis of the cafés' social media posts, and semi-structured interviews. Observational studies were conducted to examine the designs of the cafés and user behaviours within these spaces, while supplementary interviews let participants express their thoughts, intentions, and actions in their own words, providing insights into their experiences and interpretations of the spaces (Gioia et al. 2013). To ensure that the research would develop new concepts rather than confirm existing ones, an inductive approach was adopted, thereby avoiding the imposition of preconceived constructs or theories on the participants (Glaser and Strauss 1967).

## **Data Collection**

The initial dataset was collected during a larger study on contemporary café design and coffee culture, which encompassed more than 200 cafés in Hong Kong and Copenhagen. These data include social media documentation, field notes, and videos and photos from observations, as well as interviews with store owners and consumers. Collecting data from two different cities offered a broader perspective on the phenomenon than would be possible with a single location and allowed for comparisons between them (Savin-Baden and Major 2013). The researcher lived in and spent significant time in both cities during the study, giving her access to cases and time for data collection.

In the larger study, appealing neighbourhoods were identified in both cities as one factor that makes cafés worth visiting (Barber and Münster 2023; Münster 2024). To better understand the significance of neighbourhoods,

12 coffee shops were selected – six from each city – in which interviewees had identified the host neighbourhood as influential on their café experience. Further studies of these 12 cafés were then conducted (Table 8.1). These shops were all outside commercial districts, in neighbourhoods that had not previously hosted coffee shops. The shops shared a focus on specialty coffee, but those offering small meals or pastries were also included. In Copenhagen, these establishments were typically bakeries that sold specialty coffee alongside their baked goods, while in Hong Kong, they were specialty coffee shops that also served small meals. These shops were then revisited to specifically observe each site's interaction with its neighbourhood. Further on-site semi-structured interviews were conducted with store owners and customers, incorporating additional questions on the respondents' relationships with and experiences of the neighbourhoods.

The data discussed in this chapter thus consist of photos and videos from inside and outside the shops; field notes from the observations, including notes from casual interviews with staff and customers; and Instagram posts by store owners and customers from the 12 selected coffee shops. This dataset also includes 28 semi-structured interviews with customers and store representatives recruited during the participant observations. The interviews were scheduled in advance and lasted between 20 and 60 minutes. They were recorded and subsequently transcribed. The interviewees were asked to share their reasons for visiting the café and reflect on their relationship with the café and its neighbourhood.

To mitigate the risks of reviving old habits and encouraging selective, pre-determined perceptions of the environments (Madden 2017), each shop was visited multiple times, at various times of the day, and on different days of

*Table 8.1* Specialty coffee shops included in the study

<i>Case number</i>	<i>Name<sup>1</sup></i>	<i>Location</i>	<i>City</i>
1	HW	Sheung Wan	Hong Kong
2	SA	Sham Shui PO	Hong Kong
3	MW	Sheung Wan	Hong Kong
4	TO	Mong Kok	Hong Kong
5	FP	Sai Yin Pun	Hong Kong
6	HA	Mong Kok	Hong Kong
7	LB	Refshaleøen	Copenhagen
8	FF	Nordvest	Copenhagen
9	HB	Holmen	Copenhagen
10	LA	Refshaleøen	Copenhagen
11	BA	Christianshavn	Copenhagen
12	CC	Nørrebro	Copenhagen

the week. The least-visited shop was visited five times, and the most-visited store 12 times. By combining interviews, field observations, and analyses of social media posts, diverse café experiences and perspectives on their host neighbourhoods were compared. This approach facilitates a comprehensive understanding of the subject, transcending isolated studies of cafés alone.

The observational studies and interviews were carried out from March 2021 to June 2024. The sample is not intended to be representative of all coffee shops, but rather to provide insight into the role of the host neighbourhood in the café experience and the motivations for visiting the shop.

