



Proposed Marketing Strategy for Dairy-Free Coffee Shop in Jakarta (Case Study: Mad For Coffee)

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ABSTRACT: The coffee industry in Jakarta is a thriving and dynamic market, with a large number of coffee shops, cafes, and restaurants serving various types of coffee and snacks. After the COVID-19 pandemic, the plant-based lifestyle is becoming increasingly popular in Jakarta. More and more people in Jakarta are choosing to adopt a plant-based lifestyle, either for ethical, health, or environmental reasons. Along with that, the market opportunity for dairy-free coffee shops in Jakarta is significant and growing. Many consumers in Jakarta are looking for healthier, more sustainable, and ethical food options, and dairy-free coffee shops cater to these needs. Mad for Coffee is one of the players in the coffee shop business, with their unique selling proposition as a dairy-free coffee shop. It is owned by one of the famous influencers in Indonesia, who is a vegetarian and also has a vegan community. With a huge number of competitors, Mad for Coffee needs to increase their market awareness and sales to make the business sustain for a long period of time. Based on the external analysis, the author found the coffee industry has intense competition. Competitors not only come from other dairy-free coffee shops, but also from regular coffee shops because they also provide a variety of dairy-free milk options. Moreover, from the internal factor, Mad for Coffee are not utilizing the power of their famous owner and their friends to help promote or to build partnerships or to collaborate with their coffee shop. From internal and external analysis in Mad for Coffee, then the author obtained SWOT analysis. From SWOT analysis, the author found that Mad for Coffee lacks marketing programs such as special discounts or loyalty programs to retain customers. Also, their social media contents are not really exposing their products and their strong branding as a dairy-free coffee shop. From matrix TOWS analysis, the author proposed several alternative marketing strategies that can be implemented by Mad for Coffee. Those alternatives are improving promotion by representing several strong points on Mad for Coffee and ads placement in social media, collaborating with influencers, community and media, developing loyalty programs and product promotion, and improving facilities and human resources in Mad for Coffee.

KEYWORDS: Coffee Shop, Dairy-Free Coffee Shop, Promotion, Marketing Strategy, SWOT Analysis, TOWS Matrix

INTRODUCTION

The coffee industry in Jakarta is a thriving and dynamic market, with a large number of coffee shops, cafes, and restaurants serving various types of coffee and snacks. In 2020, the food and beverages business in Jakarta has witnessed significant growth and evolution. Badan Pusat Statistik stated that Jakarta will have 5,159 medium-large food and beverage provider businesses in 2020. This number is the highest among other provinces in Indonesia. Also, the research results of TOFFIN in 2019, a company providing business solutions in the form of goods and services in the HOREKA industry (hotels, restaurants and cafes), in Indonesia, show that the number of coffee shops in Indonesia in August 2019 reached more than 2,950 outlets, an increase of almost three times compared to 2016, which is only about 1,000. For the plant-based lifestyle, it is becoming increasingly popular in Jakarta, driven by a growing awareness of the health and environmental benefits of a vegan diet, especially after the COVID-19 pandemic. More people in Jakarta are choosing to adopt a plant-based lifestyle, either for ethical, health, or environmental reasons. Along with that, the market opportunity for plant-based coffee shops in Jakarta is significant and growing, as there is increasing demand for plant-based food and drinks. Many consumers in Jakarta are looking for healthier, more sustainable, and ethical food options, and plant-based coffee shops cater to these needs. There is also a growing demand for specialty coffee and unique coffee-based drinks, and a plant-based coffee shop can differentiate itself by offering innovative and high-quality plant-based options. In addition, there is a growing awareness among consumers about lactose intolerance and other dietary restrictions, which has led to an increased demand for dairy-free options in the food and beverage industry. For a business such as a dairy-free coffee shop, the potential customers are those who are health-conscious, environmentally aware, and/or have dietary restrictions such as lactose intolerance or veganism.



Also, consider targeting the growing number of young, urban consumers who are interested in trying new and innovative food and beverage concepts. Mad for Coffee is one of the game players in the dairy-free coffee industry which has been running for one and a half years. The coffee shop is owned by a mega influencer in Indonesia, Andovi Da Lopez, who was also known as a vegan for a long time. While they set their target for selling at least 100 cups a day or achieving 200 millions rupiah per month, they only achieved the target once at their grand opening event. On average, they only could sell approximately 50 to 60 cups of coffee or 120 to 150 millions rupiah per month. As the pandemic goes by, healthy enthusiasts are growing in numbers and people started to be more aware of healthier choices. Also, according to a study published in the Journal of Pediatric Gastroenterology and Nutrition in 2013, the prevalence of lactose intolerance in Indonesian people is around 70%. So as per data, there is a possibility for Mad for Coffee as a dairy-free coffee shop to be more well-known and increase their sales. Some of marketing strategies have been done by Mad for Coffee such as regularly making contents in social media especially Instagram and Tiktok. Also, having a vegan media platform has helped the coffee shop to be promoted in their owned channel. Several community events have also been held in the coffee shop as well as collaborating with a fitness center. Moreover, the owner itself has been regularly promoting his coffee shop in his social media but there was no significant growth for Mad for Coffee sales and its brand awareness.

LITERATURE REVIEW

Porter Value Chain

Harvard's Michael Porter has proposed the value chain as a tool for identifying ways to create more customer value [1]. It describes the internal activities of a company that performed along the horizontal chain [2].

