

CHAPTER I

INTRODUCTION

I.1.1 Background

Coffee, it is one of the most popular beverage being consumed mostly by Europeans and Americans. According to *The Telegraph*, a Newspaper agency is that Europe and America consumes the most Coffee in a scale of coffee consumption per capita. Finland came on top with 12kg of consumption per person per year. Drinking coffee has become a lifestyle for many people across the globe, but for some countries like the United Kingdom, majority would still prefer drinking Tea for their morning beverage. Indonesians however has a different habit in drinking caffeinated beverages. Majority of Indonesians enjoys their preferred caffeine in the afternoon. The role of coffee shops also shifted to just from selling coffee-to-go to creating a spot/area for the target market to stay in the coffee shops to conduct a meeting or studying as well as a place for the young adults to hang-out with their friends.

Just like human beings, Coffee has evolved throughout the years. Thrish Rothgeb (previously Thrish Skeie) of *Wrecking Ball Coffee Roasters* wrote in an article in *The Flamekeeper* in 2002 describing the journey of coffee which therefore having three waves (Rothgeb, 2002). The “first wave” started during the 1800s where Coffee have been a “must” beverage for everyone which pushed global brands to create instant coffee with convenient packaging. This trend inevitably pushed brands to focus on the packaging rather than the quality of the coffee itself. This caused angry consumers not being able to enjoy their coffee

due to its horrible taste. The “second wave” came not long after due to the demand in “good coffee.” Consumers demanded a certain type of coffee where they would be able to enjoy and learn more about the origins of the beans. According to *Otten Magazine*, Consumers are eager to know more about the beans because they are curious of the process of roasting beans and the process of creating specialty beans. The consumers begin to think of coffee as more than just taste, but also an experience. This was when coffee shops in the likes of Starbucks took advantage. They see an opportunity in the market where there are consumers who demands to know what they’re drinking. Starbucks started in the year of 1971 focused mainly on selling *freshly roasted beans* and not the drinks. However, they saw an opportunity in the category which made them started selling Lattes and Espressos. Starbucks since then has changed the way consumers thought about coffee, making it from just a place to drink coffee to a lifestyle.

After the popularity of the “Second Wave,” a third era of coffee has appeared and is currently one of the biggest trends happening currently. The “Third Wave” as what Rothgeb described in *The Flamekeeper* is when coffee serves to be the main “actor” in the “stage.” The “Third Wave” started to take shape mainly because the consumers are attracted to coffee itself even more, making them wanting to explore the origins, process, even up to the serving. “Third Wave” coffees refers to shops that sells specialty items from coffee beans to tea blends. This new trend leads to coffee enthusiasts in opening their own roastery in a small scale that serves only their specialty beans. An example of a

roastery coffee shop in topic would be Klinik Kopi in Jogjakarta. Although the starters of the trend are mainly United States based, Klinik Kopi has managed to make a name even though they only sell their specialty beans. Since coffee beans are very unique in their own ways, people would have a deeper experience with coffee since they get to see first-hand of the process which is called *Manual Brew*. *Manual Brewing* has so much variables into consideration from the temperature of the water, beans grind size, to even the pouring technique. In the end, if done properly it would create one of the most delicious beverage. Klinik Kopi does this technique and offers an experience for the customers. They made headlines because of their appearance in *Ada Apa Dengan Cinta 2*, and since then many people came to visit their small hidden store, in the heart of Sleman, Jogjakarta.

In Jakarta, there isn't any exact numbers of coffee shops because it may touch thousands of shops just around Jakarta itself. The fact that there is a substantial amount of cafés or coffee shop in Jakarta means that the competition is very tight to get customers. Coffee shops should enhance their marketing strategy with a unique concept in order to attract customers and also to have loyal customers who would visit not only once. The trend itself created a new category for cafés to consider which is "*instagrammable*." *Instagrammable* is a category created by customers themselves to determine whether the place is suitable for photos, which would then be shared on their private Instagram account. *Instagrammable*

cafés usually share a different and unique specialty of their own place. It could be in a form of *Latte Art*, lighting, and also the building features that the cafés created to differentiate them from other places. One of the examples of a unique and famous coffee shop in Jakarta is *Dia.Lo.Gue*. They have a unique staircase in which people take photos there and post it on their Instagram account.

