

Eiger Coffee Marketing Strategy in Makassar

Nurul Aulia Achmad¹, Hasnawi Haris², Muh. Rizal³

Program Studi Ilmu Administrasi Bisnis, Fakultas Ilmu Sosial
Universitas Negeri Makassar^{1,2,3}
aulia.nurul36@gmail.com

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ABSTRACT

This research aims to find out the marketing strategy of Eiger Coffee Makassar, where the data analysis techniques used are SWOT analysis techniques (Strength, Weakness, Opportunities, Threats). Researchers also find out what Eiger coffee Makassar's marketing strategy looks like by using marketing strategy formulation, namely segmentation strategy, target market strategy, and market positioning strategy. Besides, researchers also found out the marketing mix of Eiger Coffee Makassar. This research uses a qualitative approach with descriptive analysis research type. The informants in this study are Manager / Leader Barista Eiger Coffee Makassar, Employees Eiger Coffee Makassar, and Consumer Eiger Coffee Makassar. Data collection techniques through observation methods, interviews, and documentation. The data obtained from the research results are processed using data reduction analysis, data presentation, and conclusion drawing. The results of this study showed that Eiger Coffee Makassar Marketing Strategy on the formulation of Eiger coffee segmentation marketing strategy is focused on consumers who are looking for coffee with good quality and taste but have relatively cheaper prices, targeting Eiger Coffee is a coffee lover consumer who is looking for quality and taste there is no certain age limit, and positioning Eiger Coffee into a coffee shop that focuses on the quality of products served at affordable prices. The marketing mix at Eiger Coffee Makassar includes the product, price, place, and promotion run quite well. While the results shown by swot matrix analysis where the cartesian diagram is in the first quadrant shows that the most appropriate strategy for Eiger Coffee Makassar is SO Strategy which utilizes Strength to maximize Opportunities.

Keywords: *Marketing Strategy, Marketing Mix, SWOT Analysis*

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INTRODUCTION

The development of the coffee shop business in Indonesia has grown increasingly in recent years number of coffee shops that have emerged as a marker that the coffee shop business is currently quite potential. Drinking coffee has become part of lifestyle nowadays, from adolescence to adulthood. This can be seen by data released by the ICO in September 2019 showing that Indonesia's coffee consumption per capita in

October 2018-September 2019 coffee year reached 1.13 kg/year. Furthermore, based on data from the International Coffee Organization (ICO) in the September 2019 coffee year period, Indonesia's share of consumption among producer countries in Asia and Oceania is the highest, at 13.5 percent. In the same year, Indonesia's share of consumption in the world was the 5th highest, at 2.9 percent. (Ramdhani, 2020). Of course, this is so promising for coffee shop businesses. However, this was followed by increasingly fierce business competition. Makassar is one of the big cities in Indonesia is certainly affected, the number of coffee shop outlets that have sprung up indicates that the business competition is so tight. Eiger Coffee is one of the local coffee shops from Bandung. The beginning of this coffee shop was established to be a gathering place for natural climbers who are looking for apparel at the Eiger Adventure store.

Marketing is one of the keys to a business so that it can continue to exist in existing competition. Marketing is a social and managerial process that allows individuals and groups to get what they need and want through the creation and exchange of products and values with others (Kotler & Keller, 2009, p. 6). The right marketing strategy is needed so that the company can survive in the existing market competition. Tull and Kahle define marketing strategy as a fundamental tool that is planned to achieve company goals by developing sustainable competitive advantage through entered markets and marketing programs used to serve the target market concerned (Tjiptono, 2011, p. 17). The market in a business world consists of various groups, therefore, companies must be good at determining the segment to be entered, clever in determining their target market, and able to position their products in the existing market.

Setiadi (2003) states that the main factors of a marketing strategy are market segmentation, target market determination (targeting), and product positioning (positioning). Market segmentation is important considering that in a market many buyers have different wants and needs and each difference has the potential to become a separate market. In segmenting several variables need to be considered, such as geography, demography, psychography (lifestyle), and behavioral variables (Swastha, Basu, 2014). After segmenting the market, several segments that the company wants or has the potential to work on are obtained. After identifying which segments will or can be selected, the next step is targeting (targeting the target market). The target market includes a set of buyers who have general needs or characteristics that the company wants to serve (Mustain, 2012). According to Philip Kotler, positioning is the activity of designing images and positioning oneself in the minds of consumers. Meanwhile, for Yoram Wind, positioning is how to define a company's identity and personality in the minds of customers. (Wibowo et al., 2015).