### *Analysis*

The interviews were transcribed and analysed using NVivo. Images and field notes from the observational studies were coded and cross-referenced with expressions from the interviews. Initially, the data were thoroughly reviewed, and codes were assigned. As codes recurred, a detailed compendium of first-order concepts was compiled (Gioia et al. 2013). Subsequently, patterns and differences were identified, and terms were organised by grouping first-order concepts into themes. A pattern of five prevailing second-order themes was identified, along with one aggregate theme that encompassed the trends described in the second-order themes (Table 8.2).

While the primary aim was to identify the overarching characteristics of the selected specialty coffee shops and their interactions with their neighbourhoods, similarities and differences between the two cities were also noted. Thus, the themes describe general tendencies observed in both cities, but within these themes, differences between the cities are also articulated. Local differences were not the focus of this study, but the Conclusion includes suggestions for future research on these local differences.

### **Findings and Discussion**

This section presents and discusses the identified themes. The first theme, 'The neighbourhood is perceived as an attraction in and of itself', pertains to the characteristics of the host neighbourhood. The second theme, 'Seamlessly designed transitions between interior and exterior', concerns the café's physical integration into its area, particularly the transition between the café's interior and the surrounding neighbourhood. The third theme, 'Integration of neighbourhood atmospherics into the café's environment', concerns store elements found in the neighbourhood or made locally. The fourth theme, 'Integration of neighbourhood atmospherics into the café's social media posts', pertains to the use of neighbourhood components in images posted on Instagram. The fifth theme, 'Service with a local flair', pertains more to the characteristics of the staff and service than to the physical environment. This theme was inspired by the participant observations, which indicated that the cafés were supported by locals with an interest in these areas, and that the

*Table 8.2* Data structure. The first column displays recurring topics drawn from the images, interviews, and field notes. The second column presents the aggregate themes. The last column states an overarching theme

<i>First-order concepts</i>	<i>Second-order themes</i>	<i>Aggregate theme</i>
<ul style="list-style-type: none"> <li>• Various neighbourhood features attract guests</li> <li>• The neighbourhood's atmosphere compels guests to seek it out</li> <li>• Openness in the facade design</li> <li>• Outdoor seating areas</li> <li>• A view from the interior to the outside and from the street to the inside</li> <li>• Elements found in the neighbourhood used as decorations in the store</li> <li>• Locally created elements integrated into the store design</li> <li>• Social media photos of staff showcasing the neighbourhood</li> <li>• Social media photos of products featuring the neighbourhood (e.g., in the background)</li> <li>• Social media photos of interiors displaying the neighbourhood (e.g., in the background)</li> <li>• Articulated focus on building local communities</li> <li>• Staff serve as neighbourhood guides/hosts</li> <li>• Local products, such as works of local authors/artists, are sold in the café</li> <li>• Staff knowledgeable about the local neighbourhood</li> <li>• The café arranges local events</li> </ul>	<p>The neighbourhood is perceived as an attraction in and of itself</p> <p>Seamlessly designed transitions between interiors and exteriors</p> <p>Integration of neighbourhood atmospherics into the café's interior</p> <p>Integration of neighbourhood atmospherics into the café's social media posts</p> <p>Service with a local flair</p>	<p>Holistic experience extending beyond the café itself to include the ambiance of the neighbourhood</p>

staff often displayed a local flair. This sometimes involved promoting, sharing information about, and guiding visitors through the neighbourhood while building community ties. Overall, these findings portray a 'holistic experience extending beyond the café experience itself to include the ambiance of the neighbourhood'. The following sections are organised according to these themes. Data from both cities are presented together in each section, and geographical differences are highlighted as they occur.

### *The Neighbourhood Is Perceived as an Attraction in and of Itself*

Multiple interviews revealed that café guests appreciated the host neighbourhoods taken as wholes, confirming that the surroundings played a significant role in their choice of café. Additionally, the presence of leisure activities

and other businesses exerted a gravitational pull. For example, a guest in Copenhagen said, ‘I like the area [...] because there is water, and it is just a nice environment in general’. Another guest said, ‘I think that this area [...] is charming. I love going for walks here,’ and ‘the good spots are close together,’ and continued by describing highlights of the area.

