CHAPTER I INTRODUCTION

I.1 Background

Indonesia is an agricultural country, based on the central statistics agency until 2020 that the Percentage of Informal Labor of the Agricultural Sector is above 70% for each city. Indonesia's agricultural products are coffee, rice, corn, onions, vegetables, spices, rubber, cinnamon, and many more. Coffee is one of the agricultural products produced from various regions. According to the Ministry of Industry, Last Year's Refined Coffee Export Reached 356.79 million US Dollars. Coffee consumption in Indonesia is increasing in large quantities and increasing. Indonesia's coffee consumption during the period 2016-2021 is predicted to grow at an average of 8.22%/year. In 2021, coffee supply is predicted to reach 795 thousand tons with a consumption of 370 thousand tons, resulting in a surplus of 425 thousand tons. Figure I.1 is a national coffee consumption data from 2016 to 2021.

	1	2	3	4	5	6
YEARS	2016	2017	2018	2019	2020	2021
AMOUNT (TON)	249.8	276.2	314.4	335.5	353.9	369.9

Figure I. 1 Coffee Consumption Indonesia 2016-2021

(Source: Iconomics)

The quality of Indonesian coffee need not be doubted because Indonesian coffee is very popular for having a unique taste. Indonesian coffee is so popular that farmers until now cultivate coffee because it is one of the agricultural commodities that have a high selling value. Coffee commodities have an important role as a source of foreign exchange in the country. With increased coffee consumption which is also characterized by the phenomenon of more new coffee shops due to more and more people who like coffee and like to relax in a coffee place with a comfortable atmosphere. With more and more coffee shops, every coffee shop has a characteristic of the coffee they sell. Of course, with more and more coffee shops appearing, every coffee shop must have a strategy for fundamentals and competitiveness. One of the coffee shops in Bekasi, Indonesia is Janjian Coffee House Point.

Janjian Coffee House Point (or commonly referred to as "Janjian Coffee") is a coffee shop that was established in January 2020 located in Pondok Timur Mas Galaxy, Bekasi which is the second branch of Janjian Beranda Sua located in Ciawi. Janjian Coffee to make sales not only comes directly to the Coffee Shop, but also through online, namely direct message Instagram and Tokopedia. Janjian Coffee focuses on selling ready-to-drink coffee, by having many kinds of coffee menu variations such as 11 kinds, eight kinds of signature coffee, and three kinds of flavored coffee. Janjian Coffee serves good coffee with unique variations. Good coffee must be proven that the quality of the product is good. First, secondary data is obtained through third parties, namely google reviews conducted through customer feedback. Done with 368 reviews for Janjian Coffee that can be seen on Figure I.2.
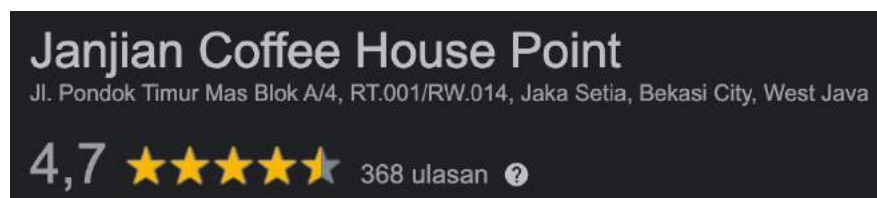

Figure I. 2 Product Quality Survey

(Source: Google Review)

Figure I.2 is a review on google that Janjian Coffee gets a rating of 4.7/5 and many get feedback that Janjian Coffee sells coffee with excellent quality and is accepted by customers. Furthermore, a preliminary survey of the level of repurchase should be repurchased to ensure strong quality of the products offered. With repurchase rate based on internal data Janjian Coffee uses 70 sample purchases stating that 79% of them make repurchases. In order to prove more strongly that the product has good quality and is accepted by customers, it was interviewed directly to 5 customers who were at Janjian Coffee, that the driving factor obtained through five customers who made the repurchase was to have a good coffee taste, unique, many variants of coffee flavor, there are variations of drinks other than coffee, coffee served is very appropriate for relaxing and productive and affordable coffee prices that can be seen on Appendix A.