With the guidance of the marketing strategy, the company designs the marketing mix under the control of product, place, price, and promotion. To find the best marketing strategy and marketing mix, the company performs marketing analysis, planning, implementation, and control. Through these activities, the company monitors

and adapts to the actors and forces in the marketing environment. (Kotler & Armstrong, 2018). Jerome McCarthy stated that the marketing mix is part of the marketing strategy used to detail the four factors of marketing decisions consisting of the 4Ps, namely place, product, price, and promotion.

Based on the description above, the researcher examines what the Eiger Coffee Makassar marketing strategy looks like by using a marketing strategy formulation (segmentation, targeting, positioning). After formulating a marketing strategy, the researcher finds out how to implement the Eiger Coffee marketing mix in Makassar by analyzing the data that has found using internal and external analysis techniques (SWOT).

METHOD

The planning used in this research is qualitative research, in which the researcher does not examine the X and Y variables. This research is focusing on the Marketing Strategy of Eiger Coffee Makassar. Qualitative research methods are often called naturalistic research methods because research is carried out in natural conditions (natural setting); often referred to as the ethnographic method, because initially this method was more widely used for research in the field of cultural anthropology; referred to as a qualitative method because the data collected and the analysis are qualitative. (Sugiyono, 2016, p. 8). The type of research used is descriptive qualitative research where is based on case studies, cases, or careful research of social situations, activity events, groups, or groups of individuals. This research was conducted at Eiger Coffee Makassar's where's located at Jl. Rappocini Raya No.219 Blok M, Buakana Village, Rappocini Makassar District. The data used in this study are based on primary data sources, which means that the data sources themselves provide direct access to data collectors. The data learning technique itself is more on observation, in-depth interviews, and documentation. Sources of data were taken using in-depth interviews with individuals who had been selected by the researcher. The population of this study was the Manager/person in charge of Eiger Coffee Makassar, Eiger Coffee Makassar Employees, and Eiger Coffee Makassar Customers. The sample was collected using the purposive sampling technique, where the data source analysis technique was selected by the researcher. This aims to obtain clear and accurate data. In qualitative research, the researcher is the instrument or research tool itself.

Checking the validity of the data in this qualitative research used technical triangulation, where this research can be declared valid if there is no difference between what the researcher reports and what happens to the object understudy in the data validity test. There are two data analysis techniques in this study, namely the first descriptive data analysis technique which uses the Miles and Huberman model, and the second uses the internal and external analysis techniques (SWOT). SWOT analysis (SWOT analysis), which includes efforts to identify the strengths, weaknesses,

opportunities, and threats that determine company performance. External information about opportunities and threats can be obtained from many sources, including customers, government documents, suppliers, banking circles, partners in other companies. Many companies use the services of scanning agencies to obtain newspaper rivets, research on the internet, and analysis of relevant domestic and global trends. (Richard L. Daft, 2010). After the internal strategic factors of a company are identified, an IFAS (Internal Factor Analysis Summary) and EFAS (External Factor Analysis Summary) table is compiled to formulate these internal and external strategic factors. Next, after doing the calculations on the IFAS and EFAS tables, the results of these calculations are added up to find the X and Y axes. After that, examine through the SWOT analysis diagram by making the intersection point between the X-axis and the Y-axis, where the value of the X-axis is obtained from the difference between total strength and total weakness, while for the Y-axis value it is obtained from the difference between total opportunities and total threat. The final step is to formulate a SWOT matrix to find alternative strategies, this matrix can produce four possible cells for alternative strategy's, namely SO, ST, WO, and WT strategies.

THE RESULTS

The marketing strategy carried out by Eiger Coffee Makassar in marketing its products uses the formulation of a marketing strategy that starts from;

1. Segmentation, market segmentation is important considering that in a market many buyers have different wants and needs and each difference has the potential to become a separate market. In the segment, several variables need attention, such as geography, demography, psychography (lifestyle), and behavior (Swastha, Basu, 2014). The criteria needed in market segmentation include:

a) Geographical segmentation: Geographically there is nothing specific in the market segmentation of Eiger Coffee Makassar

b) Demographic segmentation: Demographically, the market segmentation of Eiger Coffee is consumers aged 17-35 years.

c) Psychological segmentation: target consumers are consumers who want to consume coffee and are more concerned with quality than price.

d) Behavioral segmentation: behaviorally the segments targeted by Eiger Coffee are aimed at consumers who know about coffee and are more concerned with the quality of the coffee itself.

