

STRENGTHENING COFFEE SHOP COMPETITIVENESS THROUGH DIGITAL PROMOTION AND PRODUCT INNOVATION: A CASE STUDY OF KOPI QITA

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Abstract

The growth of the coffee shop industry in Indonesia has increased significantly, particularly among younger generations. This phenomenon requires business actors to develop adaptive business strategies to enhance competitiveness in an increasingly competitive market environment. This study aims to analyze the business development strategy of Kopi Qita through the optimization of digital promotion, product innovation, and online sales enhancement. This research employed a qualitative method with a case study approach. Data were collected through direct observation, documentation, and analysis of the business's internal conditions. The findings reveal that Kopi Qita faces several major challenges, including the suboptimal utilization of digital media for promotional activities, the low contribution of online sales, and limited product variety offered to customers. However, shifting consumer behavior, in which coffee shops function as productive and social spaces, provides substantial market opportunities for business expansion. The recommended strategies include strengthening digital promotion through social media, developing product innovation based on consumer preferences, optimizing online sales platforms, and implementing customer loyalty programs. These strategies are expected to enhance the competitiveness and long-term sustainability of Kopi Qita's business.

Keywords: Coffee Shop, Digital Promotion, Product Innovation, Business Development, Competitiveness

INTRODUCTION

The development of micro, small, and medium enterprises (MSMEs) in Indonesia over the past few years has shown significant growth and plays a strategic role in the national economy. Based on reports from the Central Statistics Agency (BPS), MSMEs contribute substantially to the gross domestic product (GDP) and serve as the primary sector in employment absorption. In addition, the food and beverage (F&B) industry is among the subsectors experiencing rapid growth in line with the increasing public demand for practical and affordable consumption products (BPS, 2023). This condition provides broad opportunities for business actors, particularly in the development of coffee shop businesses and contemporary beverages that are increasingly favored by various consumer segments.

The growth of the coffee shop industry cannot be separated from changes in consumer consumption patterns, especially among younger generations who consider coffee consumption as part of their lifestyle. Coffee shops today function not only as places to enjoy beverages but also as spaces for social interaction, work, and study. Research by Alanasry & Decency (2025) indicates that consumer purchasing decisions are influenced not only by product taste but also by visual appearance, innovation, and the experience provided by a business. This condition requires business actors to create differentiation so that the products offered possess added value compared to competitors.

According to Andriana et al. (2022), effective strategies must integrate various aspects such as products, pricing, promotion, and distribution. In line with this, Feranika et al. (2022) emphasize that understanding the external environment, including competitor behavior, is an important factor in formulating business strategies. Without such understanding, business actors will encounter difficulties in determining their position and competitive advantage.

Irfan et al. (2025) explain that competitor analysis enables companies to identify the strengths and weaknesses of competitors, thereby allowing them to formulate more effective and adaptive strategies. Thus, business actors are not only able to respond to market changes but can also anticipate competitive dynamics. Furthermore, Tania & Pratama (2025) argue that the optimal use of competitor analysis can improve business competitiveness through product development, competitive pricing, and more targeted promotional strategies.

In the current digital era, the utilization of social media as a promotional tool has become one of the factors influencing business success. Talib & Sari (2024) state that social media usage can increase interaction between businesses and consumers while strengthening brand awareness. However, the effectiveness of this strategy highly depends on the ability of businesses to create engaging content that aligns with the characteristics of the target market.

KOPI QITA is one of the coffee shop businesses operating amidst increasingly intense competition in the F&B industry. This business has significant development potential, particularly in targeting university students and young professionals. Its advantages include a comfortable atmosphere, relatively affordable prices, and a place concept that supports productive activities such as studying and working. This condition aligns with the customer experience concept, which emphasizes the importance of consumer experience in increasing customer satisfaction and loyalty (Lemon & Verhoef, 2020).

However, based on observational findings, KOPI QITA still faces several challenges in managing its business. These challenges include suboptimal digital promotion, low online sales contribution, and limited product variety, particularly in complementary food menus. In addition, the high level of competition from competitors with stronger marketing strategies also poses a challenge to business sustainability. Under such conditions, the ability to adapt to market changes becomes an important factor in maintaining business continuity (Kotler et al., 2021).

According to Porter (2020), competitive advantage can only be achieved when companies are able to create distinct value compared to competitors. The presence of various competitors, both offering similar and substitute products, provides consumers with numerous alternatives. This condition requires KOPI QITA to develop more focused strategies to retain existing customers while attracting new consumers. Without appropriate strategies, the business risks declining competitiveness in the market.

