

## PREPARATION OF BUNDLING STRATEGY AND IMPROVEMENT OF BRAND AWARENESS WITH INSTAGRAM PROMOTION STRATEGY AT FOJA COFFEE MSME

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### Abstract

In Indonesia, micro, small and medium enterprises (MSMEs) are one of the drivers of the economy. The important role of the existence of MSMEs in Indonesia is significant role in the process of national economic development in Indonesia. This research was conducted through a business coaching process, in which the coach helped the coachee (MSME owner) and a series of structured interviews and observations with the MSME owner Foja Coffee, an MSME engaged in Coffee Business typical in the area of East Jakarta and West Java. This study aims to analyze problems related to preparing a financial statement, and to increase brand awareness by implementing appropriate promotional strategies at Foja Coffee MSME. This research uses Business Model Canvas Analysis methodology, Marketing Mix Analysis, STP Analysis, PESTEL Analysis, Porter's Five Forces Analysis, GAP Analysis, SWOT Analysis, and Pareto Analysis. The application of in-store advertising solutions and social media marketing SOPs when MSME Foja Coffee conducts promotions to welcome the fasting month of Ramadan. The SOPs for Social Media Marketing in question is to set target posts or impressions every certain time frame and funding in the marketing effort. Delays in Foja Coffee's MSME business processes due to different opening times cause owners to not get representative customer data like in previous months or years. An alternative step that the owner can take is to take advantage of Instagram social media that he already has as a promotional medium at this time. Its function can be developed as an online sales channel during this Ramadan so that Foja Coffee MSMEs can continue to operate.

**Keywords:** Business Coaching, Financial Statements, Brand Awareness, MSME, Promotion Strategies

### INTRODUCTION

The free trade of the ASEAN Free Trade Area (AFTA) in 2013 and the Asian Pacific Economic Cooperation (APEC) which began in 2020 has given entrepreneurs more freedom to market their products. The existence of a free market results in higher trade competition and promotion competition, because of the many products offered. This can make consumer behaviour more selective in choosing the products they consume (Warta Ekonomi, 2016). Culinary absorbs 9.5 million workers and the big impact on the culinary sector is felt in all areas of the Indonesian economy. Data from the Ministry of Tourism and Creative Economy shows that the culinary sub-sector contributes IDR 455.44 trillion or around 41 percent of the total creative economy GDP of IDR 1,134 trillion in 2020 (Antara, 2021).

CV Foja Arga Indonesia is a company engaged in the field of Food and Beverage, trade in machinery and equipment, especially in the field of coffee. CV Foja Arga Indonesia was established on 27 October 2020 and since before opening the coffee shop Foja Coffee sold coffee online via Instagram social media and started opening a shop in the form of an Offline Store on 25 March 2021.

Foja Coffee has only recently realized that proper financial reports and marketing plans are needed, not just focusing on service quality. Foja Coffee does its marketing and financing in a simple way, resulting in missed opportunities and the lack of any budgeting scheme. While simple at its marketing execution, Foja Coffee has involved social media in its marketing effort. Social media has become a web of brand-related conversations capable of influencing various aspects of consumer behaviour including awareness, information acquisition, opinions, attitudes, purchase intention and post-purchase communication (Mangold & Faulds, 2009). Social media marketing involves using social media platforms to engage with the audience, increase the company's sales and brand building and increase traffic to the organization's social network platforms. Generally, this process involves coming up with great content for the marketing of products, having an active engagement with the followers, analysing results and running social media advertising campaigns. Business further uses social media to reach customers and potential customers to communicate information, showcase their new products and promote the already in-market products (Tazeen & Mullick, 2023).

Through the implementation of business coaching, it is hoped that Foja Coffee will be able to further develop and become a sustainable business. The objectives of implementing business coaching to be achieved are to determine the management concept framework for Foja Coffee, finding a marketing strategy that can be applied by Foja Coffee and to understand the position of Foja Coffee's brand awareness level in the eyes of consumers today.

Instagram has become a popular platform for advertising, with millions of users worldwide. Small local cafes have also recognized the importance of Instagram advertising as it offers an affordable and efficient way to reach a large audience. This literature review aims to explore the impact of Instagram advertising for small local cafes.

### **Impact of Instagram Advertising**

Several scientific studies have investigated the impact of Instagram advertising for small businesses, including cafes. These studies have found that Instagram advertising has a significant impact on customer engagement and sales.

One study by (Wang, Z., & Kim, H. G., 2017) found that Instagram advertising positively impacts consumer purchase intention. The study showed that Instagram advertising increases consumer attitudes towards the brand, which in turn leads to an increase in purchase intention. Another study by (Chinho, L., & Lekhawipat, W., 2014) found that Instagram advertising positively affects brand attitude, brand loyalty, and purchase intention.