2. Targeting, to increase income in coffee shops, of course, it is necessary to make adjustments to the target market, so that the products sold are right on target. After segmenting the market, several segments that the company wants or has the potential to work on are obtained. After identifying which segments will or can be selected, the next step is targeting (targeting the target market). The target market includes a set of buyers who have general needs or characteristics that the company wants to serve (Mustain,

2012). The target market determined by Eiger Coffee Makassar was originally intended for the hiker community who were looking for climbing equipment, but as time went on Eiger Coffee Makassar began to adjust its target market to existing market conditions. Eiger Coffee targets coffee lovers who are looking for quality and taste as their target market. There is no specific age limit targeted by Eiger Coffee Makassar.

3. Positioning, according to Philip Kotler, is the activity of designing images and positioning oneself in the minds of consumers. Meanwhile, for Yoram Wind, positioning is how to define a company's identity and personality in the minds of customers. Eiger Coffee is a coffee shop that designed its image as a coffee shop intended for customers who are looking for coffee with good quality and taste but at an affordable price. Although the products offered by Eiger Coffee Makassar are relatively more expensive than several coffee shops in Makassar city.

The marketing mix of Eiger Coffee Makassar where is the part of marketing strategy's consists of 4 factors, namely:

1. Product (product), Philip Kotler and Kevin Lane Keller wrote that several things can be marketed including "physical products, services, events, experiences, people, places, property, organizations, information, and ideas." (Kotler & Keller, 2016). Eiger Coffee Makassar as a coffee shop certainly offers drinks and food as the products they market. 80% of the drinks marketed by Eiger Coffee Makassar are made from coffee, ranging from the most common types of coffee drinks, namely espresso, latte to their signature menu, namely jungle iced coffee, iced tropical latte, and morning dew. In addition to the coffee-based drink menu, there are also drinks made from tea and fresh fruit such as lychee trip, matcha green tea latte, forest tea, honey bunny sweetie, and waterfall. The food menu they offer is still focused on snacks such as brownies and several types of bread. Eiger Coffee Makassar also carries out cross-selling, namely by marketing products other than food and beverages in their coffee shops. As for the products they market besides food and beverages, namely their coffee beans that have been ground under the Eiger Coffee brand, various kinds of drinking bottles, glasses, bags, stainless straws, and also masks.

2. Price, Blythe (2009) says "Price usually refers to the amount of currency that must be paid to buy the desired product" (Damanik & Wibowo, 2018). The food prices offered by Eiger Coffee Makassar range from Rp. 10,000 - Rp. 15,000. The price of the drink itself starts from Rp. 17,000 - Rp. 32,000 for the price of the drink itself, based on the data obtained, it is following the quality given. Coffee-based drinks at Eiger Coffee Makassar use double shot espresso for every glass of coffee-based drinks they sell, not only that, Eiger Coffee uses Arabica coffee beans, which are more expensive than Robusta coffee beans. The products for bags, glasses, and drinking bottles range from Rp. 130,000 to Rp. 240,000. The price of stainless straws and masks is around Rp. 38,000 while their ground coffee products are sold at Rp. 82,000 / 200 grams.

3. Place (Place), Eiger Coffee Makassar is located on Jalan Rappocini Raya No.219 Blok M, close to Jalan A.P. Pettarani which is one of the main roads in Makassar. Eiger

Coffee Makassar is right beside the Eiger Adventure Flagship Store and is located right on the side of the road so that it is easy to find. The location of Eiger Coffee Makassar can be said to be quite strategic because it is in an office area and is also close to the education center. The design of the coffee shop itself carries a natural theme with a little rustic touch, Eiger Coffee uses a lot of wood elements in their use of tables and chairs.

4. Promotion (Promotion), Kotler & Keller (2009) describes promotion as "the various ways that companies do to inform, persuade and influence consumers either directly or indirectly about a product" (Kotler & Keller, 2009). The form of promotion carried out by Eiger Coffee Makassar itself apart from word of mouth is still centered on social media Instagram, where most forms of information delivery are whether it is a discount, giveaway, or promoting products found at Eiger Coffee using Instagram. Eiger Coffee has a main account named @eigercoffee_id which is managed directly by the central Eiger Coffee in Bandung, for the Makassar area itself they have an Instagram account with the name @eigercoffee_makassar which is managed by Leader Barista Eiger Coffee Makassar. The uploaded content must also comply with the approval and SOP determined by the central Eiger Coffee. So it can be said that all forms of promotion carried out by Eiger Coffee Makassar must receive approval from the central Eiger Coffee.