VRIO Analysis

VRIO system is a theoretical framework that describes and forecasts firm-level competitive advantage. This framework is suggested in the resource-based model, defining certain types of resources as essential to superior firm efficiency. The acronym VRIO stands for Value, Rarity, Imitability, and Organization. Value refers to whether a resource or capability provides a competitive advantage and creates value for the firm [2]

STP Analysis

Segmentation, Targeting, and Positioning popularly known as STP. STP formula is the essence of strategic marketing. A market segment is a collection of customers who have similar demands and expectations. There are several elements of segmentation, which are filtered by geographic, demographic, psychographic, and behavioral. Meanwhile, market targeting is the process of examining and selecting certain market sectors. On the other hand, positioning is the process of tailoring a company's offering and image to stand out in the minds of its target market

Marketing Mix

The marketing mix refers to the strategies or marketing activities that use to meet consumer needs and effectively place our offering in their minds, which involves the 7Ps. 7Ps consist of Product, Price, Place, Promotion, People, Process, and Physical Evidence

PESTEL Analysis

Rothaermel (2013) defines PESTEL analysis as a framework for analyzing the external macro-environmental factors that can affect a business or organization. PESTEL is an acronym that stands for Political, Economic, Sociocultural, Technological, Environmental, and Legal factors. These factors can create opportunities and threats for the company [3]

Porter's 5 Forces

The five-force Porter model is the structure that defines five main competitive forces that executives need to recognize when assessing the market environment and formulating strategy: Threat of New Entrants, Bargaining Power Of Suppliers, Bargaining Power Of Buyers, Threat Of Substitute Products, And Rivalry Among Existing Competitors. The five forces model allows strategic leaders to analyze all players using a wider industry lens, which in turn enables a deeper understanding of an industry's profit potential. This framework also provides the basis for how a firm should position itself to gain and sustain competitive advantage [2].



Customer Analysis

Companies will identify the general sources of competitive advantages in an industry by analyzing consumer needs and preferences in which businesses compete to serve consumers [4]. You define who and how to reach your target market by analyzing your customer.

SWOT Analysis

SWOT Analysis synthesizes findings from an internal analysis of the strengths and weaknesses of the organization with those from the SWOT analysis for an analysis of external opportunities and risks. Internal strengths (S) and weaknesses (W) concern resources, capabilities, and competencies. The SWOT analysis encourages managers to scan the internal and external environments, looking for any relevant factors that might affect the firm's current or future competitive advantage. The emphasis is on internal and external variables that can influence the ability of the organization to achieve and retain a competitive advantage in a positive or negative way [2].

TOWS Matrix

After analyzing internal condition (Strength and Weakness) and external conditions (Opportunities and Threat) of Mad for Coffee, alternative solutions need to be made. Alternative solutions in this research are using TOWS analysis. TOWS analysis identifies four strategic groups: Strength and Opportunities (SO) Strategies, Strength and Threat (ST) Strategies, Weakness and Opportunities (WO) Strategies, and Weakness and Threat (WT) strategies. SO strategies are using internal strength of the firms to take advantage of external opportunities. ST strategies are using internal strength of the firms to minimize external threats. WO strategies are using the advantage of external opportunities to mitigate internal weakness. WT strategies are used to minimize internal weakness and external threat.

METHODOLOGY

This research will use primary and secondary data. Primary data is the original data based on observation of a certain condition from a sample. The primary data will be collected by both quantitative and qualitative research. Quantitative research is a process of data collection that uses instruments such as questionnaires, surveys where the result of the analysis will be based on the sample in which representative from the population [5]. This research will distribute questionnaires as the instrument for the data collections which are distributed using google forms to 150 respondents. The targeted respondents are coffee drinkers who regularly come to coffee shops to buy coffee. Meanwhile, qualitative research method is research using methods such as participant observation, as well as with case studies observation in understanding the meaning of what people have constructed and how people make sense of particular things along with the experience they have in the world [7]. In the practice, qualitative research consisted of a series of representations including field notes, interviews, conversations, photographs, recording and memo in the process. This shows how qualitative research studies in the natural setting to attempt to make the sense of, or to interpret phenomena in terms of the meaning people bring [8]. In the qualitative research method implementation, this research is conducted in an in-depth interview with the founder of Mad for Coffee who is responsible for achieving the sales target of the coffee shop as well as to make the marketing strategies for Mad for Coffee.

Conceptual Framework & Research Design

The success of any business is heavily reliant on its ability to adapt and compete in a rapidly changing market. Especially for a dairy-free coffee shop like Mad for Coffee that must navigate the challenges of attracting and retaining customers in an industry dominated by traditional coffee shops. To increase their awareness and sales and to effectively compete with their competitors, the author will outline a conceptual framework that will help Mad for Coffee to identify and address key areas of concern, including marketing, product development, customer service, and brand identity. In addition, the framework above was adapted from previous research on customer preferences in coffee shops consumption by Adrian Gautama Himawan and Raden Aswin Rahadi. The study aimed to find out about the preferences of consumers in buying coffee that were obtained from preliminary interviews conducted and literature reviewed. There were in total 23 literature studies conducted by researchers around the world about preferences for a coffee shop around the world. After a few studies have been examined, there were six factors affecting customer decision in purchasing coffee, which will cause the customer to purchase the coffee in individual coffee shops. The key factors are taste, product design, ambiance, brand influence, location accessibility, and price. Meanwhile, research design refers to the overall plan or strategy



that a researcher uses to answer their research question(s) or to test their hypothesis(es). It involves a framework that outlines the approach, methods, techniques, and tools that will be employed to gather and analyze data. Research design is a critical component of any research project as it determines the validity and reliability of the findings. Research design is "a blueprint for conducting a study with maximum control over factors that could interfere with the validity of the findings [8]. Other sources define research design as "the logical sequence that connects the empirical data to a study's initial research questions and, ultimately, to its conclusions [9]. Thus, it is essential for researchers to choose the most appropriate research design to ensure that their findings are accurate, reliable, and valid. Current and existing business issues are needed in the research design. In this final project, the first data collection method is obtained by interviewing the co-founder of Mad for Coffee. Another method is collecting data from literature such as journals, articles, books, etc. Next step in the conceptual framework is environmental analysis which includes internal and external analysis. In internal analysis, this final project will be conducted using STP analysis (Segmentation, Targeting, And Positioning), marketing mix 4P (Product, Place, Pricing, And Promotion), porter value chain, and analyzing primary data from the interview. The internal analysis result will be used to provide choices of its target market selection and the positioning of product in their market. In external analysis, this final project will use PESTEL analysis (Political, Economical, Social, Technological, Legal And Environmental) to recognize and understand the opportunities and threats that are faced by the company. Porter's 5 forces will be used to examine the industry-level competitive environment, and analyze primary data from questionnaire distribution. Competitor analysis is the next step of external analysis. The result of both external and internal analysis will be used to evaluate in SWOT Analysis (Strength, Weakness, Opportunity and Threat). Strategy formulation for business solutions will be conducted using the TOWS matrix that is related to all factors in SWOT analysis. The purpose of strategy formulation is to find business solutions that can be generated and implemented in marketing strategy and to propose recommendations to Mad for Coffee.