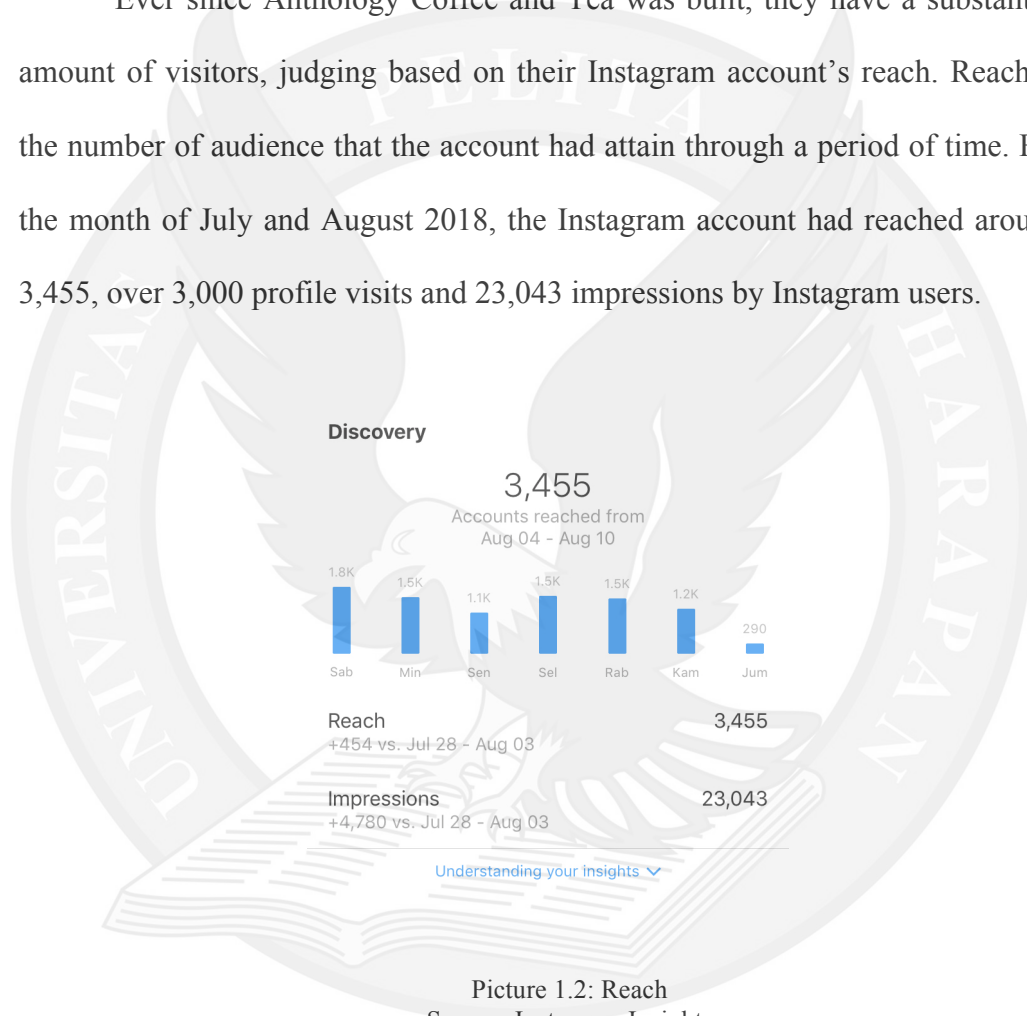


Picture 1.1 Dia.Lo.Gue
Source: *Instagram*

Ever since the growth of cafés and coffee shop in Jakarta rises, the opportunity to get more customers have been very low due to many competitors who shares the same kind of beverage. It is also considered to be a lifestyle for Indonesians to meet-up with their friends/colleagues in a coffee shop or a café. Since there is a huge number of cafes, brands should consider into not only serve a tasty beverage, they should also sell the “ambiance.” One of the brands that this research would be looking at is *Anthology Coffee and Tea* or *Anthology* for short located just an hour drive away from the busy, 24-hour traffic streets of Jakarta, outside of Bogor in a city called Sentul City. Anthology Coffee and Tea sells not

only drinks and light snacks, they share a special ambiance where the location of their building is in front of a lake. The building was specially designed for coffee and tea enthusiasts to enjoy the serenity of the lake, making it an escape route for the people of Jakarta.

Ever since Anthology Coffee and Tea was built, they have a substantial amount of visitors, judging based on their Instagram account's reach. Reach is the number of audience that the account had attain through a period of time. For the month of July and August 2018, the Instagram account had reached around 3,455, over 3,000 profile visits and 23,043 impressions by Instagram users.