From the statement can be firmly concluded that the quality of the product is good at an affordable price and liked and in demand by customers. This is evidenced by the number of customers who make repurchases more than those who do not make re-purchases. In addition, the data is also supported by the reason buyers whomake repurchases, thus strengthening the statement that the product is of good quality.
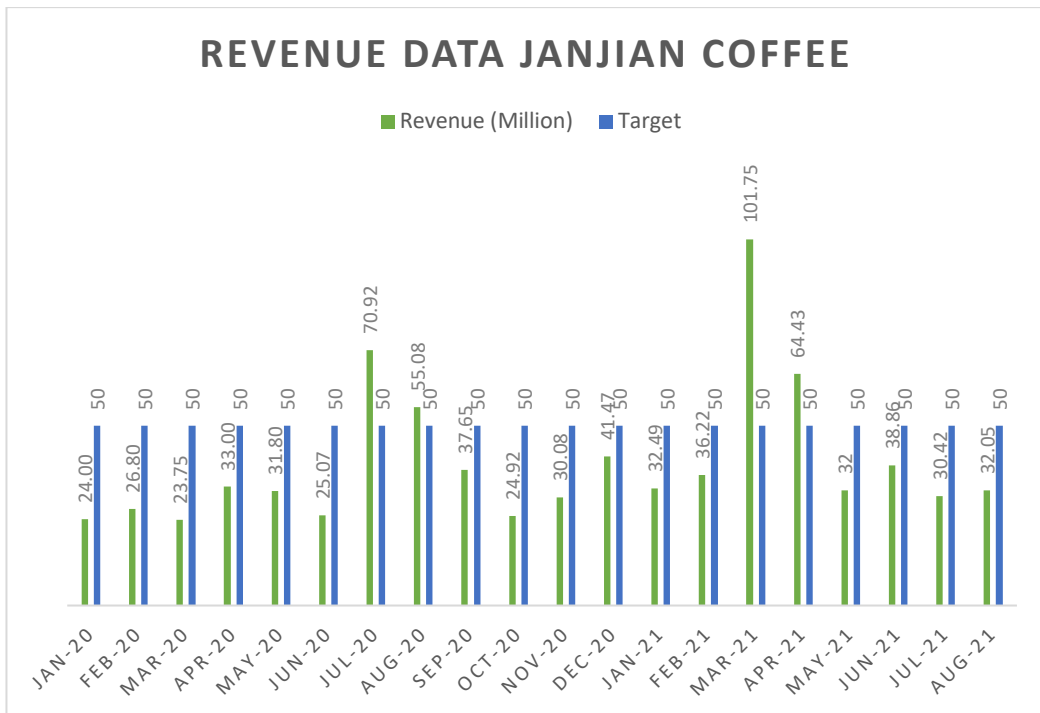

Figure I. 3 Revenue Data Janjian Coffee

Figure I.3 shows data on revenue achievement obtained through owners in January 2020 - August 2021 which has fluctuacted. The income obtained by Janjian Coffee still does not reach the revenue target of 50 million rupiah. The achievement of income against the target of 50 million rupiah is only 20% which is for four months. So, Janjian Coffee must improve the remaining target of achieving income which is 80%. With there still those who do not reach the target, it becomes an important problem to know the cause of the difference in income that occurs in order to get the targeted income.

With income problems that do not reach the target caused by some symptoms of problems experienced by Janjian Coffee, because of low brand awareness, low engagement to social media Janjian Coffee, employees, and business development that is not maximal and more coffee shops that appear with their own characteristics. So, in-depth observations using fishbone diagrams based on interviews with Janjian Coffee owners to identify the root cause of some of the symptoms of problems experienced that resulted in fluctuating Janjian Coffee revenue and not reaching the target. In Figure I.4 is the fishbone diagram of Janjian Coffee.
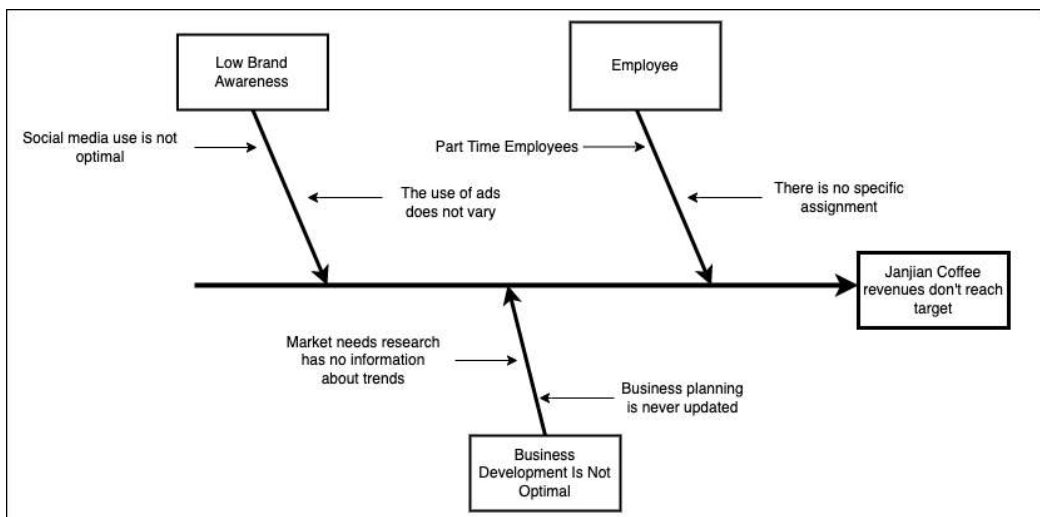