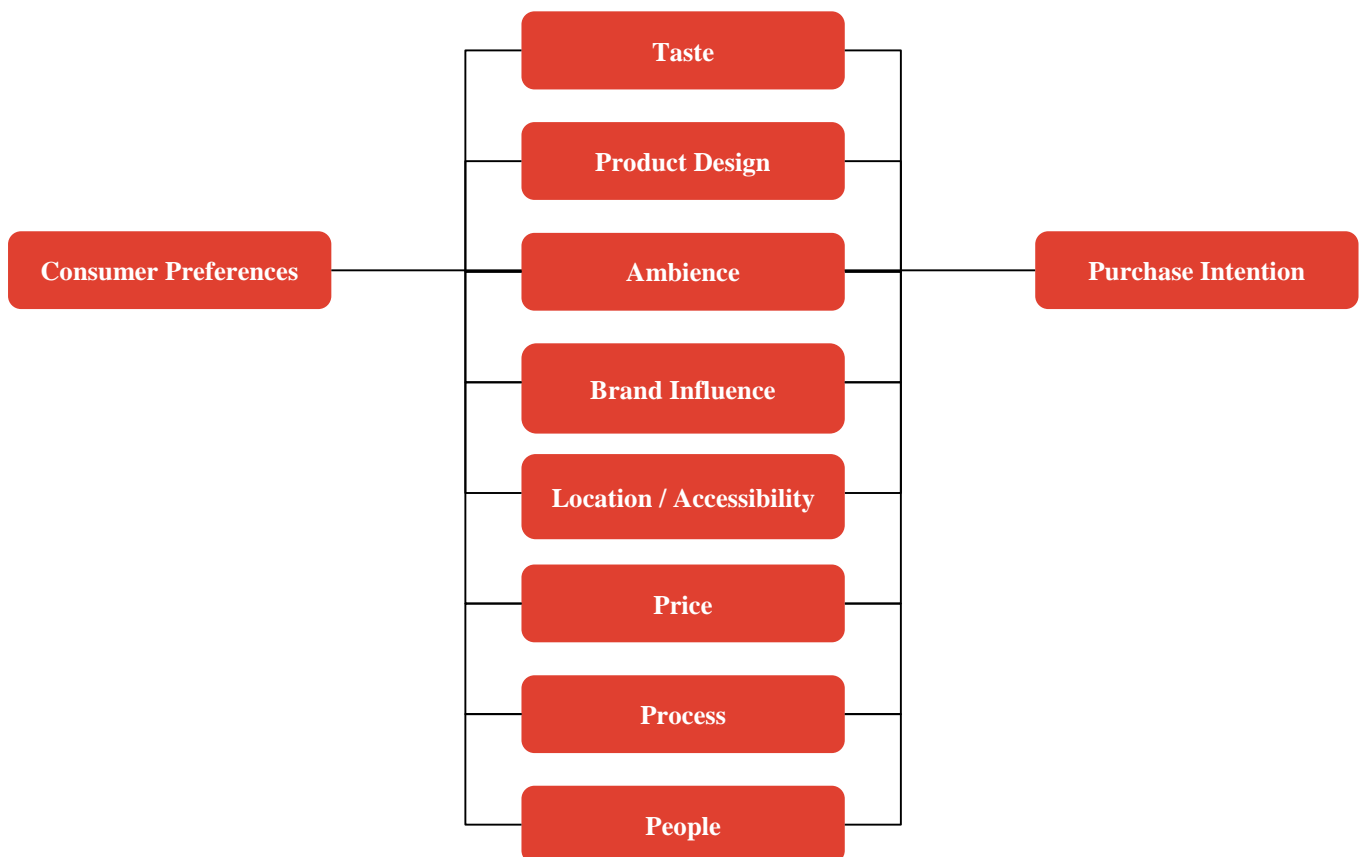


Figure 1. Conceptual Framework

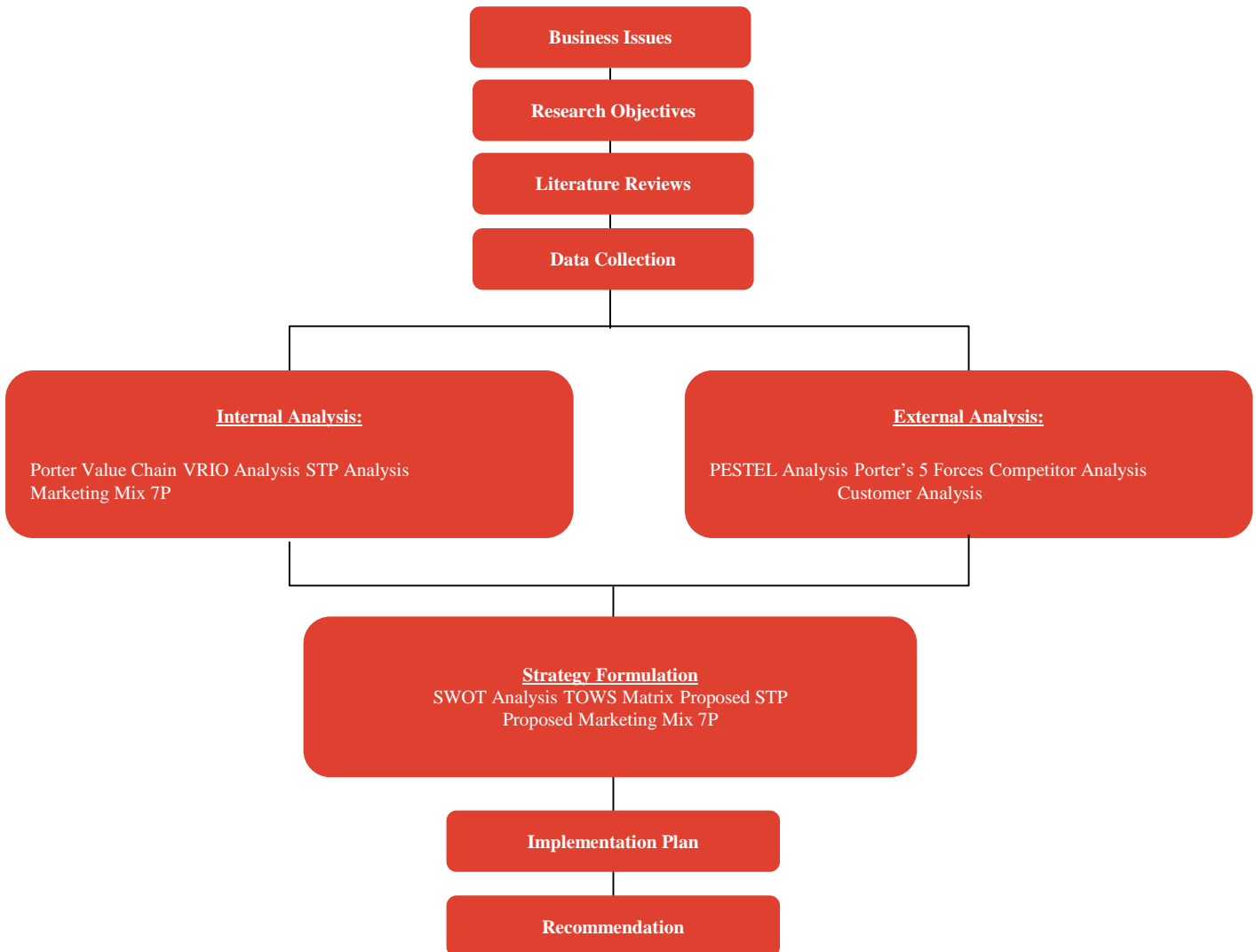


Figure 2. Research Design

FINDING AND ARGUMENTS

Porter Value Chain

1. Primary Activities: Inbound Logistics

Since Mad for Coffee is a dairy-free coffee shop, they need several suppliers such as coffee beans, non-dairy milk, baked goods, syrup and flavoring suppliers, packaging, equipment and maintenance, sanitizing. For coffee beans, since they only use one type of bean, arabica, they have regular suppliers with affordable prices. For the non-dairy milk, they order it directly from the brand, especially because they use local brands for the milk. For the baked goods, syrup and flavoring, they also order directly from the supplier. For the packaging, they custom it to the supplier and order periodically before they run out of packaging. For the equipment and sanitizing, they could just order it anytime because many online stores sell it. For the storing, they have large space in their Cipete store to keep their logistics.

2. Primary Activities: Operations

All work processes in Mad for Coffee take place in their store at Cipete, and they also have an office on the 2nd floor. Their store is open from 7am to 10pm everyday. But for their online marketplace especially in Tokopedia, they open from 8am to 8pm.



3. Primary Activities: Outbound Logistic

Mad for Coffee uses two types of selling: offline store and online marketplace. Both offline store and online marketplace, they use reusable plastic cups for their coffee. For their baked goods, they use plates for people who buy at the offline store, and reusable plastic bags for to-go or online delivery. For their selling process at online marketplaces, they use several platforms such as GoFood, GrabFood, and Tokopedia.

4. Primary Activities: Marketing & Sales

Mad for Coffee utilizes online food delivery (Gofood and Grabfood) and e-commerce platforms (Tokopedia) to sell its products, while relying on Instagram and TikTok for product promotion. Through Instagram and TikTok, Mad for Coffee creates awareness and generates interest in the dairy-free coffee shop's offerings. Mad for Coffee crafted visually appealing content and several contents engaging with followers to effectively promote its unique dairy-free coffee options to a broad audience. Mad for Coffee also leverages online food delivery and e-commerce platforms as convenient channels for customers to browse and buy their dairy-free coffee products.

5. Primary Activities: Service

The dairy coffee shop's commitment to excellent service is reflected in their attentive and friendly staff, prompt response times, and efficient order processing.

1. Support Activities: Firm Infrastructure