Several Copenhageners praised locations with access to open spaces – for example, shops located near the harbourfront or a canal – as they allow for swimming, catching some sunlight, or watching boat traffic. As one put it,

It is a good place to hang out in the summertime because you can swim, and it is in the sun. When I come here, I normally stay for a couple of hours. In other cafés, I would not stay that long.

Another guest described how his daily morning routine began with a swim in the harbour basin near the café; he would then grab breakfast and work from the café.

Hongkongers cannot swim in the harbour, but several guests mentioned that they preferred cafés in local, quiet neighbourhoods: ‘I avoid going to shopping malls during my leisure time because those places are too commercial and crowded. The fast pace makes me feel stressed’. Another customer described his motivation for visiting: ‘I enjoy the atmosphere in the neighbourhood. The pace is rather slow, so I can escape from the busy workday’. Others visited certain neighbourhoods for nostalgic reasons: ‘We cherish old districts because we don’t know when they will be demolished’. This evokes the rapid speed at which buildings in Hong Kong are demolished to make way for taller structures, which is intended to increase revenue and create more space in the densely populated city.

In both cities, it was evident that guests are drawn not only to the cafés but also to the neighbourhoods in general. They seek out neighbourhoods they like, with quieter areas in the cities having a particular appeal. Thus, beyond serving coffee, these shops become hubs for locals and visitors eager to explore new urban territory, acting as gateways to what can be called ‘neighbourhood consumption’.

### *Seamlessly Designed Transitions Between Interior and Exterior*

All shops studied offered a view out on the neighbourhood and had some kind of outdoor seating area. A view of the outside and access to natural light are known to enhance customer experiences. Research shows that coffee shops’ most popular seats are those that offer a view (Waxman 2022). Openness in facade design has been identified as a distinctive feature of specialty coffee shops in Hong Kong, setting their designs apart from earlier café formats, such as Cha Chaan Tengs, which feature more closed facades (Barber and Münster 2023). Similarly, in Copenhagen, former factory buildings or warehouses with loading doors and large windows, which can be opened to

create transparency between the interior and exterior, have become attractive café locations (Figures 8.1 and 8.3).

Cafés, bars, and restaurants increasingly include outdoor seating areas, which are as much part of the neighbourhood as of the business itself. In addition to attracting interest from passers-by, these outdoor areas offer a vantage point on the neighbourhood (Figure 8.4). In Copenhagen, the outdoor areas were relatively large, often offering more seating than the café's interior (Figures 8.1 and 8.3).

In Hong Kong, there is no parallel tradition of outdoor seating – probably due to the city's climate, pollution, traffic, and noise. Hong Kong is one of the world's most densely populated cities, and legislation prohibits encroachment on public spaces by adjacent shops (HKeL 2022). Nevertheless, outdoor seating areas are increasingly found at specialty coffee shops. Since they cannot be placed outside, these areas must be incorporated within the stores' premises (Münster 2023). Typically, the glass facade is pulled back from the front of the building, creating a small 'niche' for seating (Figure 8.5).

Outdoor areas in Copenhagen are usually located in front of the shop, with elements such as planters and umbrellas framing the space (Figure 8.3). Framed outdoor areas that allow observation of the surroundings can be considered 'safe' spaces that support visitors in transforming unfamiliar



*Figure 8.3* A coffee shop in Copenhagen in a building with large loading doors, which were replaced with windows to allow transparency between the café and the surrounding area. Photograph by the author.



Figure 8.4 An outdoor seating area in Copenhagen. Photograph by Simon Skipper.



Figure 8.5 A coffee shop with outdoor seating in Hong Kong. Photograph by the author.