Furthermore, the development of digital technology requires business actors to be more adaptive in utilizing online media as marketing tools. Effective use of digital platforms can help expand market reach and strengthen brand positioning amidst competition (Kingsnorth, 2022). Therefore, technological utilization has become an essential aspect of business development in the modern era.

Considering these conditions, business development strategies based on competitor analysis are necessary. Through a comprehensive understanding of market conditions and competitor behavior, KOPI QITA can design more effective strategies in terms of products, pricing, promotion, and marketing. This study aims to analyze competitor-based business development strategies for KOPI QITA in order to contribute to enhancing competitiveness and business sustainability in the future.

METHOD

According to Creswell (2020), qualitative research is used to explore and understand the meaning of naturally occurring social phenomena. This study employed a qualitative approach using a case study method. The qualitative approach was selected because this study aims to deeply understand business conditions and formulate business development strategies based on phenomena occurring in the field. This approach enables researchers to obtain a comprehensive understanding of the problems faced and the potential possessed by the business under study.

The case study method was used because this research focuses on a single business object, namely KOPI QITA, allowing for more in-depth and focused analysis. A case study is considered appropriate for examining the actual conditions of a business within a particular context and understanding the relationships among factors influencing business performance. Yin (2021) states that case studies are effective methods for analyzing contemporary phenomena in real-life contexts, particularly when the boundaries between phenomenon and context are not clearly distinguishable.

The type of data used in this study was descriptive qualitative data consisting of primary and secondary data. Primary data were obtained through direct observation of KOPI QITA's business activities, including operational conditions, marketing strategies, and interactions with consumers. Meanwhile, secondary data were collected from books, scientific journals, and reports relevant to the research topic. The use of both types of data aimed to strengthen the analysis results and provide a more comprehensive overview of business conditions.

According to Sekaran & Bougie (2020), literature studies play an important role in supporting research validity and providing a strong conceptual foundation. Data collection techniques in this study included observation, documentation, and literature review. Observation was conducted directly to identify the actual business conditions and strategies implemented in operating the business. Documentation involved collecting notes, photographs, and other information related to business activities. In addition, a literature review was conducted by examining various relevant references to strengthen the theoretical foundation of the research.

The data analysis technique employed was descriptive qualitative analysis. The collected data were analyzed through several stages, namely data reduction, data presentation, and conclusion drawing. Data reduction was carried out by simplifying and selecting information relevant to the research objectives. Subsequently, the data were presented in narrative form to facilitate understanding. The final stage involved drawing conclusions based on the analysis results obtained. This process aimed to generate findings capable of providing strategic recommendations for business development. Miles et al. (2020) explain that qualitative data analysis is conducted interactively and continuously until data saturation is achieved.

The object of this study was the KOPI QITA coffee shop business, which focuses on selling coffee and non-coffee beverages. The selection of this research object was based on the business development potential and the challenges faced in promotion, products, and marketing aspects. This study was conducted in 2026, with the research location adjusted to the business's operational area. Through the chosen approach, this research is expected to provide a clear overview of business conditions and generate appropriate business development strategy recommendations.

RESULTS AND DISCUSSION

Business Problem Analysis

1. Suboptimal Digital Promotion

The findings indicate that KOPI QITA's digital promotion activities have not been optimally implemented. Although the business has utilized social media as a promotional medium, the activities remain simple and lack systematic planning. The uploaded content tends to focus solely on product information without employing creative approaches capable of attracting audience attention. In addition, the lack of consistency in uploading content results in low social media visibility. Digital platform algorithms tend to favor accounts that actively and consistently produce content. Therefore, irregular promotional activities negatively affect audience reach. In terms of content quality, KOPI QITA has not fully utilized digital trends such as short videos, storytelling, or customer experience-based content. In fact, visual and interactive content

has proven to be more effective in increasing engagement. This condition indicates that the promotional strategies implemented have not yet adapted to current digital marketing developments.

2. Underdeveloped Online Sales

Another issue identified is the suboptimal use of online sales platforms. Although KOPI QITA is available on delivery service applications, the contribution of sales from these channels remains relatively low. This indicates that the business presence on digital platforms has not been accompanied by appropriate strategies to attract consumers. Unattractive product displays, insufficiently informative descriptions, and minimal promotional offers influence purchasing decisions. Furthermore, the limited utilization of promotional features provided by online platforms reduces product visibility within the applications. In highly competitive conditions, businesses that are inactive in promotional activities tend to lose competitiveness against more aggressive competitors. This condition suggests that KOPI QITA has not fully understood digital consumer behavior, which prioritizes convenience, speed, and visual attractiveness in purchasing processes.