Infrastructure that supports the primary activities in Mad for Coffee is that they have their own store connected with their office on the 2nd floor. Mad for Coffee also has a storage room for their inventory and supplies. For customers, they have 2 options: indoor seating area and outdoor seating area. Although, the indoor seating area only provides for a maximum 4 to 6 people. Meanwhile, the outdoor seating area could fit probably 20 to 30 people. Overall for their store design and ambience is aligned with their branding which is dominated with terracotta color and minimalist industrial design. To conclude, currently Mad for Coffee has a building that could support all their operation activities.

2. Support Activities: Human Resource Management

Currently, Mad for Coffee is not hiring employees because all positions have been filled. For the CEO, CFO, COO, and Store Manager position, all were recruited by a close recruit system. By looking at their organizational structure, Mad for Coffee still lacks head marketing.

3. Support Activities: Technology

Technology used by Mad for Coffee is their espresso machine and the POS system.

4. Support Activities: Procurement

For their resources, they got their ingredients from the first-hand supplier especially for their dairy-free milks because they are mostly local products.

VRIO Analysis

Based on the VRIO analysis, the brand image and reputation of Mad for Coffee give it a competitive advantage by differentiating it from competitors and attracting customers who trust and recognize the brand. It creates a perception of quality, reliability, and credibility, making customers more likely to choose the business over competitors. As well as the unique menu offerings by Mad for Coffee, it sets the business apart from competitors and provides a competitive advantage by appealing to customers seeking novel and distinctive coffee experiences. The well-designed store ambience and a favorable location of Mad for Coffee give the business a competitive advantage by creating a pleasant atmosphere that attracts customers and differentiates it from competitors with less appealing environments. But all of those things are pretty much any coffee shop could do the same. The absence of customer loyalty represents a competitive disadvantage for the business of Mad for Coffee, as it lacks a loyal customer base that can contribute to recurring sales and word-of-mouth recommendations. Also not having access to or utilizing specialty ingredients puts the business at a competitive disadvantage, as competitors who offer unique flavors and experiences through these ingredients may attract customers looking for something special. The lack of skilled baristas is also a competitive disadvantage, as well-trained staff can enhance the quality of the coffee and customer experience, potentially leading to higher customer satisfaction and repeat business. The absence of exclusive recipes and formulas is also a competitive disadvantage, as competitors with unique and proprietary recipes can differentiate themselves and offer distinct menu items that appeal to customers seeking something exclusive.