‘surroundings’ into ‘meaningful environments’ (Buchanan 2019, p. 8). In both cities, outdoor seating areas are designed to simultaneously offer guests protection from the urban surroundings and a view of the city.

One explanation for this trend lies in Jay Appleton’s ‘prospect and refuge’ theory, which applies to natural landscapes as well as architecture (Appleton 1975). According to Appleton, from an evolutionary perspective, the environmental signals that gave rise to what we now think of as aesthetic judgments might derive from those that regulate biologically fundamental behaviours, such as approach–avoidance decisions. In other words, the aesthetic impression I derive from contemplating a natural landscape is satisfying to the extent that its physical features create conditions favourable to my survival, such as being able to observe potential dangers from a secure position. Similarly, a framed outdoor seating area in unfamiliar surroundings might appeal to fundamental survival instincts by offering visitors a view of the surroundings from a position of relative security. Although the outdoor areas are designed differently in the two cities, Appleton’s theory offers a biological and evolutionary explanation for the appeal of both layouts.

#### *Integration of Neighbourhood Components into the Café’s Environment*

Some stores integrated elements from the neighbourhood into their designs. One café in Hong Kong served drinks in porcelain and glasses that the café owner had purchased from locals in the neighbourhood. A café in Copenhagen also used reused porcelain, albeit not sourced from the neighbourhood. However, the store owner mentioned that, as customers discovered that the café used such cups and plates, they would sometimes drop by or contact the café if they found used porcelain at a flea market. There were also examples of neighbourhood objects repurposed as decorations. One café mounted large metal springboards as wall decorations and attached photos from the neighbourhood to the wires (Figure 8.6). The designer told us that these were metal springs from old mattresses; the owner had found them around the neighbourhood during the store’s construction and suggested using them. The designer also pointed out small foam boards in the café used for signage, explaining that it was the same type used by local fishmongers. Thus, the signs were a nod to other businesses in the neighbourhood. Several cafés in Hong Kong had maps of the neighbourhood that guests could borrow to familiarise themselves with the café’s location and nearby attractions. In some Copenhagen shops, books by local authors were promoted for guests to read, while artworks by locals decorated the walls.

#### *Integration of Neighbourhood Atmospheric into the Café’s Social Media Posts*

A content analysis of images posted on Instagram by café visitors and owners revealed many depictions of shops’ immediate surroundings, such as



*Figure 8.6* A coffee shop in Hong Kong using elements from the neighbourhood as decorations. Photograph by the author.

customer posts of cups of coffee or meals with the neighbourhood in the background (Figure 8.7A) – a motif that was particularly prevalent in Hong Kong. Other photos posted by owners show a café’s coffee bean container, revealing the neighbourhood in the background (Figure 8.7B), and a shop’s interior, with the neighbourhood also visible (Figure 8.7C).

Photos were taken of the shops' surroundings, even outside of business hours. One guest described learning about the café before it opened, as the owners had posted pictures of the construction process on Instagram. He and his friends had previously been patrons of another café in the area that closed, so when rumours spread about a new one, they eagerly followed the construction on Instagram (Figures 8.7D and 8.7E). Another example of how the café experience extends beyond the physical shop was described by a store owner in Copenhagen: 'We also post photos from our everyday life outside of the café's opening hours', he said, describing photos of both private activities and activities with staff members, such as trips and morning or evening briefings (Figure 8.7F); 'Our guests say that they like it'. Additionally, an example was found of a café that posts about arranging tours for guests to visit old stores in the neighbourhood (Figure 8.7G). These examples indicate that the experience of the café and the sense of community felt there extend beyond the café's physical boundaries and operating hours.

These findings reveal that café atmospheres exhibit both spatial and temporal porosity, as they are shaped by people's experiences inside and outside the space. Chloe Steadman et al. suggested that the atmospheres at football matches are influenced by experiences beyond the venues themselves (Steadman et al. 2020); the same phenomenon is evidently prevalent in specialty coffee shops. This porosity re-emerges in the space between the physical store and the online representation of the shop.