Instagram advertising also offers a cost-effective advertising strategy for small local cafes. A study by (Hutter et al., 2013) found that Instagram advertising is more cost-effective than traditional advertising channels such as television, radio, and print media. This makes Instagram advertising a viable option for small businesses with limited advertising budgets.

In addition, Instagram advertising can help small local cafes reach a wider audience. A study by (Tran et al., 2018) found that Instagram advertising increases brand awareness, website visits, and customer engagement. The study also found that Instagram advertising is more effective than Facebook advertising in increasing customer engagement.

Scientific studies have shown that Instagram advertising has a significant impact on customer engagement and sales for small local cafes. Instagram advertising positively affects brand attitude, brand loyalty, and purchase intention. It is also a cost-effective advertising strategy and can help small local cafes reach a wider audience. Therefore, small local cafes should consider

leveraging Instagram advertising as part of their marketing strategy to attract new customers and increase sales.

Brand awareness is the level of consumer recognition and familiarity with a particular brand. Brand awareness is a critical aspect of a company's success, as it directly impacts consumer purchasing decisions. In this literature review, we will examine studies conducted within the last five years on brand awareness for small local cafes. study investigated the factors that influence brand awareness in the fast food industry. The findings suggest that brand loyalty, perceived quality, and brand image significantly impact brand awareness. The study concludes that local cafes should focus on building brand loyalty and creating a positive brand image to improve brand awareness (Kusuma Wardhani & Gunawan Alif, 2019).

## **LITERATURE REVIEW**

### **Social Media**

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A study found that Instagram advertising positively impacts consumer purchase intention (Nhan PHAN et al., 2020). The study showed that Instagram advertising increases consumer attitudes towards the brand, which in turn leads to an increase in purchase intention. Another study found that Instagram advertising positively affects brand attitude, brand loyalty, and purchase intention (Pais, 2021).

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Brand awareness, brand image, brand trust, and brand loyalty. According to (Kardes et al., 2010), there are two sorts of brand loyalty which comprise of state of mind and behavior. State of mind reflects the by and large feel of clients towards the brand, whereas the behavior is related to the inclination of clients to rehash buys. The clients regularly express brand loyalty to items that can make strides or show personality. Brand loyalty can be characterized as a degree of closeness that customers feel approximately a brand.

## **RESEARCH METHODOLOGY**

Data collection techniques used in business coaching are in-depth interviews and observations. Coach conducted an in-depth interview with Mr. Haidi (Coachee) as the marketing director and owner of Foja Coffee to understand in depth the overall picture of the marketing aspects of his business. Then, it is followed by observations by looking directly at field conditions so that they can proceed to the analysis stage. In the analysis process, primary and secondary data collection techniques were carried out to support the analysis using theoretical references that had been written in books or journals that had been published.

The research method that was used is a qualitative method in the form of unstructured research with a structured research form based on a small number of samples, this is intended to gain knowledge and understanding related to existing problems (Moser & Korstjens, 2017). The results of interviews with respondents would be supporting data in conducting research on Foja Coffee MSME. The process of selecting data, by choosing which data will be reduced, suppressed,

emphasized or summarized data from research results are followed:

**Data Reduction:** At this stage, the researcher carries out a selection process for the data obtained by sorting out the data that will be used and data that will not be used according to the needs of the business coaching process.

**Data Display:** The process of developing a visual interpretation of the data obtained in the form of diagrams, tables and graphs. These views are intended to help illustrate data patterns and relationships between data relations.

**Conclusion Drawing and Verification:** The process by which the researcher considers the results of the data being analyzed and assesses the implications for existing research questions.

After identifying the problem, several solutions are obtained to improve and optimize marketing management performance so that business processes become more efficient and productive.

### **SWOT Analysis**

SWOT analysis is an analysis commonly used to measure business conditions, including internal potential (Strengths), weaknesses in company competitiveness (Weaknesses), market opportunities (Opportunities), and threats in the future (Threats). SWOT analysis is used by the author to identify internal potential, competitive weaknesses, market opportunities and future threats that may be experienced by Foja Coffee. This analysis can be used to determine the position of the business as well as for future business planning.

### **Analysis Results**

Foja Coffee is an F&B MSME that serves processed coffee, milk and various other processed foods in the Cibubur area. Currently, Foja Coffee has six employees including one manager, one finance officer, and four baristas. For marketing issues, it is still carried out by the owner who also doubles as his own manager.