One of their strengths is actually the ability to network and form partnerships which will provide the business with a competitive advantage, as it allows for expanding the customer base and accessing new opportunities that may not be available to competitors without such connections. But it is an unused competitive disadvantage since Mad for Coffee hasn't really implemented it in their marketing strategy.

Porter's 5 Forces

1. Threat of New Entrants

The threat of new entrants of Mad for Coffee is medium. Jakarta's dynamic and growing coffee culture may attract entrepreneurs looking to tap into the dairy-free market segment. As such, the threat of new entrants is a significant consideration for existing dairy-free coffee shops. Factors that can facilitate the entry of new competitors include relatively low barriers to entry, such as easy access to coffee beans, non-dairy milk alternatives, and coffee-making equipment. Additionally, the increasing popularity of dairy-free and plant-based lifestyles may encourage entrepreneurs to establish new dairy-free coffee shops.

2. Bargaining Power of Suppliers

The bargaining power of suppliers of Mad for Coffee is low. For a coffee shop, Mad for Coffee needs coffee beans suppliers, non-dairy milk suppliers, baked goods suppliers, syrup and flavoring suppliers, packaging suppliers, equipment and maintenance suppliers, sanitizing suppliers, POS system suppliers, and wholesale suppliers. It might sound like many, but those are considered easy to find and many options if anything happens with a regular supplier. Or when there are changes in the price made by the supplier, Mad for Coffee can switch to the other suppliers.

3. Power of Buyers

The bargaining power of buyers of Mad for Coffee is high. In Jakarta's competitive market, buyers of dairy-free coffee have a certain level of bargaining power. With numerous dairy-free coffee shops available, customers have the option to choose among various establishments based on their preferences and budget. Price sensitivity is a significant factor that can affect the power of buyers. In a market where customers have access to multiple alternatives, they may be more inclined to compare prices and negotiate for better deals. Additionally, the increasing awareness and demand for dairy-free options give buyers more leverage in their interactions with coffee shops.

4. Threat of Substitute

The threat of substitute of Mad for coffee is high. In Jakarta, various substitutes can pose a challenge to the dairy-free coffee shop industry. One substitute is the presence of traditional coffee shops that predominantly offer dairy-based options. While some customers may actively seek dairy-free alternatives, others might be satisfied with the more conventional offerings available in these establishments. Additionally, the growing popularity of home-brewing and the availability of ready-to-drink dairy-free coffee beverages in grocery stores can also act as substitutes. These alternatives provide convenience and potentially lower costs, potentially attracting customers away from dairy-free coffee shops.

5. Rivalry Among Existing Competitors

The rivalry among existing competitors of Mad for coffee is low. With a limited number of direct competitors, the focus may shift towards differentiating offerings and capturing a larger market share. However, it is important for Mad for Coffee and the other dairy-free coffee shops to continuously innovate and improve their products, services, and customers.

Customer Analysis

1. The Conclusion of Respondents Profile

The demographic of this research questionnaire respondent's shows that females are slightly more than males. The majority age is between 18 - 30 years old, mostly living in Jakarta Selatan, occupation mostly as a private employee, monthly expense majority between Rp 1.000.000 - Rp 5.000.000. For dietary status, most of the respondents are currently not avoiding dairy products or being a vegan or vegetarian. Their lactose intolerance status is mostly not having a lactose intolerance. Respondents have a variety of favorite coffee drinks, but most of them like latte. For their social media usage in one day, the majority of respondents are highly active on social media and regularly engage with several platforms with 6 - 10 times in a day at least open the social media platforms. Their most frequently used social media are instagram, and that platform is also their most interesting social media platform to receive ads.



2. Coffee shop consumer behavior

To conclude, the questionnaire result indicates that the majority of respondents consider it crucial for coffee shops to offer non-coffee alternatives on their menu.. This finding emphasizes the importance for coffee shops to provide a range of options, such as tea, hot chocolate, smoothies, or dairy-free alternatives, to accommodate the preferences and needs of a broader audience. Also, the questionnaire result suggests that a majority of respondents frequently choose alternative milk options when ordering coffee. The strong agreement highlights the growing demand for dairy-free or plant-based milk alternatives such as almond milk, soy milk, oat milk, or coconut milk. This finding emphasizes the importance for coffee shops to offer a variety of milk options to cater to the preferences and dietary needs of customers seeking alternative milk choices, aligning with the increasing trend of plant-based lifestyles and dietary preferences.

3. Priority of Variable

Table 1. Priority of Variable

Attributes	Mean Score	Priority Result
People	4.46	1st
Process	4.42	2nd
Physical Evidence	4.03	3rd
Products	3.81	4th
Price	3.81	5th
Place	3.75	6th
Promotion	3.45	7th

BUSINESS SOLUTION

SWOT Analysis

Table 2. SWOT Analysis

Strength	Weakness
(S1) Great branding, from logo to packaging	(W1) Limited market awareness for the dairy-free coffee shop
(S2) Strong unique selling point as a dairy-free coffee shop	(W2) Higher ingredient cost for alternative milk
(S3) Has a vegan community (Mad Grass)	(W3) Some customers may have preconceived notions about the taste of dairy-free alternatives
(S4) Their space collaborated with healthy space (fitness)	(W4) Lack of parking lots
(S5) Owned by well-known youtuber in Indonesia (Andovi Da Lopez)	(W5) Lack of marketing program
(S6) The easiness to find local supplier	(W6) Not held promotion
(S7) Located in South Jakarta (Cipete)	(W7) Limited coffee beans options and brewing technique



