



Proposed B2B Marketing Strategy to Increase Sales of Jenderal Kopi

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ABSTRACT: Jenderal Kopi is one of the restaurants in Bandung that focuses on Indonesian coffee. After the pandemic subsided, based on data from the official website of the West Java local government, there was a phenomenon with the emergence of new restaurants/cafes and coffee shops in Bandung, which posed a threat to Jenderal Kopi. Based on internal data and information from management, Jenderal Kopi is also facing problems related to sales and the number of guests, which are stagnant and tend to decline in 2022 compared to 2021, when the Covid-19 pandemic was at its peak. After conducting an in-depth interview with one of the owners of Jenderal Kopi, Jenderal Kopi has a significant asset that can be utilized, namely the Probatone 25 kg roasting machine. Probatone is a market leader in the coffee machine industry. This sophisticated machine has met industry standards and can do large quantities of production, and has advantages compared to other brands of coffee roasting machines. In this paper, the author conducts qualitative research by conducting preliminary surveys and in-depth interviews with various parties as a new potential market segment for Jenderal Kopi to accomplish sales with a Business to Business (B2B) mechanism because previously, Jenderal Kopi only did Business to Consumer (B2C) sales. The author also analyzes the factors that influence the buying interest of the potential new market for Jenderal Kopi. The analysis was conducted internally using: Segmenting, targeting and positioning, Marketing mix, VRIO Framework and Business Model Canvas, and external analysis consisting of Porter 5 forces, PESTEL analysis, Competitor analysis and Consumer analysis. As a result of the author's research, Jenderal Kopi still has a potential market in the B2B sector and needs from several business sectors to fulfill roasted beans in their operations/activities: hotels, restaurants/cafes/coffee shops, and political parties. In the end, after discussing again with one of the owners of Jenderal Kopi, the new segment chosen for the B2B market was the hotel industry with consideration of the large and sustainable number of orders. In conclusion, Jenderal Kopi needs to take several steps and adjustments for marketing its new sales mechanism as a solution to get additional sales by maximizing the use of existing assets. With these other sales, it is expected that Jenderal Kopi can continue to compete with new entrants in the same industry.

KEYWORDS: B2B, Increase sales Jenderal Kopi, Marketing strategy, Market segment.

INTRODUCTION

Indonesia is an agricultural nation, hence the agricultural sector plays a significant role in the overall national economy. Agriculture itself is an activity that utilizes biological resources by humans to produce food, industrial raw materials, energy sources and manage the environment. According to the official website of the Ministry of Trade Republik Indonesia, one of the superior commodities of Indonesia's agricultural products is coffee [1] Based on domestic coffee consumption in Indonesia, in recent years coffee has increased in popularity, fueled by the rise of café culture and the changing consumption patterns of the younger generation [2]. Based on the data, it has been proven that coffee is currently closely related to human daily life in household needs and the business sector. Offices, hospitality industries such as hotels, restaurants, cafes and coffee shops require roasted coffee beans as the basic ingredient for making coffee beverages. This cafe and coffee culture occurs in big cities in Indonesia, one of which is in the city of Bandung [3]. Bandung is one of Indonesia's culinary tourism destinations that is famous with traditional food and various coffee shops, cafes and restaurants. Taxes from this business sector from year to year become one of the mainstay sources of local revenue (PAD) in the city of Bandung. This proves that culinary tourism in the city of Bandung has a rapid development and has an impact on increasing economic growth. The rapidly growing pace of technology is also one of the triggers for business competition in the hospitality industry. The object of this writing is Jenderal Kopi Nusantara Buwas (Jenderal Kopi), a restaurant that focuses on coffee. Jenderal Kopi must continue to make moves to compete with other restaurants in Bandung. With a strategic location, large capital and sophisticated assets, this research will examine Business to Business ('B2B') opportunities for Jenderal Kopi whether it can really generate additional sales or not as currently needed by Jenderal Kopi.