Figure I. 4 Fishbone Janjian Coffee

Figure I.4 a fishbone diagram of Janjian Coffee that explains the root cause of Janjian Coffee revenue not reaching the target. There are three problems, namely

low brand awareness, employees, and business development is not optimal. Based on the results of an interview with the owner of Janjian Coffee, there are some symptoms of income problems not reaching the target.

I.2 Alternative Solutions

Alternative solutions are potential solutions for root analysis based on the symptoms of the problem summarized in the fishbone in Figure I.4. With the aim to solve problems and analysis of the selection of solutions from several existing alternatives. Table I.1 is an alternative solution based on the symptoms of the problem.

No	Root of the Problem	Potential Solutions
1.	Low Brand Awareness	• Designing improvements to online marketing communication programs to increase effectiveness on Social Media Janjian Coffee • Implementation of research on the use of ads that vary and effectively
2.	Employee	• Full-time employee re-selection planning is more than part time according to performance • Design more specific employee assignments
3.	Business Development Is Not Optimal	• Conduct of information research on coffee shop trends • Business planning that should always be updated

Table I. 1 Alternative Solution

In Table I.1 is the potential solution to overcome the problem in Janjian Coffee and the potential solution will be given a range of assessments from scale 1 to 5, with the intent of value is: 1) Strongly Disagree; 2) Disagree; 3) Neutral; 4) Agree; 5) Strongly Agree. With the assessment scale carried out with a range of assessment scales of 1 to 5 that aims to find out the potential of the best solution that will be implemented on the problems faced by Janjian Coffee. The potential of the best solution based on the total value weight spread to the consideration of the solution that has been determined, namely relatively easy, relatively cheap, has a significant impact, and a faster process to be implemented. Assessment of

each potential solution based on the consideration of the solution determined together with Janjian Coffee to find out the ability to fix the problem with the potential solution to be implemented. Table I.2 is the result of a scale assessment of potential solutions that will be implemented to address Janjian Coffee revenues that do not reach the target.

| No | Potential Solutions | Solution Considerations | | | | Total Value |
		Relatively Easy	Relatively Cheap	Having a Significant Impact	Faster Process	
1	Designing improvements to online marketing communication programs to increase effectiveness on Social Media Janjian Coffee	4	4	5	4	17
2	Full-time employee re-selection planning is more than part time according to performance	3	2	3	2	10
3	Conduct of information research on coffee shop trends	2	3	4	3	12

Table I. 2 Solution Potential Valuation Scale

Table I.2 is an assessment of the potential solution to be implemented based on the consideration of the solution that has been determined, so that with the results of the assessment together with the Janjian Coffee party obtained the results of the value of each potential solution. From the results of the assessment of potential solutions, the design of improvements to online marketing communication programs to increase effectiveness in social media Janjian Coffee obtained the highest total value of 17. The potential solution chosen is the most effective solution to overcome Janjian Coffee revenue that does not reach the target. With the results of consideration of selected solutions are expected to increase low brand awareness with optimal use of social media marketing communication media.