Picture 1.2: Reach
Source: Instagram Insights

Instagram itself is very popular in Indonesia. In the year of 2016 there is only around 22 Million active users as for January 2018, the numbers rised to 53 Million active users making it the third most active Instagram users after United States of America and Brazil. **(Figure 1.3** Source: We Are Social, 2018) The use

of Instagram is very important for businesses and also customer because it enables the customers to know more about the location to where they're going, and also to read the reviews given by customers who had already visited.

10 Negara dengan Jumlah Pengguna Aktif Instagram Terbesar (Jan 2018)

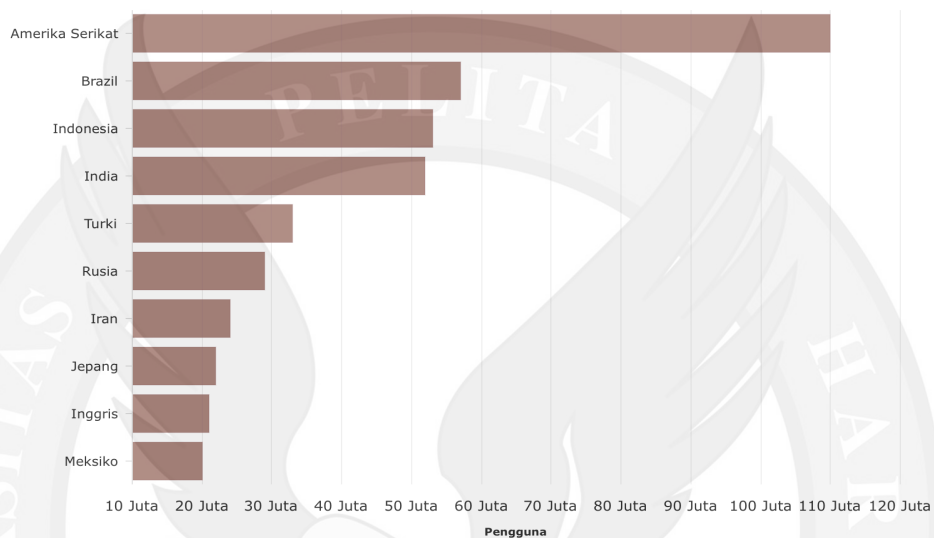
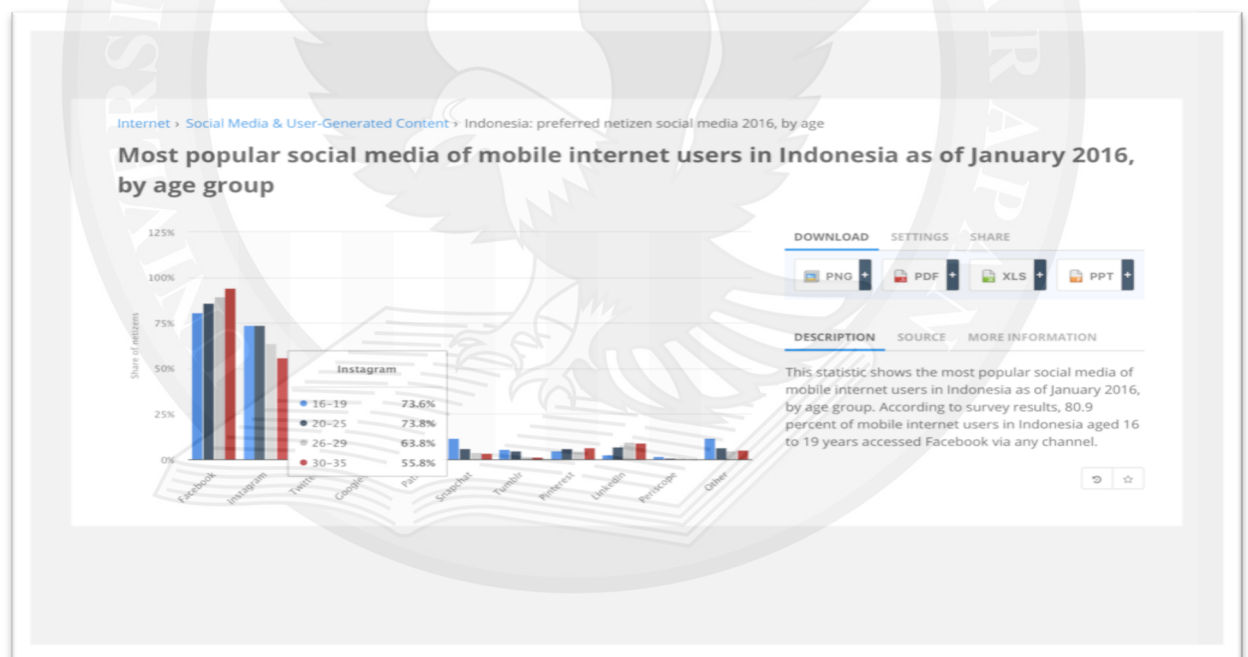