BUSINESS ISSUE

After the Covid-19 pandemic subsided, tourism in the city of Bandung gradually recovered. Since the end of 2021, there have been many newcomers to the culinary world in Bandung, both restaurants/cafes and coffee shops with various interesting concepts, from 524 in 2020 to 791 in 2021 the number of restaurants/cafes/restaurants listed in Open Data Jabar, the official local government website [4]. This can be a big competition to Jenderal Kopi, considering based on information the author got from the management, Jenderal Kopi sales are stagnant under normal conditions (government regulations allow dine-in) and the number of visits from people is decreasing in 2022 compared to 2021. Currently, Jenderal Kopi already has quite large assets. So after doing an in-depth interview with the owner, the solutions needed in dealing with business problems that are being faced must be designed by utilizing existing assets. The business issue is to prove that the proposed marketing strategy in the form of B2B for Jenderal Kopi can provide additional sales by utilizing its own assets. Author focuses on the most expensive assets that Jenderal Kopi owned, the Probatone 25 Roasting machine that cost around Rp 1,500,000,000,- (One Billion Five Hundred Million Rupiah). Probatone has more than 100 years of experience in the sector and was the first to make investments in roasting technology, making it the market leader among coffee roasting equipment. Roaster can read the temperature in real time and modify the roasting profile because of its double wall rotating drum roaster's excellent thermal stability. It displays the pertinent data, such as roasting time, temperature, and burner power, and allows us to record, edit, analyze, store, and open roast profiles. In order to create consistent, homogeneous roasts, it is also designed for simultaneous roasting and cooling [5].

METHODOLOGY

The chosen research method is qualitative approach. In primary data, the author gets the data through interviews. The author conducted preliminary research by interviewing 10 respondents that consist of Hotel, Restaurant/Cafe/coffee shops owner/management. The author also conducted an in-depth interview with one of the owners of Jenderal Kopi regarding current business issues. Author also interviewed 6 respondents that become potential customers of Jenderal Kopi's B2B market segmentation from Hotel, Restaurant/Cafe/coffee shops and political parties. Author also conduct discussion and in-depth interview with one of Jenderal Kopi's owner. Data from observations, interviews and questionnaires will be used for internal and external analysis. The results of the internal analysis will be used to determine the strengths and weaknesses of the business. An external analysis then identifies the company's opportunities and threats. The analysis will be completed by TOWS analysis where the TOWS Matrix is basically a technique that allows analysts or researchers to create strategies for a given company or organization to maximize capitalize on strengths, capitalize on opportunities, eliminate weaknesses, and avoid threats.

RESULT AND DISCUSSION

Jenderal Kopi's current business canvas shows that Jenderal Kopi is still focusing on Business to Customer by selling food and beverages in their store location and making coffee pouch sales become additional income. As a coffee specialist, the author realizes that Jenderal Kopi has big opportunities to add fresh additional revenues that can be generated by utilizing its own assets, especially the Probatone 25kg. This machine is one of the best machines compared to other brands. So the machine has excellent performance and can produce large amounts of coffee roasting. This statement is supported by Probat (a brand of Probatone 25 machine) getting the first position in the Top 5 Coffee Roaster Manufacturers published by Exapro. Exapro has the passion for the used industrial machinery market and its evolution since 2004 (Exapro, 2018). With this current asset, Jenderal Kopi can market their roasted coffee beans not only for end customers (B2C) but also for the business (B2B) industry.

After analysis from internal and external factor, the SWOT analysis is:

Strength

- S1: Strategic place (Place in Marketing Mix)
- S2: Strong brand awareness (VRIO)
- S3: Good product quality (VRIO) - S4: Good service quality (VRIO)
- S5: Big capacity for production (BMC)

Weakness

- W1: Did not maximize the promotion channel (Competitor analysis)
- W2: Relatively higher in price (Price in Marketing Mix)



Opportunities

- O1: Coffee become a trend in society (Social in PESTEL)
- O2: Political year is coming so F&B industry got opportunity to up selling (Political in PESTEL)
- O3: Currently there is still a potential market that has not been targeted by Jenderal Kopi (STP) Threats
- T1: Number of competitors increasing (Porter 5 Forces)
- T2: A player in the field of supplier of roasted beans that already existed (Competitor analysis)
- T3: Bargaining power of buyers is moderate (Porter 5 forces)

CONCLUSION

After identifying the SWOT, the TOWS matrix for business solution are:

	Opportunity	Threat
Strength	SO strategies <ol style="list-style-type: none"> 1. Selling Roasted Beans with B2B mechanism (S3, S4, S5, O1, O2, O3) 2. Add budget allocation for marketing to influence the market (S2, O2) 3. Make partnership contract with new targeted market/hotel (S2, O3) 	ST strategies <ol style="list-style-type: none"> 1. Make a customer service B2B or PIC to maintain the customer (S3, S4, T1, T2, T3) 2. Maintain the product quality, service quality with a competitive price to - to maintain the loyal customers and grab the potential customers (S3, S4, T1, T2)
Weakness	WO strategies <ol style="list-style-type: none"> 1. Maximize the promotional channel: sell roasted beans in e-commerce (W1, S2) 2. Add B2B features on website (W1, S4) 	WT strategies <ol style="list-style-type: none"> 1. Make a special price for B2B contract (W2, T3) 2. Make a negotiable TOP (term of payment) (W2, T3) 3. Maximize the promotional channel: sell roasted beans in ecommerce and website (W1, T1, T2)

The new STP for Jenderal Kopi to increase sales and compete with new entrants:

Segmenting

Based on the in-depth interview for B2B segment, the segmenting is divided into: Hotels, Restaurants/cafe/coffee shops and Political party.

Targeting

After have a discussion with one of Jenderal Kopi’s owner, the new target market is hotels industry with minimum 3 star hotels, because besides being able to supply the needs of the hotel, JKN can also carry out cooperation that increases the branding of both parties and the quantity of hotel bookings is large and continuous (large repurchase potential and even contractual). The author has



also conducted interviews with several hotel management and they are open to receiving offers from JKN and provide various information regarding monthly needs in hotels which reach 20 kg to 100 kg per month according to hotel capacity. The forms of cooperation with hotels also varied, one source said that he had bought it in powder form and another said that he needed machine support for operations.

Positioning

After segmenting and targeting, the determined positioning of Jenderal Kopi is to provide the premium roasted beans of the Hotels industry in Bandung with good product and service quality in order to continue to gain trust from the new target segment. The positioning Jenderal Kopi wants to instill is Jenderal Kopi has a premium class with maximum hospitality services.

RECOMMENDATION

The selected proposed marketing strategies are:

1. SO1 Selling Roasted Beans with B2B mechanism

Selling roasted beans with a B2B mechanism means there's an adjustment to treat and communicate with the customer and adjustment of the product's price. B2B is focusing on a longer buying cycle with a high quantity so it needs to do some adaptation. Also based on the competitor analysis, with the same machine Upnormal Coffee Roaster can supply its beans to all branches or around 80 branches, proving that Jenderal Kopi also can produce in big capacity.

2. SO3 Make partnership contract with new targeted market/hotel

The new target segment is the Hotel industry. In order to maintain the value of Jenderal Kopi branding, Jenderal Kopi can selectively canvassing which hotels are targeted to become clients, and Jenderal Kopi needs to make a draft offer to invite the supply or partnership in a contract of buying and selling roasted beans.

3. ST1 Make a customer service B2B or PIC to maintain the customer

Jenderal Kopi needs to assign a PIC who is responsible for handling its B2B clients, this shows Jenderal Kopi's efforts in providing good service quality and maintaining the trust of clients.

4. WO2 Add B2B features on website

B2B features on websites can help the potential clients or business to see the company profile, corporate reputation, product and testimonials from previous clients. These B2B features on Jenderal Kopi's existing website will not show the price or contract but only gather data to contact further.

5. WT1 Make a special price for B2B contract

Based on competitor analysis, Jenderal Kopi's pricing is the highest among its competitors. Based on the internal information, now Jenderal Kopi only absorbs Indonesian coffee beans with Grade A and speciality grade that makes the cost is high and also Jenderal Kopi uses value based pricing. To enter the B2B market Jenderal Kopi needs to develop a new product with medium grade coffee beans that meets the hotels standard and can fulfill the needs of hotels with the best price that is worth the quality or benefit from the contract.

6. WT2 Make a negotiable TOP (term of payment)

The current B2C mechanism requires the buyer to pay directly when purchasing the item. but with the existence of a B2B mechanism, Jenderal will have to accept negotiations related to the terms of payment that are adjusted and agreed upon by both parties. For example, there is a payment back for 2 weeks or payments are made once a month.

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