Increasing brand awareness is associated with increasing sales and revenue. According to (Gustafson & Chabot, 2007) that to attract new customers and encourage repurchases, brand awareness refers to how aware customers and potential customers are of businesses and products. Thus, high brand awareness and ultimately achieving successful brand awareness means the brand is well

known and easily recognized. By increasing brand awareness, Janjian Coffee prioritizes the use of Instagram social media as the main marketing communication media. Janjian Coffee uses Instagram social media to introduce products, provide information, increase brand awareness and engagement. In addition, Tokopedia as an online shop partner is listed on instagram biodata through links. As of now, Instagram Janjian Coffee has 10.8k followers and 459 posts.

After already knowing the quality of products that can be accepted by the market, and already knowing the problem in marketing media that low brand awareness is the lack of effectiveness to the use of social media, then the next step is to know how known Janjian Coffee by its target market. Therefore, a preliminary survey was conducted to at least 30 respondents because according to (Singarimbun & Effendi, 2015) that the minimum number of questionnaire contents is 30 respondents which will result in a value distribution close to the normal curve. The brand awareness survey through a questionnaire filled out by 38 students aged 18-30 years who are active users of Instagram at least two years and coffee connoisseurs, and visit the coffee shop at least twice a month in the city of Bekasi between student and worker as in Figure I.5.

Figure I. 5 Brand Awareness Data

Figure I.5 shows the low number of respondents who know Janjian Coffee which is 18.40% or 7 people out of 38 people. Janjian Coffee makes Instagram as a medium of marketing communication to the public. With the results of the survey obtained through questionnaires that only 18.40% of students who know Janjian Coffee then in conducting research on the causes of low levels of brand awareness influenced by improper management of Instagram social media, it was done again with a preliminary survey using third-party media analytics, namely iglblade.com to find out the level of interest of Instagram followers Janjian Coffee. Based on the results of the iglblade.com analysis, Janjian Coffee has an engagement rate (ER) of 1.29% and an engagement index is E in Figure I.6.
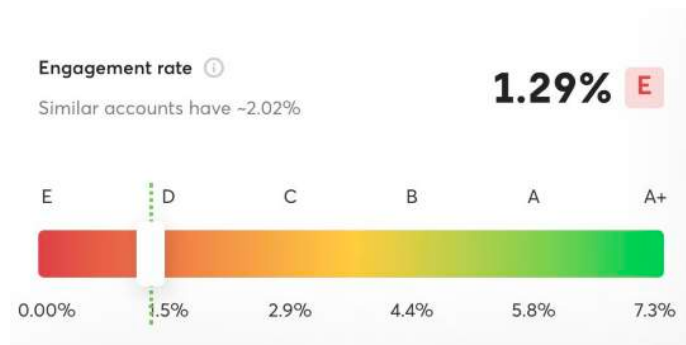

Figure I. 6 Engagement Rate Janjian Coffee
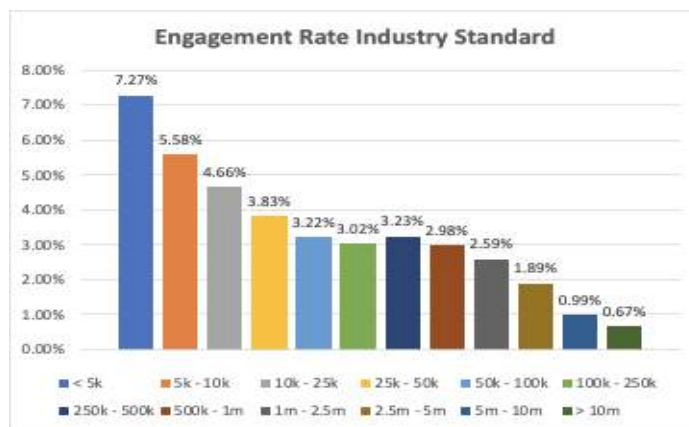
(Source: blade.com)

Figure I. 7 Engagement Rate Industry Standard

(Source: sociobuzz.com)

Figure I.7 is the industry standard engagement rate according to sociobuzz. Instagram with 10k -25k followers has a good engagement rate of 4.66%. So, with

the engagement rate of Instagram Janjian Coffee on Figure I.6 which has 10.8K followers but has not reached a good engagement rate. According to (Kapoor, 2011) engagement is important as an equality for obligation and commitment, engagement looks to have positive implications, having expressions of joy and not just for dedication.
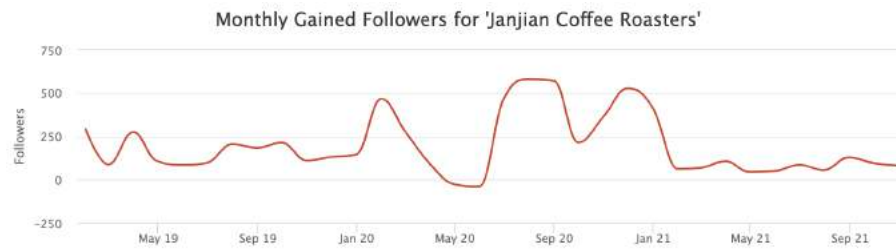