Figure 1.3: Numbers of countries with active Instagram users
Source: We Are Social

As Anthology Coffee and Tea is less than a year old, they need to increase their promotional strategy due to the heavy competitive nature of the category itself. Instagram would be beneficial for them because it is a free media and advertisement. The main goal for the use of Instagram is to increase the brand awareness of Anthology Coffee and Tea since it was only built in the early 2018. Brand awareness itself according to David A. Aaker (2009), brand awareness is when a brand is known among the public. It is the ability of a potential buyer to recognize or recall that a brand is part of a certain product category. (Aaker, 2009) Brand awareness is something crucial when it comes to branding because we would want our brand to be on top of the mind of the

customer, so that when it comes to talking about categories that are related, the brand in discussion would pop up first. According to *trackmaven.com*, spreading brand awareness is really important especially during the company's first few years. A business that has a strong branding, would most likely to succeed since it is accepted by the market which therefore would attract more customers into trusting the brand. It is essential for Anthology Coffee and Tea to increase their brand awareness for their target audience in order to attract more. Since their target audience is coffee and tea enthusiasts, and a millennial, the right platform is Instagram due to the fact that Instagram users are mostly populated by 20 year olds.



Picture 1.4: *Instagram* age users
source: *statista.com*

1.1.1 Previous Researches

a. Researches on using Instagram/ Social media as a marketing strategy

Table 1.1

No.	Title	Research Question	Method	Differences
1.	<p>PEMANFAATAN MEDIA SOSIAL INSTAGRAM SEBAGAI MEDIA PROMOSI ONLINESHOP</p> <p>(Studi Deskriptif Kualitatif Pemanfaatan Media Sosial Instagram Sebagai Media Promosi Pada <i>Onlineshop @ Barbiezhaa</i> di Cianjur)</p> <p>Name of Researcher: Novi Hadiantiningsih, 2017. Universitas Pasundan Bandung.</p>	<ol style="list-style-type: none"> 1. Apakah pemanfaatan dan pemilihan media sosial Instagram sudah efektif dan memberikan kepuasan sebagai media promosi <i>onlineshop</i>. 2. Bagaimana faktor kebutuhan kognitif yang mendorong dalam pemilihan dan pemanfaatan media sosial Instagram. 3. Bagaimana faktor kebutuhan afektif yang mendorong dalam pemilihan dan pemanfaatan media sosial Instagram. 4. Bagaimana faktor kebutuhan integrasi personal yang mendorong dalam pemilihan dan pemanfaatan media sosial Instagram. 5. Bagaimana faktor kebutuhan integrasi sosial yang mendorong dalam pemilihan dan pemanfaatan media sosial Instagram. 6. Bagaimana faktor kebutuhan pelepasan ketegangan yang mendorong dalam dan pemanfaatan media sosial 	- Qualitative Descriptive Study	This study aims towards the useage of Instagram as a media of promotion for an online shop.

		Instagram.		
2.	EFEKTIVITAS MEDIA SOSIAL INSTAGRAM SEBAGAI MEDIA PROMOSI BATIK “INASINUL” Name of Researcher: Hafid Kurniawan, 2015. Institut Pertanian Bogor.	1. Bagaimana efektivitas promosi produk batik “Inasinul” melalui Instagram? 2. Faktor-faktor apa saja yang berhubungan dengan efektivitas promosi produk batik “Inasinul”?	Quantitative with questionnaires.	This study uses a quantitative approach and also looks at the effectivity of Instagram as a media of marketing.
3.	INSTAGRAM SEBAGAI MEDIA PROMOSI ONLINE SHOP Name of Researcher: Debby Eka Sampitri, 2016. Universitas Gadjah Mada.	Bagaimana strategi promosi <i>onlineshop sisterclay</i> di Yogyakarta melalui Instagram periode tahun 2016?	- Qualitative with study case	This study offers an in-depth analysis through Instagram for an onlineshop, as well as having a time period of 2016.

