

## Business Marketing Strategy Analysis as a Business Competition Strategy in the Cafe Business: A Study of Cafe Janaloka

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**Abstract.** In an increasingly competitive business world, marketing strategies are essential for success, especially for coffee shop businesses. In recent decades, coffee shops have increased in popularity worldwide. This study focuses on the segmenting, targeting, and positioning (STP) strategies used by Cafe Janaloka. The method used in this study is a qualitative research case study. Which is a research approach used to explore an in-depth understanding of a particular phenomenon, in a real and specific context. The technique used is to conduct interviews. The results of this study are the success of maintaining its existence amidst tight competition through the implementation of effective marketing strategies. The segmentation process is carried out based on geographic, demographic, and psychographic factors, with the main focus on students. Targeting is directed at those who come to the cafe to hang out, and work on assignments with friends, or community partners. Cafe Janaloka's positioning is strengthened through coffee with quality ingredients which are black coffee produced by ourselves, as well as the existing menu, and what has been done by Janaloka Cafe is the creation of black ginger coffee. This study shows the importance of in-depth market analysis to improve the competitiveness of MSMEs, especially through the implementation of a well-planned STP strategy.

**Keywords:** Segmenting, Targeting, Positioning.

### 1. INTRODUCTION

In the world of an increasingly competitive business, marketing strategies are very important for the success of a business, especially in the coffee shop business. Coffee shops have gained popularity all over the world, especially in the last few decades. Coffee shops, which used to be just a simple place to enjoy coffee with friends or family, have now developed into a promising business with wide market potential. So coffee shops are now used as a place to exchange ideas, spend free time, and build relationships (Kim & Lee, 2019).

The number of coffee shops that have sprung up in Malang City is a phenomenon that cannot be ignored. One name that is quite interesting is Cafe Janaloka, a coffee shop that is trying to compete in this increasingly competitive market. However, what is interesting about Cafe Janaloka is its existence which is located among other coffee shops that are already well-known, placing it in very tight competition. Cafe Janaloka is a coffee shop located at Jl. Simpang Gajayana No. 72, Merjosari, Kec. Lowokwaru, Malang City which is owned by two owners, Luxman and Noval. Cafe Janaloka is a coffee shop known as a place to hang out to enjoy coffee or do assignments which was founded on October 3, 2021.

Cafe Janaloka was founded with a vision to provide a different coffee experience, but it is undeniable that the location chosen by this business is in an area that is already filled with various coffee brands, both large-scale and independent coffee shops. The existence of large coffee shops such as Starbucks, local brands such as Kopi Kenangan, Suaco, and other small cafes, presents its own challenges for Cafe Janaloka in attracting customers.

In this highly competitive market, Cafe Janaloka's presence must have something more than just a coffee product. Quality coffee, attractive interior design, satisfying service, and a comfortable atmosphere are important parts of keeping customers loyal. However, in an industry that is highly influenced by trends, Cafe Janaloka's success depends heavily on its ability to adapt to the changing wants and needs of customers.

Cafe Janaloka faces various challenges in maintaining and improving its market position as one of the players in the increasingly competitive cafe industry. This cafe must face several problems and challenges that affect the sustainability of its business amidst changing consumer trends, rapid innovation, and intense competition. Some of the challenges faced by Cafe Janaloka are that many new cafes emerge with interesting and unique ideas, offering a variety of products and creating an environment that can attract customers. Cafe Janaloka faces a big challenge because of this competition to differentiate itself from other cafes that may have similar concepts. Cafe Janaloka risks losing customers if it cannot offer something different so that customers will not switch to other places that are considered more interesting or in accordance with their preferences.

The next challenge is that the places where customers enjoy food and drinks are always changing along with the development of lifestyle trends. Consumers are now not only looking for a place to enjoy coffee or food but also looking for a pleasant experience. This includes Instagram-worthy spaces to fast and friendly service (Putra & Hapsari, 2024). In addition, the increasing health consciousness is driving the trend of consuming healthy food and drinks. As a result, there may be a need to change the choices available at Cafe Janaloka. Cafes must understand the changing behavior of customers to stay relevant and adapt their products and ideas to emerging trends.

Cafe Janaloka also experiences fluctuations in demand that are influenced by the season. During the college holiday season, visitors tend to decrease and vice versa, Cafe Janaloka has an increase in visitors during the college season, thus impacting the cafe's income which is not always stable throughout the year. Cafe Janaloka needs to create a marketing strategy that can attract customers all the time and maintain customer loyalty during periods of decreasing visitors.