Figure I. 8 Monthly Gained Followers

Source: socialblade.com

With the number of followers owned by Janjian Coffee as many as 10.8K is also one of the influences on brand awareness. According to (Dafa & Hariyanti, 2021) that by increasing and active followers can form brand awareness and buying interest for consumer followers. The average monthly follower data of Instagram Janjian Coffee has been fluctuating since May 2019. There is often a decrease in followers and a steep decline in followers in January 2020 on Figure I.9 based on socialblade.com. This data explains that the low brand awareness associated with Janjian Coffee marketing using Instagram marketing communication media is still not effective to get new customers.

Figure I. 9 Likes and Comments Janjian Coffee

Source: socialblade.com

Not only followers, likes are also one of the influences of brand awareness. According to (Bakshi & etc., 2014) that the more followers, the greater the audience that sees the upload and is interested, the higher the acceptance of likes and comments. Based on socialblade.com, the social media grade is C+ and the

9

average of likes and comments obtained by Janjian Coffee are 129.81 likes with three comments. The average likes obtained are still very few and far from the number of followers they have. So, the low brand awareness and engagement on Janjian Coffee Instagram account symbolizes poor digital marketing activity. The data above provides knowledge about the right posting time because of the time of active followers and can increase engagement.

Based on the problem of low brand awareness and engagement because many competitors have better performance and products. So, a comparison of the quality of Instagram competitors is better with Janjian Coffee to see the performance performance of Janjian Coffee that must be evaluated. Janjian Coffee compares the quality of Instagram with competitors namely Kopitagram, Dua Coffee, and Common Grounds Coffee. The selection of competitors is based on coffee shops that use Instagram for primary marketing communication media and have best practices. In the selection of competitors also based on followers, average comments, average likes and social media index.

Coffee Shop	Instagram Data					
	Account Name	Followers	Average Comments	Average Likes	Social Media Index	Engagement Rate
Kopitagram	@kopitagram	51.88k	3.56	273.69	A-	4.61%
Dua Coffee	@duacoffee	50.11k	3.49	239.25	B+	3.59%
Common Grounds Coffee	@commongroundsid	63.72k	3.63	511.38	A-	4.81%
Janjian Coffee	@janjiancoffee	10.8k	3.06	129.81	C+	1.29%

Table I. 3 Instagram Data

(source: socialblade.com)

Based on information in Table I.3 that Janjian Coffee is the lowest position among the three competitors. Janjian Coffee has the lowest followers of 10.8k compared to the three competitors. In addition to the number of followers, Janjian Coffee also has the lowest rating because of the average comments and likes, social media index and engagement rate which is very far below the three competitors. Therefore, Instagram Janjian Coffee has low quality as a medium of marketing communication that results in brand awareness and lower levels than the three competitors.

No	Criteria Instagram	Percentage
1	Non-aligned Feeds content	75%
2	Upload Feeds frequency is not routine	50%
3	No aesthetics and variations of Feeds content	62.50%
4	Uninformative captions	37,5%
5	Captions are not persuasive	50%
6	Incomplete biodata profile	87,5%
7	Not using the story feature	12,5%
8	Incomplete highlights	50%
9	Not posting routine reels	12,5%
10	Reels not up to date	37,5%

Table I. 4 In-Depth Interview of Criteria Instagram Janjian Coffee

With this problem, in-depth interviews were conducted to eight respondents of coffee connoisseurs in the city of Bekasi who had seen Instagram from Janjian Coffee. The in-depth interview aims to explore the criteria that are important to note for social media coffee shop Instagram. Table I.4 provides information about the results that have been obtained from in-depth interviews about the criteria to be aware of on Instagram. The results of the answers given by respondents stated that the shortcomings of Instagram Janjian Coffee have not met the criteria to be considered so the use of Instagram marketing communication media is not optimal.