Table 1.1

b. Researches on coffee shop

No.	Title	Research Question	Method	Differences
1.	<p>STRATEGI PROMOSI KEDAI KOPI ESPRESSO BAR (KEIKO) MELALUI MEDIA SOSIAL</p> <p>Name of Researcher: Fadhila Rahmawati Toisuta, 2014. Universitas Pembangunan Nasional “Veteran” Jawa Timur.</p>	<p>Bagaimana strategi promosi Kedai Kopi Espresso (KeiKo) Surabaya melalui media sosial?</p>	<p>Qualitative descriptive</p>	<p>This study uses a different method as it uses descriptive methodology and they talk more about social media rather than just one particular media.</p>
2.	<p>MOTIVASI REMAJA MENGUNJUNGI KEDAI KOPI KELAS MENENGAH DI BANDAR LAMPUNG</p> <p>Name of Researcher: Zulian Yuliansyah, 2017. Universitas Lampung</p>	<ol style="list-style-type: none"> 1. Untuk mengetahui upaya apa saja yang dilakukan kedai kopi kelas menengah untuk menarik minat remaja? 2. Untuk mengetahui Faktor-faktor kognitif apa saja yang memengaruhi konsumen remaja berkunjung ke kedai kopi kelas menengah? 3. Untuk mengetahui Faktor-faktor afektif apa saja yang memengaruhi konsumen remaja berkunjung ke kedai kopi kelas menengah? 	<p>Qualitative with in-depth interview</p>	<p>This study refers more to why teenagers are motivated to visit a coffee shop.</p>
3.	<p>STRATEGI KOMUNIKASI PEMASARAN DALAM MEMBENTUK BRAND AWARENESS KONSUMEN</p> <p>(Studi Deskriptif Kualitatif Pada Rumah Saya Jogja Cafe)</p> <p>Name of Researcher:</p>	<p>Bagaimana strategi komunikasi pemasaran dalam membentuk <i>brand awareness</i> konsumen pada Rumah Saya Jogja Cafe?”</p>	<p>Qualitative with a Descriptive study.</p>	<p>This study refers more to the brand awareness of the Rumah Saya Jogja café. The study also go towards the consumer’s brand awareness rather than discussing about how it built it’s brand awareness.</p>

	Achmad Zuhri. 2015. Universitas Islam Negeri Sunan Kalijaga. Yogyakarta.			
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Table 1.2

1.2 Identification of the Problem

The problem that shows is that even though there is so much competition in the market, but somehow there are numerous coffee shops and cafés that are still successful even though they've only been in the category. The success of the shops must be related to their branding and marketing strategies thus why this research aims to find just how significant the marketing strategy is in raising Anthology Coffee and Tea's brand awareness.

1.3 Research Question

How does the use of Instagram supports the success of Anthology Coffee and Tea in raising their Brand Awareness?

1.4 Purpose of the Study

Based on the elaboration above, this study hopes to:

- 1). Find out the significant impact and usage of Instagram in building Anthology Coffee and Tea's brand awareness.
- 2.) To analyze the usage of Instagram as a marketing strategy for Anthology Coffee and Tea in determining the success of the brand in which only uses Instagram as the main media of marketing.

1.5 Significance of the Study

1. For Academic Use

Through this study, the researcher hopes to add to the knowledge and also to become a source of information for other academicians and researchers especially if their research has similar attributes as to this one, especially if it's in the field of brand awareness and setting up marketing strategies for cafés through Instagram.

2. For Practical Use

Through this study, the researcher aims

- i. To contribute as an evaluation to the implementation of cafés and coffee shop's marketing strategies in increasing their brand awareness.
- ii. For business owners who'd just built their own café/coffee shop as a source of information and reference to increase their brand awareness through Instagram as the main media of promotion.

1.6 Organization of the Study

1.6.1 Chapter I: Introduction

This chapter talks about the background of the problem and issues that may have appeared. On the backgorund, the researcher puts in

data and important points as a source of information that will play a significant role in the research itself and to help understand more about the topic in discussion.

1.6.2 Chapter II: Object of Research

Chapter two will discuss more on the background of the subject and object in discussion. As the title suggests, the object of this research would be a bout Anthology Coffee and Tea and their use of Instagram as a marketing strategy.

1.6.3 Chapter III: Literature Review

Chapter three will discuss more on the theory to back up this research creating a solid foundation of information to support the research.

1.6.4 Chapter IV: Research Methodology

Chapter four will discuss more on the methodology and approach the researcher had decided to use. This chapter would discuss and explain thoroughly about the methodology of collecting the data, analyzing, and processing the data as well as describing the key informants of this research.

1.6.5 Chapter V: Research Findings and Discussion

Chapter five will be more aboutt the findings of the researcher during the research and a discussion as well as describing and analyze the findings.

1.6.6 Chapter VI: Conclusion and Suggestion

In chapter six, the researcher would then discuss the conclusion of the overall of the research as well as creating a suggestion to the other researchers the flaws of this research which therefore would help to improve the quality of the study.