Although Cafe Janaloka can attract new customers through promotions or holding events such as PlayStation competitions, the biggest problem is maintaining loyal customers for a long time. Consumers who only come once or twice are not enough to guarantee a business to survive. Therefore, cafes must provide an extraordinary customer experience to make customers feel attached and want to come back. To retain customers, Cafe Janaloka must pay attention to loyalty programs, consistent service, and social interaction through social media.

In recent years, the cafe business has seen an increase in technology, especially delivery services, online ordering applications, and digital promotions. Cafe Janaloka may not have used technology in some parts of its business, the biggest issue is how to use it effectively to improve operational performance, expand market reach, and build more personal customer relationships. Cafe Janaloka must change quickly to avoid being left behind because its bigger and more well-known competitors are usually quicker to adopt new technology.

Cafe Janaloka faces many challenges in this competitive world, requiring innovative marketing strategies, effective management, and quick adaptation to changing trends and customer preferences. By addressing these issues, Cafe Janaloka can create the right strategy to maintain its existence in the market and maintain a sustainable competitive advantage. In the increasingly competitive cafe industry, identifying and addressing these issues will be key to the company's survival and growth.

## **2. LITERATURE REVIEW**

### **Marketing strategy**

Marketing strategy is a set of goals, objectives, and policies that direct a company's marketing efforts at various levels and references, especially as a company's response to competition and environmental changes. According to Murtado & Prasetyo (2023) marketing strategy is a plan that explains how various marketing programs or actions can affect the demand for a company's products or product lines in the target market.

Marketing strategy is very important to determine the path of a company and its success in facing competition and changes in its environment. Marketing strategy, as a comprehensive plan, does not only concentrate on achieving marketing goals and objectives; it also concentrates on adapting to market dynamics and consumer actions. Companies can influence the demand for goods or services in the target market by making appropriate marketing policies and actions (Peter & Olson, 2010).

## **Segmentation**

Segmenting is the process of selecting customers based on certain requirements that have been determined by the company to market its goods and services according to customer desires known as market segmentation. According to Kotler & Keller (2013) market segmentation is the division of a market into smaller groups of buyers with different needs, features, or actions that may be required by a particular product or marketing package. There are four basic variables used to measure market segmentation: demographics, geography, psychographics, and behavior. In conclusion, segmentation is the process of market segmentation to determine the most potential target market, as well as to choose a more appropriate marketing strategy for resource allocation. Proper market segmentation will be the foundation for the company's success in designing more effective marketing in accordance with dynamic market needs because the company can make more relevant and attractive offers by understanding the nature and behavior of each segment (Chiu et al., 2019).

## **Targeting**

Targeting is the choice of segments that will be occupied by a business known as targeting. This is because targeting is the evaluation stage of the segmentation process and focuses on the company's marketing strategy that can provide a good response to customers. Targeting is the next important step that allows companies to focus on specific market segments with a more targeted marketing strategy. By choosing the right market segment, companies can increase the effectiveness of their marketing efforts, provide more relevant products, and maximize customer satisfaction and loyalty. The right approach to targeting helps companies create a competitive advantage and ensure that customers remain loyal to them (Nadube & Didia, 2018).

## **Positioning**

One of the important strategic steps in shaping consumer perception is determining the location. Companies can gain a competitive advantage that allows them to attract and retain customers by establishing a clear and unique market position. This position helps the brand become the first choice for a particular audience and build long-term relationships with them. According to Kotler & Keller (2013), positioning is the process of designing a company's offerings and image to occupy a special place in the minds of the target market. Businesses can use positioning to find out where their competitors are and then take action to position themselves in the same position or find a new one. Value positions, brand positioning

statements, and visual maps are components of the position that must be considered (Nadube & Didia, 2018).

### **3. RESEARCH METHODS**

The method in this study is a qualitative case study which is a research approach used to explore an in-depth understanding of a particular phenomenon, in a real and specific context. In a qualitative case study, researchers focus on analyzing one or more cases related to the research topic, which can be individuals, groups, organizations, events, or specific situations. This approach allows researchers to gain deeper insight into the dynamics that occur within the context (Dewi & Hidayah, 2019).

### **4. DISCUSSION**

In the context of Cafe Janaloka, a good marketing strategy must be able to overcome the challenges of intense competition, changing consumer trends, and ever-changing market dynamics that can maintain sustainable competitive advantage, attract and retain customers, and make a difference by implementing the right marketing program. To maintain their position in a competitive and dynamic market in the long term, the success of the company will depend on the marketing strategy that is implemented correctly.

Cafe Janaloka has a turnover of hundreds of thousands to millions per day even though there are many competitors in the surrounding environment. The owner of Cafe Janaloka has his own way of maintaining the existence of his business in facing competitors. In this study, information was obtained from interviews with the owner that Cafe Janaloka is well-run and has 4 employees. Every day the menu offered is the same, but this does not make consumers bored to become loyal customers because at certain events there is a special menu offered. The menu offered at Cafe Janaloka starts from coffee, non-coffee, and snacks. The average number of customers per day reaches 40-100 customers with different operating hours.