Opportunity	Threat
(O1) Growing health and wellness trends (O2) Coffee shops become lifestyle for people who love to hangout (O3) Collaborate with local supplier (O4) Internet user and social media technology growth (O5) Government regulation in Jakarta who support SMEs	(T1) Intense competition with traditional and regular coffee shops in Jakarta (T2) Potential new entrants (T3) Price sensitivity

TOWS Matrix

Table 3. TOWS Matrix

TOWS MATRIX	Strengths	Weakness
Opportunities	<p>S-O Strategy (S1, S5, S7, O4) Collaboration with celebrity instagram or tiktok to promote the coffee shop and their products</p> <p>(S1, S2, S3, O1, O4) Increase awareness and more educational content about health and dairy-free on social media</p> <p>(S3, S5, S7, O2, O3) Regularly held or participate in health and wellness event to attract health-conscious customers, collaborate with local suppliers</p> <p>(S2, S3, S4, S7, O1, O2) Expand the customer base by targeting vegan, lactose-intolerant, and environmentally conscious segments</p>	<p>W-O Strategy (W1, O1) Educate customers about the benefits of dairy-free options through marketing campaigns and education initiatives</p> <p>(W1, W3, W5, O1, O3, O4) Actively participate in bazaar or event and provide free tasting for the dairy-free coffee so that customer could taste it</p> <p>(W4, W5, O5) Improve several facilities</p> <p>(W5, W6, O2, O4) Regularly held a promotion such as buy 1 get 1 or discounts, or any other seasonal promotion to attract customer</p> <p>(W2, W5, O3, O4) Develop partnerships with local suppliers to lower the cost of ingredients. Might try to make activations with local suppliers.</p> <p>(W2, W3, W7, O2) Add variety of coffee beans and brewing technique so people who search for specialty coffee still could enjoy the coffee shop</p>
Threats	<p>S-T Strategy (S1, S2, T1, T2) Improve content marketing in social media as well as marketing program to increase awareness about the coffee shop</p>	<p>W-T Strategy (W2, W3, W7, T1, T2) Emphasize quality, taste, and unique menu items to stand out in a competitive market</p>



	<p>(S3, S5, S7, T2) Strengthen brand reputation and customer loyalty to deter potential new entrants</p> <p>(S3, T3) Offer value-added services or loyalty programs to justify pricing and retain customers</p>	<p>(W2, T3) Streamline operations and maintain cost efficiency to maintain competitive pricing</p> <p>(W1, W2, W5, T3) Focus on building customer loyalty and strong relationships to reduce price sensitivity</p> <p>(W1, W5, W6, T1, T2) Improve promotion via social media and increase offline marketing activations.</p>
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**Proposed STP
SEGMENTING**

(1) Demographic: targeting young professionals, students, and families who frequently go to coffee shops. Focusing on middle to upper-income individuals who have the financial capacity to afford specialty coffee and dairy-free options. Targeting office workers, entrepreneurs, creative professionals, and students who are likely to visit coffee shops during their work or study hours (2) Behavior: Targeting individuals who prioritize a healthy lifestyle and seek dairy-free options for dietary or health reasons and targeting individuals who are looking for a quick coffee fix or a place to work / study, providing a comfortable and productive environment. (3) Psychographic: Targeting customers who value sustainability, eco-friendly practices, and ethical sourcing of ingredients. Focusing on customers who are interested in a healthy lifestyle and environmentally conscious. Attracting customers who are passionate about supporting local businesses and community engagement.

TARGETING

(1) Young professionals and working individuals who value convenience and seek a quick and nutritious dairy-free coffee option during their busy schedules. (2) Health-conscious families who prioritize providing wholesome and dairy-free options for their children and themselves. (3) Students and university attendees who are looking for a cozy environment to study, socialize, and enjoy dairy-free beverages and snacks.

POSITIONING

A haven for coffee enthusiasts who value a healthy lifestyle, with a variety of dairy-free beverages, food, as well as alternative milk options, and offer a cozy place to hangout or to work.

Proposed Marketing Mix 7P

PRODUCT: Since the Mad for coffee only offers one type of Arabica beans, the coffee shop needs to offer an extensive selection of specialty coffee beans sourced from various regions in Indonesia, showcasing different flavor profiles and intensities such as Robusta, Raja Biak-Biak, Mandailing, etc. Provide a range of brewing methods to cater to coffee enthusiasts and offer diverse experiences. Include options such as pour-over, French press, AeroPress, cold brew, V60, and espresso-based beverages.

PRICE: It is still tolerable for the price range Rp 20.000 - Rp 52.000 especially for the dairy-free options. But, the coffee shop needs to consider offering loyalty programs, happy hour promotions, or special discounts to incentivize repeat visits and customer loyalty.

PLACE: Ensure the coffee shop's ambiance, seating arrangements, and interior design create a comfortable and inviting atmosphere for customers.

PEOPLE: Recruit experienced barista who master brew techniques so that he / she could make a specialty coffee. Empower staff to engage in personalized interactions with customers and build strong relationships to enhance the overall customer experience. Recruit more marketing staffs or head of marketing to improve and handle the marketing programs

PROMOTION: Increase promotional content especially on Instagram and Tiktok to raise awareness about Mad for Coffee. Collaborate with influencers, health and lifestyle bloggers, or local organizations to promote the coffee shop's unique offerings and

values. Participate in local events, community initiatives, or coffee festivals to showcase the brand and engage with potential customers.

PROCESS: Focus on maintaining consistency in the quality and taste of the products, ensuring that customers have a consistently positive experience.

PHYSICAL EVIDENCE: Design the coffee shop's physical space to reflect the brand's identity, with a visually appealing interior, comfortable seating, and a well-organized display of products. Showcase the use of sustainable and eco-friendly practices, such as recycling bins, reusable cups, or biodegradable packaging, to reinforce the coffee shop's commitment to the environment.