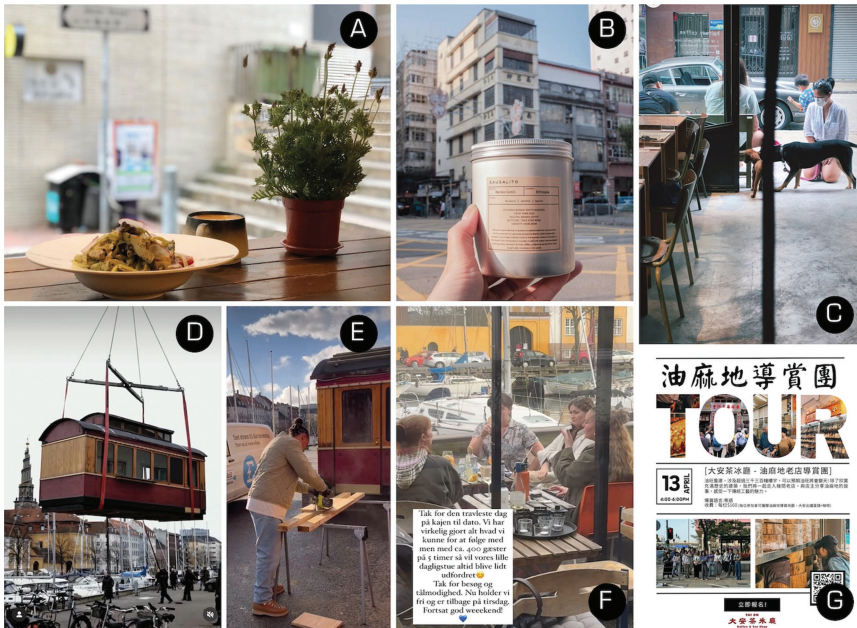


Figure 8.7 A collage of images posted on Instagram by café guests and owners.

*Service with a Local Flair*

The interviews with store owners revealed that each was well informed about their neighbourhood and community. They were eager to share their knowledge of the area and interested in contributing to the local communities, and a ‘local flair’ was observed in the service provided in several cafés. Some of this was offered exclusively inside the cafés. For example, a store owner demonstrated how they sold jewellery made by a local child to support a charitable cause. Other examples transcended the shop itself. Some Copenhagen shops arranged readings, weekend markets, and musical performances. These events were popular and therefore typically hosted outside, in front of the cafés, or in the transitional zone between indoors and outdoors, if space allowed. Café spaces were typically smaller in Hong Kong, leaving less space for hosting events. Nevertheless, small events are common. A store owner explained that before the pandemic, they would invite jazz bands to play in the small outdoor niche in front of the store. We also found examples of coffee shops inviting ‘guest’ baristas to ‘perform’ at their shops, often using Instagram to promote these events.

Services sometimes extended beyond the café itself and into the neighbourhood. A store owner in Hong Kong, for example, explained that when he opened his store, there were no other coffee shops nearby. Most shops in the vicinity sold leather and textiles, which meant that most people visiting the area were after these products. When visitors stopped at his shop for refreshment, he was able to help them find specific products, thus supporting other businesses in the area and establishing a symbiotic relationship with them. Another example of promoting the neighbourhood was found in a café located in an area in Hong Kong formerly dominated by hardware retailers. This shop arranges tours for guests to visit old stores in the neighbourhood, thereby building connections between the specialty coffee shop, its guests, and other businesses in the neighbourhood.

No neighbourhood tours were found in Copenhagen. However, some shops had staff who could act as neighbourhood hosts and provide guidance on the area. One barista explained that their shop was one of the first to open in the area; they pointed out the locations of establishments that had opened afterwards and some upcoming projects. Storytelling transferred from staff to guests has previously been identified as a trend in cafés located in historical buildings, where it offers information about the buildings’ histories and former occupants (Münster 2024). However, the present research illustrates that staff can also act as neighbourhood hosts and guides.