#### **Segmenting, Targeting, and Positioning (STP) Strategy Analysis**

The segmenting, targeting, and positioning mechanisms used by business actors must be considered when building a good marketing strategy. This process is carried out systematically to determine an effective and good marketing strategy (Murtado & Prasetyo, 2023). The following are the results of the STP analysis through interviews at Janaloka Cafe.

## **Segmentation**

Segmentation is the process of dividing a market into several consumer groups that have the same characteristics or behavior. According to Kotler & Keller (2013) segmentation is distinguished based on geographic, demographic, and psychographic conditions.

### 1) Geographic segmentation

Geographic segmentation is a strategy that divides the market based on the physical location of consumers, taking into account factors such as region, climate, and population density (Mowar, 2022). Based on the interview results, this study obtained information about the Janaloka cafe located in an urban area close to campus or university so that the target market is students looking for a place to study or just relax. Affordable price offers, as well as an atmosphere that supports activities such as working with a laptop or having group discussions, will be attractive to this segment. From these results, it can be concluded that the majority of consumers of this Janaloka cafe have a segmentation based on geographic area which is driven by densely populated environmental conditions.

### 2. Demographic segmentation

Demographic segmentation is a segmentation method that divides consumers based on their demographic characteristics, which can be age, gender, income, education, occupation, ethnicity or geographic location. This segmentation helps the Janaloka cafe to create a more specific strategy (Mowar, 2022). If the Janaloka cafe is located in an area full of competitors, demographic segmentation can help adjust products, prices, and atmosphere according to the needs and preferences of local customers. Based on the results of the demographic segmentation interview based on age at the Janaloka cafe, namely 17-24 years because the market is students if grouped by gender at the Janaloka cafe, the majority are male. So it can be concluded that the market segmentation at the Janaloka cafe is students aged 17-24 years with male gender.

### 3. Psychographic segmentation

The psychographic segmentation method divides the market based on interests, values, personality, lifestyle, and customer preferences (Mowar, 2022). Based on the interview results, the Janaloka cafe has a special interest in black coffee which is its own production, and non-coffee with an Oreo menu and pink ice which are non-coffee drinks with many fans. So it can be concluded that the Janaloka cafe has segmentation based on their interests.

## **Targeting**

To reach the target market, cafe Janaloka must conduct a survey to find out the market conditions. Targeting is the evaluation stage of the segmentation process and the focus of marketing strategies in a country, province, or group of people who have the potential to respond (Rosyida et al., 2020). Based on the results of interviews that have been conducted in this segment, consumers who come to the cafe to gather with friends or community colleagues. They are looking for a place that allows for pleasant social interactions. So cafe Janaloka provides facilities such as large tables, comfortable areas for gathering, and menus that are suitable for sharing. Community activities, social events, or group discounts can also attract customers from this segment. For regular customers, cafe janaloka provides free drinks to consumers once a month, this is done by Kafe Janaloka so that consumers are interested in visiting Kafe Janaloka again.

## **Positioning**

Positioning is the act of designing a company's offering and image to gain a special place in the minds of the target market. According to Kotler & Keller (2013) positioning is one of the steps taken by a company to introduce its products to consumers in order to create a certain impression. The conclusion positioning is a strategy carried out by a company to highlight a specific and unique image or impression about a product or service in the minds of consumers. Based on the results of the interview, the effective method used by Kafe Janaloka is to emphasize the quality of coffee beans that are better than other cafes around the location. For example, Kafe Janaloka can adopt the idea of specialty coffee that offers coffee with quality ingredients which is black coffee produced by itself, Kafe Janaloka also continues to conduct research and development on the existing menu, and what Kafe Janaloka has done is the creation of black ginger coffee. Kafe Janaloka continues to make these updates to open up more opportunities. In addition, Kafe Janaloka also positions itself as a cafe that is friendly for social gatherings.

## **5. CONCLUSION**

Based on the results of the research and discussion, it can be concluded that the Janaloka cafe has an STP strategy based on location in an area dominated by students, in addition to consumer segmentation based on interests, grouping buyers based on their knowledge, attitudes, use or reactions to a product. Then in terms of targeting, the Janaloka cafe has good uniqueness in competing both in terms of products and prices with its competitors so that

consumers are interested in subscribing. Positioning at the Janaloka cafe is that there are the best coffee beans from competitors in the surrounding area, in addition to the best coffee beans, the coffee is also produced by itself.

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