SWOT analysis is a tool used in a company to identify internal and external influencing factors to determine the marketing strategy that the company used. SWOT analysis, which includes efforts to identify the strengths, weaknesses, opportunities, and threats that determine company performance. External information about opportunities and threats can be obtained from many sources, including customers, government documents, suppliers, banking circles, partners in other companies. Many companies use the services of scanning agencies to obtain newspaper clippings, research on the internet, and analysis of relevant domestic and global trends. (Richard L. Daft, 2010) As for internal and external factors in the SWOT analysis found in Eiger Coffee Makassar can be seen in the following table:

Table I. Internal and external analysis (SWOT) results

Internal	External
<p>Strength</p> <ol style="list-style-type: none"> 1. Strategic location 2. Premium products at affordable prices 3. Coffee beans are used in their production 4. Has an attractive coffee shop design, and has a prayer room in it 5. Doing cross-selling 	<p>Opportunities</p> <ol style="list-style-type: none"> 1. A wide market and love aesthetic café design 2. Coffee shop that is using as a meeting place/meeting and gathering 3. Lifestyle that affects the consumption pattern of coffee-based drinks 4. Daily turnover is easy to get 5. Selling food and beverages with a bundling system

<p>Weakness</p> <ol style="list-style-type: none"> 1. Space is still limited 2. No separate smoking area from the non-smoking area 3. Air Conditioner that is not functioning 4. The absence of a heavy diet 5. Wifi facilities are still inadequate 	<p>Threats</p> <ol style="list-style-type: none"> 1. Many competitors have opened similar businesses 2. The number of substitutes/options other than coffee 3. The effect of a pandemic which decreases people's purchasing power 4. Think of a café as an expensive place 5. Changing consumer desires
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From the results of identification of internal and external factors that can be seen in the figure table above, calculations and weightings will be carried out using the IFAS and EFAS tables for these factors and the following results will be obtained:

Table II. IFAS

Num	Internal Strategy Factors	Quality (%)	Rate	Score
Strength				
1	Strategic location	0.10	3	0.30
2	Premium products at affordable prices	0.10	4	0.40
3	Coffee beans are used in their production	0.13	4	0.53
4	Has an attractive coffee shop design, and has a prayer room in it	0.10	4	0.40
5	Doing cross-selling	0.10	3	0.30
Sub Total		0.53		1.93
Weakness				
1	Space is still limited	0.10	1	0.10
2	No separate smoking area from the non-smoking area	0.13	1	0.13
3	Air Conditioner that is not functioning	0.10	1	0.10
4	The absence of a heavy diet	0.07	2	0.13
5	Wifi facilities are still inadequate	0.07	2	0.13
Sub Total		0.47		0.60
Total		1.00		2.53

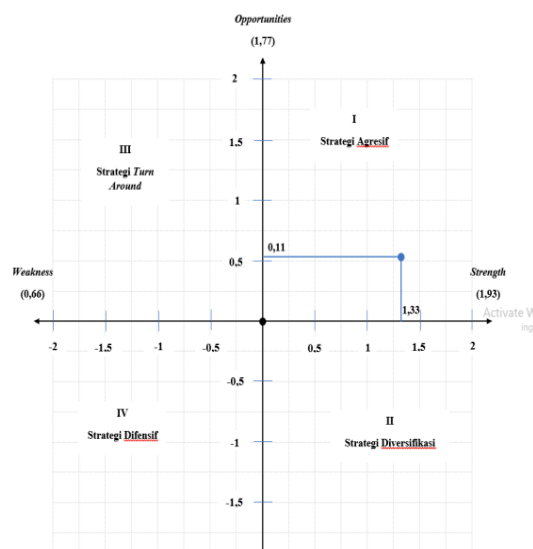
Table III. EFAS

Num	External Strategy Factors	Quality (%)	Rate	Score
Opportunities				

1	A wide market and love aesthetic café design	0.12	4	0.49
2	Coffee shop that is using as a meeting place/meeting and gathering	0.12	4	0.49
3	Lifestyle that affects the consumption pattern of coffee-based drinks	0.08	3	0.23
4	Daily turnover is easy to get	0.09	3	0.28
5	Selling food and beverages with a bundling system	0.09	3	0.28
Sub Total		0.51		1.77
Threats				
1	Many competitors have opened similar businesses	0.12	4	0.49
2	The number of substitutes/options other than coffee	0.12	4	0.49
3	The effect of a pandemic which decreases people's purchasing power	0.09	3	0.28
4	Think of a café as an expensive place	0.06	2	0.12
5	Changing consumer desires	0.09	3	0.28
Sub Total		0.49		1.66
Total		1.00		3.43