Proposed Strategies

After analysis process by the author, there are several strategies that will be proposed to Mad for Coffee to improve marketing strategy to increase their sales:

1. Increase Variety Of Coffee Beans And Brewing Technique

Since they are still a coffee shop, Mad for Coffee will need to increase the variety of coffee beans and brewing techniques for coffee lovers who come or want to order coffee from them. Currently, they only have one type of coffee beans, and also no options for brewing techniques. Based on the questionnaire, 60% of the respondents stated that the quality of the taste of drinks is very important when choosing a coffee shop to go to. Also, one of Mad for Coffee customers said that the coffee shop lacks a coffee bean option which is not a go to places for specialty coffee. Currently, regular coffee shops also have a variety of options for alternative milks. So, to anticipate the intense competition with regular coffee shops, Mad for Coffee needs to increase their variety of coffee beans and brewing techniques so that coffee lovers would love to go there no matter if it is a dairy-free coffee shop.

2. Improve Social Media Content Marketing

The social media content marketing of Mad for Coffee needs to be improved and optimized because based on the questionnaire, most participants are highly active on social media especially in Instagram and Tiktok, and those two platforms are the most interesting platforms for receiving ads with a total of 72% respondents vote for Instagram, and 14% vote for Tiktok. Although Mad for Coffee has done a good content creation all this time, however many people are still not familiar with the coffee shop. So it is a challenge for Mad for Coffee to raise their awareness in their online presence. Because based on the questionnaire, 64% of the respondents were not familiar with Mad for Coffee. Also, 55% of them never have received a social media advertisement from Mad for Coffee. In conclusion, Mad for Coffee needs to be more responsive and aggressive to upload content everyday on Instagram and Tiktok, so then the algorithm of those two platforms could read that Mad for Coffee is actively uploading and the platform will help to boost the contents. From the questionnaire, most respondents were interested in ads with the short video content which shows the brands' products. Also the video could be educational such as the benefit of dairy-free alternative milks, so that the audience could increase awareness and education. Along with that, Mad for Coffee must frequently upload reels on instagram and then mirror the content to Tiktok.



Figure 3. Examples of Social Media Content to Increase Brand Awareness and Education about Their Products

After posting the content to Instagram and Tiktok, Mad for Coffee also needs to advertise to reach a wider audience. By placing ads, Mad for Coffee can use the parameters such as demographic, age, gender, interest, or behavior. The parameter could be set to the STP of Mad for Coffee so that the ad would be optimal and reach a targeted audience. The cost for ads depends on the campaign and also users can set the maximum cost limit each day for ads. Lastly to add, Mad for Coffee also needs to digitally engage with their customer with several digital activations.

3. Collaborate With Coffee Or Healthy Lifestyle Media, Community And Influencers In Instagram And Tiktok

Even though Mad for Coffee is owned by well known influencers in Indonesia, Andovi Da Lovez, the coffee shop hasn't maximized it yet. Also, they own a community called Mad Grass which contains vegetarian and vegan people. So in order to maximize its reach and impact, Mad for Coffee should strategically collaborate with coffee or healthy lifestyle media outlets, engage with relevant communities, and leverage the influence of Instagram and Tiktok influencers. By forming partnership and collaboration, Mad for Coffee can gain valuable exposure through featured articles, interviews, or product reviews, reaching a wider audience of coffee enthusiasts and health-conscious individuals. Additionally, actively engaging with online communities centered around coffee or healthy living can significantly enhance Mad for Coffee's online presence and reputation. By collaborating with influencers in the coffee or healthy lifestyle niche, Mad for Coffee can leverage their large and dedicated following to promote its products, services, and values. Influencers can create engaging and shareable content, such as visually appealing coffee recipes, latte art tutorials, or discussions about the health benefits of certain coffee ingredients, effectively increasing brand awareness and driving traffic to Mad for Coffee's social media pages and physical location. The cost rates for each influencer varied based on their followers and engagement rates.

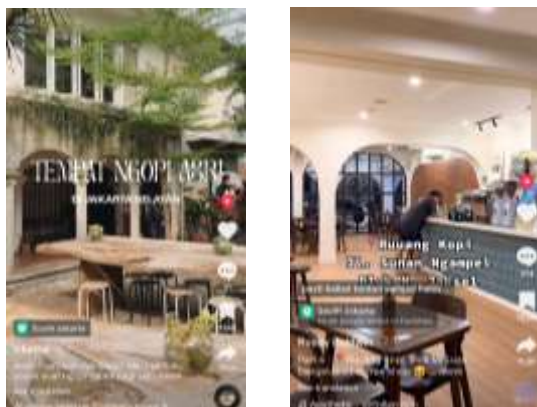


Figure 4. Examples of Contents by Social Media Influencers about Coffee Place Review

In summary, collaborating with coffee or healthy lifestyle media outlets, engaging with relevant online communities, and partnering with Instagram and Tiktok influencers can greatly amplify the reach and impact of Mad for Coffee's marketing efforts. By strategically leveraging these channels, Mad for Coffee can effectively target and engage its desired audience, fostering brand loyalty and ultimately driving sales and growth.

4. Participate In Healthy Lifestyle Or Eco Living Or Coffee Event

Participating in healthy lifestyle initiatives, eco-living movements, and coffee events can greatly benefit a dairy-coffee shop by expanding its awareness and increasing sales. By actively engaging in these activities, Mad for Coffee can effectively tap into the growing consumer trends of health-consciousness, sustainability, and coffee appreciation. Firstly, participating in health-focused events, such as fitness expos, running events, or other sports events, provides an opportunity to showcase these offerings directly to the target audience and educate them about the health benefits of Mad for Coffee's products. Secondly, participating in eco-living events and partnering with local environmental organizations further reinforces Mad for Coffee's green credentials, attracting environmentally conscious customers who actively support businesses with eco-friendly practices. Lastly, coffee events are ideal platforms for Mad for Coffee to showcase its expertise and unique offerings to coffee enthusiasts. By participating in local coffee

festivals, competitions, or specialty coffee gatherings, Mad for Coffee can reach a wider audience of coffee lovers. These events provide opportunities for Mad for Coffee to host demonstrations, workshops, or tastings, allowing customers to engage with the brand directly and experience its distinct coffee flavors and preparations.