Based on data that has been obtained through internal sales data, survey respondents and analytical media research systematically explain the problems that occur in the management of Instagram social media Janjian Coffee that has not been able to increase brand awareness by measuring the increase in the number of followers, average likes, and other factors that will be further investigated. Therefore, this research focuses on Instagram as a medium of marketing communication as the main medium for all marketing activities and interacting with customers who are useful to increase brand awareness, and engagement to the market so the design of instagram janjian coffee social media improvements

is important to do with consideration of criteria that must be considered for Instagram Janjian Coffee.

I.3 Problem Formulation

Based on the explanation of the problem that has been outlined in the background, the problem formulation will be studied as follows:

1. What are the criteria and sub-criteria that need to be considered on Janjian Coffee Instagram social media as marketing communication media?
2. What are the right benchmarks partners for Janjian Coffee Instagram according to Instagram criteria?
3. What is the gap between Janjian Coffee Instagram social media and benchmark partners?
4. What are the right priority arrangements based on criteria and sub-criteria on Janjian Coffee Instagram?
5. What is the design of integrated marketing communication program systems to be implemented by Janjian Coffee?

I.4 Objectives

Regarding the formulation of the problem that has been determined, the final task objective is as follows:

1. Identify the criteria and sub-criteria that need to be considered on social media of Janjian Coffee Instagram as marketing communication media.
2. Identify the appropriate priority level for Janjian Coffee for each Instagram criteria and subcriteria.
3. Identify the gap between Instagram social media Janjian Coffee and benchmark partners.
4. Identify the exact priority arrangement based on criteria and sub-criteria on Janjian Coffee Instagram
5. Design an integrated system of marketing communication program improvements that are suitable for Janjian Coffee Instagram Social Media.

I.5 Benefits

Benefits resulting from this final task:

1. For Janjian Coffee, this final task as a design recommendation for Instagram social media improvements on Janjian Coffee with priority criteria and sub criteria.

2. For Janjian Coffee, this final task can be a recommendation to increase Instagram brand awareness.

3. For researchers, this final task is useful in implementation based on priority criteria and identified sub criteria can be a reference for those who will conduct research similar to Benchmarking and Analytic Hierarchy Process further related to the design of instagram improvement as a marketing medium.

I.6 Writing Organization

This final task is described with systematic writing as follows:

Chapter	**Introduction**
I	This chapter describes the background of the problems experienced by Janjian Coffee with preliminary surveys, problem formulation, research objectives, research benefits, problem limitations and systematic writing.
Chapter	**Literature Review**
II	This chapter discusses the theories of literary studies that are the basis for obtaining solutions to problems in this research. Literature studies in this study are digital marketing, social media marketing, Instagram marketing, brand awareness, comparison methods, voice of customer and priority criteria and sub criteria on the evaluation of Instagram marketing media, in addition to benchmarking and Analytic Hierarchy Process (AHP) which is a reference for problem solving. As well as with the theory used marketing management, product development as well as industry statistics. This chapter discusses theories and concepts more clearly.

Chapter III   **Methodology of Designs**

This chapter presents a conceptual model that explains the relationships between research variables and explains the detailed steps taken for systematic research. The steps in this research include preliminary stages, data collection and processing, analysis and recommendations, thus generating conclusions and suggestions.

Chapter IV   **Integrated System Design**

This chapter describes the discussion of the specifications of the Janjian Coffee plan determined based on factual data and the planning process carried out in accordance with the level that has been fully explained in the systematic design. The compounding process is carried out based on the specifications of the Janjian Coffee plan. The results of the plan for Janjian Coffee that is in accordance with the specifications that have been set and is a proposed solution of the problem to be solved is external to this stage. This chapter is about the description of data, design specifications and design standards, the planning process, design results and verification of design results.

Chapter V   **Validation and Evaluation of Design Results**

This chapter describes the process of validating and evaluating the design results on the implementation of the use of social media Instagram, Janjian Coffee with benchmark partners based on criteria and subcriteria. The principles of validation and evaluation of the results of the design carried out are adjusted to the theory used. This chapter discusses the validation of the design results, evaluation of the design results, analysis and implementation of the design results. Overall, this chapter discusses in detail about the results and working on solutions to the objectives of the final project.

Chapter VI   **Conclusions and Suggestions**

This chapter is the conclusion of research from solving problems carried out as well as answers from the problem formulation in the

introduction. The advice given is good for Janjian Coffee Instagram and the next final project.