Based on the results of the IFAS and EFAS table analysis above, the details are as follows; (1) Strength Indicator (Strengths) 1.93, (2) Weakness Indicator 0.60, (3) Opportunity Indicator 1.77, (4) Threat Indicator 1, 66. So it is known that the Strength value is above the difference in the Weakness value (+) 1.33 and the value of Opportunities is the difference between the value of Threats (+) 0.11. The results of the identification of these indicators can be explained in the SWOT diagram which can be seen in the image below:

Picture I. Cartesian SWOT Diagram



Judging from the results shows that Eiger Coffee Makassar was including at the quadrant type I (positive, positive). Based on the results of the SWOT analysis and the IFAS and EFAS matrices in the table previously described, a SWOT matrix is compiled which can be seen in the table below:

<p style="text-align: center;">IFAS</p> <p style="text-align: center;">EFAS</p>	<p>Strength (S)</p> <p>Internal Strenght</p> <ul style="list-style-type: none"> a. Strategic location b. Premium products at affordable prices c. Coffee beans are used in their production d. Has an attractive coffee shop design, and has a prayer room in it e. Doing cross-selling 	<p>Weakness (W)</p> <p>Internal Weakness</p> <ul style="list-style-type: none"> a. Space is still limited b. No separate smoking area from the non-smoking area c. Air Conditioner that is not functioning d. The absence of a heavy diet e. Wifi facilities are still inadequate
<p>Opportunities (O)</p> <p>External Opportuinities</p> <ul style="list-style-type: none"> a. A wide market and love aesthetic café design b. Coffee shop that is using as a meeting place/meeting and gathering c. Lifestyle that affects the consumption pattern of coffee-based drinks d. Daily turnover is easy to 	<p>SO Strategy</p> <ul style="list-style-type: none"> a. Provides a package menu either for individual purchases or for a meeting package b. Providing a more comfortable place for consumers and a meeting room. 	<p>WO Strategy</p> <ul style="list-style-type: none"> a. Expanding the location of the café and separating the smoking and non-smoking areas. b. Pay more attention to Air conditioners and Wi-Fi to provide comfort to customers.

get e. Selling food and beverages with a bundling system		
Threats (T) External threats a. Many competitors have opened similar businesses b. The number of substitutes/options other than coffee c. The effect of a pandemic which decreases people's purchasing power d. Think of a café as an expensive place e. Changing consumer desires	ST Strategy a. Innovating their products so that they can compete. b. Maintain consistency of quality and friendly prices.	WT Strategy a. Issued new menus such as heavy meals and light snacks. b. Expanding cafe locations and paying more attention to existing facilities to provide more comfort for consumers. c. Promoting not only through Instagram but also other social media.

CONCLUSION

The conclusions of this research are on the product marketing strategy, Eiger Coffee Makassar uses the following marketing strategy formulations to increase competitiveness; (1) Segmentation, where Eiger Coffee Makassar has a special segmentation that focuses more on consumers who are looking for coffee with good quality and taste but at a relatively cheap price. (2) The target market for Eiger Coffee Makassar products is coffee connoisseur consumers who seek the quality and taste of the coffee itself. There is no age limit targeted by Eiger Coffee Makassar. (3) The market position of Eiger Coffee Makassar is focused on being a coffee shop that focuses on the quality of products served at more affordable prices. The marketing mix strategy at Eiger Coffee Makassar which includes product, price, place, and promotion is running quite well, this is evidenced by the coffee shop which is still busy with consumers. This is influenced by the good product quality and affordable prices, strategic location, and promotions made through Instagram social media and the Go-Jek (Go-Food) application. The results of the SWOT analysis on the cartesian diagram which is located in the first quadrant indicate an aggressive strategy, where this quadrant is a very profitable situation. The right strategy to be implemented by Eiger Coffee Makassar is a growth-oriented strategy, where Eiger Coffee Makassar can develop its business by innovating its existing menu and providing a more comfortable place for its consumers. As for the suggestion for Eiger Coffee Makassar, it is necessary to consider the separation of the smoking area from the non-smoking area for consumer

convenience, expansion of the coffee shop location, and for promotion, it would be better if not only the Instagram social media platform is used, but also other social media such as Facebook and Twitter, as well as updating the appearance and information on their websites. To improve its business development, Eiger Coffee Makassar must consistently maintain the quality of its products, as well as the need for innovation on the menus at Eiger Coffee Makassar so that the market doesn't feel bored.

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