Figure 5. Examples of Brand Collaboration in Participating in Event

In conclusion, participating in healthy lifestyle initiatives, eco-living movements, and coffee events enhances Mad for Coffee's visibility, credibility, and customer loyalty. By aligning with the values and interests of their target audience, Mad for Coffee can effectively communicate its unique selling propositions, attract new customers, and cultivate a strong brand image associated with healthy living, sustainability, and exceptional coffee experiences.

5. Partnership With Local Suppliers

Establishing partnerships with various local suppliers could be tried by Mad for Coffee to enhance its business operations and sustainability practices. For example, partnering with local dairy-free milk brands allows Mad for Coffee to cater to customers with specific dietary preferences or lactose intolerances. Collaborating with local dairy-free milk brands such as Outside, also supports the local economy, fosters a sense of community, and allows them to promote the ethical and environmental benefits of plant-based milk alternatives. Or else, partnering with local suppliers of reusable cups and straws ensures a consistent supply of eco-friendly products, while also supporting businesses that share Mad for Coffee's commitment to reducing single-use waste. This collaboration can also lead to co-branding opportunities, where Mad for Coffee's logo or branding is featured on the reusable products, reinforcing their brand presence and enhancing customer loyalty. Also, collaborating with local vendors who specialize in producing coffee-related accessories, apparel, or lifestyle products creates opportunities for cross-promotion and strengthens Mad for Coffee's brand identity.



Figure 6. Examples of Collaboration with Local Suppliers, Outside x Flash Coffee

6. Build Loyalty And Promotion Programs

To attract and retain customers, loyalty programs and more frequent promotion programs are needed to implement in Mad for Coffee. Thus, the promotion needs to be implemented with consideration of several factors such as when to implement and what products are free or discounted. For example, if weekdays have lower sales than weekends, then the promotion program such as buy 1 get 1 or special discount could be implemented on weekdays to attract customer visits. When holding the promotion, Mad for Coffee also needs to promote it on social media to reach wider customers and other media. To retain customers and make them visit and spend more, loyalty programs also need to be implemented. Well known coffee shops such as Starbucks also have their loyalty program with their cards and mobile application. Since it is expensive, Mad for Coffee could implement the loyalty program with printed cards and stamps, so it will do it manually, and can implement 1 free coffee drink after 10 purchases.

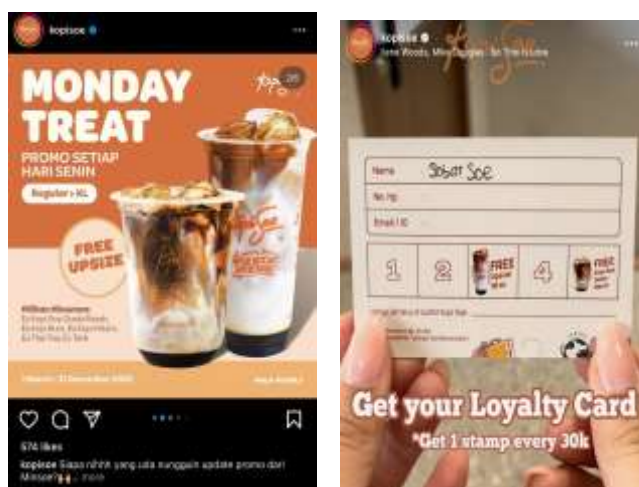


Figure 7. Examples of Special Discounts Promoted on Social Media and Loyalty Card Programs

7. Human Resources Improvement

To optimize its business operations, Mad for Coffee should focus on enhancing its human resources, specifically by investing in skilled marketing staff, specialty baristas, and parking staff for limited parking spaces. Improving the marketing team with competent and creative professionals is crucial to plan and execute effective marketing strategies. These marketing staff members can devise targeted campaigns, leverage social media platforms, and implement customer engagement initiatives to enhance brand visibility, attract new customers, and foster customer loyalty. By having dedicated marketing personnel, Mad for Coffee can stay ahead of competitors, adapt to changing consumer trends, and effectively communicate its unique value propositions to the target audience. Furthermore, employing specialty baristas with extensive knowledge and expertise in coffee preparation techniques is essential to elevate Mad for Coffee's product offerings and create memorable experiences for customers. These skilled baristas can craft intricate latte art, experiment with flavor profiles, and provide personalized recommendations, enhancing the overall coffee-drinking experience and setting the shop apart from competitors. Investing in specialty baristas not only enhances Mad for Coffee's product quality but also helps build a reputation for excellence, attracting coffee enthusiasts and connoisseurs. Lastly, given the limited parking space, having dedicated parking staff can alleviate the challenges associated with parking availability and ensure a smooth customer experience.



Implementation Plan

Table 4. Implementation Plan

Proposed Strategies	Action Plan	August 2023				Sept 2023				Oct 2023				Nov 2023				Dec 2023			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Increase variety of coffee beans and brewing technique	Finding Suppliers for Coffee Beans	■	■	■	■																
	Hiring Specialty Barista	■	■	■	■																
	Training for Baristas					■	■														
	Add new menu for specialty coffee and update menu for several manual brew coffee technique options	■	■	■	■	■															
Improve social media content marketing	Hire freelance or intern graphic designer and social media specialist	■	■																		
	Planning and creating social media content to improve awareness and promotion			■	■					■	■					■	■				
	Place ads in social media			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Digital activation in social media			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Collaborate with coffee or healthy lifestyle media, community and influencers in Instagram and Tiktok	Finding and contact media, community or influencers			■	■																
	Post content in media, community, or influencers' social media platform					■	■	■	■	■	■			■	■	■	■	■	■	■	■
Participate in healthy lifestyle or eco living or coffee event	Finding and contact the upcoming event	■	■	■	■					■	■	■	■					■	■	■	■
	Proposed partnership to participate in the event			■	■							■	■			■	■			■	■
Partnership with local	Contact local supplier and					■	■	■	■					■	■	■	■				



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Cite this Article: Jihanira Sharmila, Yudo Anggoro, Ph.D., Ir. Satya Aditya Wibowo, MBA (2023). Proposed Marketing Strategy for Dairy-Free Coffee Shop in Jakarta (Case Study: Mad For Coffee). International Journal of Current Science Research and Review, 6(7), 4027-4043