*Holistic Experiences Extending Beyond the Café Itself*

The themes outlined above collectively illustrate how the café experience transcends the café itself, as the neighbourhood is integrated into the overall impression. This is evident in the reports of neighbourhoods becoming attractive destinations, whether due to their pleasant ambiance or the presence of other appealing activities nearby.

From a design perspective, this holistic experience is supported by seamless transitions between indoor and outdoor spaces, active promotion of neighbourhood atmospheres, and engagement both in the store and on Instagram. This suggests a more comprehensive method for analysing café environments – one that emphasises how interactions between a venue and its surroundings shape the customer experience.

### **Conclusions, Implications, Limitations, Future Research**

Our analysis of the relationship between coffee shops and their host neighbourhoods shows that neighbourhoods themselves can attract guests and influence the café experience. The cases studied belong to a specific niche – specialty coffee shops – that represents a newer generation of cafés. While not representative of all coffee shops, the findings demonstrate how neighbourhoods can enrich the café experience and motivate visits. Following a multimethod approach, key features of these shops were identified, and the sentiments of users and store representatives were recorded. These insights were used to identify themes characteristic of interactions between cafés and their neighbourhoods, which suggests that guests are drawn not only to visiting the cafés but also to engaging with the environs. Five themes were discussed:

- The neighbourhood is perceived as an attraction in and of itself
- A seamlessly designed transition is offered between the interior and exterior
- Neighbourhood atmospherics are integrated into the café environment
- Neighbourhood atmospherics are integrated into the café's social media posts
- Service with a local flair is offered

Collectively, these findings portray the café experience as holistic, extending beyond the café itself to encompass the ambiance of the neighbourhood. Cafés are not experienced as isolated destinations but rather as essential parts of a greater consumer experience that encompasses the surroundings. A trend of placing cafés in areas that had previously lacked such establishments was evident in the two cities studied. Our analysis revealed neighbourhood characteristics valued by users, which may indicate that this user segment has an emerging desire to experience local neighbourhoods rather than traditional commercial districts.

These conclusions can inspire designers and store owners opening or developing new stores. The findings may also prove useful for urban developers, particularly in areas undergoing redevelopment, where the introduction of a café could play a pivotal role in the neighbourhood's transformation. Urban developers and policymakers should view cafés not as standalone businesses but as integral components of a holistic experience – shaped by the neighbourhood's atmosphere – that can enhance the overall community.

Researchers could also benefit from considering this when studying commercial atmospheres and acknowledge how these atmospherics can extend beyond interiors to include the surroundings. Further research might explore the influence of neighbourhood settings on other establishments, not just cafés.

The study drew on data from two geographically distant cities, revealing shared characteristics and experiences, which suggests that the findings may have broad applicability. Despite differences in size, climate, and architectural style, enough convergences emerged to identify distinct themes. We encourage future research in other regions to validate or refine these findings. Local differences between the cities also offer a basis for further investigation. Researchers could explore how local decorative features, or interior architectural elements express the shops' cultural significance and add value to specific user segments. Additionally, examining activities associated with cafés could illuminate how these spaces add value for their users. Relevant research questions might explore how cafés build and support communities – whether locally or online – and what designs and services are most effective in fostering such connections.

By specifically examining the role of host neighbourhoods and their interactions with cafés, this study indicates that coffee shops serve not only as businesses that sell coffee and facilitate meetings, but also as places that connect people to urban areas. This recognition could deepen our comprehension of consumer experiences and the societal roles of cafés. It encourages a more comprehensive approach to studying cafés and other commercial environments – one that highlights the interplay between businesses and neighbourhoods in shaping customer experiences.

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### **Note**

- 1 The names are abbreviations of the actual shop names.

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