### **Gap Analysis**

GAP analysis is an analysis used to evaluate the gap between the ideal conditions and the actual conditions that occur in a company or organization. The following is the GAP analysis conducted at Foja Coffee:

**Table I. Gap Analysis**

Tools	Indicator	Actual Conditions	Ideal Conditions	Gap
Business Process	Operation	Unorganized stock taking with cafe needs	Regular recording procedures so as to estimate the exact restocking	Inventory SOP
		Inventory spending is		

		only done when the stock is running low	time Make purchases with the most efficient cost	
Finance		Recording of financial statements only contains a profit and loss statement  Does not have a definite budgeting system for variable costs	Recording of financial reports is one of the main activities in a very important business process	Recording of financial reports
Marketing		The use of social media has not been carried out optimally so that customers do not know the latest information from Foja Coffee	Maximum use of social media to maintain good relations with consumers	Promotion (Online Advertising)
Human Relations		After the barista is declared to have been recruited and deemed competent, there is no further training	Conduct further training with baristas who have competence in teaching coffee	Promotion (Offline Advertising)
Segmenting		Limited geographic segmentation only in the Cibubur residential area	Using an online food ordering application so that it can reach consumers more broadly	Promotion (Online Advertising)
STP	Targeting	Targeting of market segments is less consistent in the frequency and quality of messages delivered	The use of more ideal online advertising media by increasing the frequency of content and delivering more accurately to market segments	Promotion (Online Advertising)
Marketing Mix		Foja Coffee conducts promotions online using social media, namely Instagram and Tiktok, as well as Google ads, but their use is not optimal.	The use of social media as a promotional platform on a regular basis, so that consumers continue to recognize the existence of the products offered	Promotion (Online Advertising)

Porter's Five Forces		High number of substitute products targeting the same market share	Increasing promotions that can be done offline or through social media so that more consumers know information about the products	Product marketing SOP  Promotion (online advertising)
PESTEL	Environment	Decrease in the number of visitors when rainfall increases	Adding supporting infrastructure so that visitors are not distracted from the weather when visiting Foja Coffee	Place

### Pareto Analysis

After conducting GAP analysis on several aspects, several issues or gaps were found in social media promotion that has not been maximized, promotion strategies, SOP determination and Financial Reports. These identified issues will then be ranked using Pareto analysis. Pareto analysis will evaluate the issues found and rank them based on the highest value as the prioritized issue standard. The following is the result of the assessment analysis of the issues found at Foja Coffee:

Indicator	Value	Count	Contribution	Percentage	Cumulative Percentage
Financial Report	8	10	80	30%	30%
Bundling Packages	10	9	90	33,46%	63%
Instagram Promotion	8	8	64	23,79%	87%
Inventory SOPs	5	7	35	13,01%	100%
Total		269	100%		

Based on an analysis of the conditions of difficulty and problem requests at MSME Foja Coffee, the application of solutions to fix problems faced by MSME can be summarized as follows:

#### 1. Preparation of Financial Statements

Based on the results of an analysis of difficult conditions and problem assistance at Foja Coffee SMEs, it was found that Foja Coffee experienced problems with financial recording, which was still carried out simply due to the owner's lack of knowledge regarding the process of recording financial reports in accordance with standards. This has an impact on MSME owners who do not know the performance and financial position of their business comprehensively. Therefore, in the business coaching process, the authors provide training to the finance section regarding the recording of financial reports using the macro

function of the Microsoft Excel application. This training is carried out by carrying out several stages starting from collecting transaction evidence, recording transaction activities into accounts that are in accordance with accounting theory, until finally preparing financial reports consisting of income statements and cash flows.

## 2. Promotion Price

Furthermore, in the process of this business coaching activity, a problem was found that Foja Coffee UMKM did not use an effective pricing scheme when carrying out promotions. This happens because the owner does not understand effective pricing strategies when running promotions. Foja Coffee has also not carried out promotions for its products either online or offline. Referring to the analysis and surveys that have been conducted on customer behavior from Foja Coffee, the authors decide to provide a solution in the form of in-store advertising and appropriate pricing. In-store advertising is done by installing a Ramadhan bundling promotional x-banner. As well as bundle promotion prices are also determined by paying more attention to production prices and selling prices.

After the end of the business coaching process, Foja Coffee MSMEs are expected to be able to make financial reports that comply with standards, so that Foja Coffee MSMEs can find out the actual financial condition of their businesses. Apart from carrying out promotions offline by conducting in-store advertising and in-store sampling at reseller shops, Foja Coffee MSME is then expected to increase online promotion through Instagram social media that they already have. Promotion through Instagram social media can be started by tidying up and posting instagram feeds consistently. Furthermore, if it is possible for Foja Coffee MSME to allocate part of their profits for marketing activities, Foja Coffee MSME can carry out an endorsement strategy from social media influencers because its implementation will require higher costs compared to offline promotions.

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