3. Limited Product Variety

KOPI QITA currently focuses primarily on beverages, while the variety of complementary food products remains limited. This condition represents a weakness that may influence the overall consumer experience. In the coffee shop industry, consumers seek not only beverages but also a more complete experience, including food options that complement their drinks. Limited product variety may encourage consumers to seek alternative establishments offering more diverse menu options. Additionally, product limitations affect the average transaction value per customer. Without additional menu variations, opportunities to increase sales become restricted. Therefore, product development represents one of the important aspects requiring attention.

4. Limited Business Differentiation

KOPI QITA also faces challenges in creating strong differentiation compared to competitors. Although it possesses a comfortable atmosphere, this advantage has not been effectively communicated to consumers. In highly competitive conditions, differentiation becomes a key factor in shaping consumer perceptions of a brand. Businesses lacking a clear identity are difficult for customers to remember. KOPI QITA needs to develop a stronger identity in terms of concept, customer experience, and the value offered. Without clear differentiation, the business will struggle to compete with competitors that possess stronger market positioning.

Competitor Analysis

Competitor analysis was conducted to understand KOPI QITA's position within the coffee shop industry and identify competitors' strengths and weaknesses. Based on observational findings, KOPI QITA's competitors can be categorized into direct and indirect competitors.

1. Direct Competitors: Eskopi Indonesia & Kopiriolo

Eskopi Indonesia is considered a direct competitor because it offers similar products, namely coffee and contemporary beverages, and targets similar consumer segments, particularly young people and university students. In terms of products, Eskopi Indonesia provides a wider variety of coffee and non-coffee menus. From a promotional perspective, Eskopi Indonesia is more active on social media with engaging and consistent content, resulting in a larger number of followers. However, the product prices offered are relatively higher than those of KOPI QITA, providing opportunities for KOPI QITA to compete through more affordable pricing

strategies. Kopiriolo is also categorized as a direct competitor because it operates in the coffee shop sector. Its main advantage lies in its “traditional coffee experience” concept, which offers a distinct atmosphere compared to modern coffee shops. Additionally, its longer operating hours until late at night provide added value for consumers seeking late-night social experiences. Nevertheless, in terms of trendy beverage variations, KOPI QITA still has opportunities to compete through innovative product development.

2. Indirect Competitor: Roti Jadoel Makassar

Roti Jadoel Makassar is considered an indirect competitor because it focuses more on food products such as bread and snacks rather than coffee. Nevertheless, this business still competes for consumers seeking places to relax or purchase light meals. Its main strengths include a broader variety of food products and unique traditional-themed concepts. Additionally, its hampers products become a particular attraction during certain occasions. However, limitations in beverage offerings represent a weakness that KOPI QITA can utilize to attract consumers focused on coffee experiences.

Tabel 1. Perbandingan KOPI QITA dengan Kompetitor

Aspect	KOPI QITA	Eskopi Indonesia	Kopiriolo	Roti Jadoel
Product	Beverage-oriented	Varied products	Traditional coffee	Food-oriented
Price	Affordable	Slightly higher	Varied	Varied
Digital Promotion	Not yet optimal	Highly active	Moderately active	Moderately active
Menu Variety	Limited	Complete	Moderate	Very complete
Business Concept	Relaxing & productive	Modern and trendy	Traditional	Unique traditional
Target Market	University students	University students	General public	General public

Business Opportunity and Environmental Analysis

Despite facing various challenges, KOPI QITA possesses several opportunities that can be utilized to improve business performance. One of the primary opportunities is the increasing trend of consumers using coffee shops as productive spaces. Many consumers seek places with comfortable atmospheres, complete facilities, and environments that support studying and working activities. This condition provides opportunities for KOPI QITA to strengthen its positioning as a productivity-oriented coffee shop. In addition, digital technological developments provide substantial opportunities for businesses to reach broader consumer markets. Through appropriate digital marketing strategies, KOPI QITA can improve visibility and expand market share. Another opportunity lies in the growing consumer interest in unique consumption experiences. Consumers today do not merely purchase products but also seek distinctive experiences. This trend can be utilized by KOPI QITA to create more attractive concepts that differentiate the business from competitors.

Business Development Strategies

Based on the analysis of existing challenges and opportunities, KOPI QITA needs to formulate integrated business development strategies to improve competitiveness and business performance sustainably. The strategies should focus not only on increasing sales but also on strengthening the brand, improving customer experiences, and optimizing digital technology utilization.

1. Optimization of Content-Based Digital Promotion

The primary strategy involves improving the quality of digital promotion through content-based approaches. KOPI QITA needs to develop more structured content planning by determining themes, posting schedules, and content types aligned with target market characteristics. The created content should focus not only on products but also on storytelling elements such as beverage preparation processes, café atmosphere, and customer experiences. The use of short-form videos such as Instagram Reels or TikTok content is also considered effective because it more easily attracts audience attention. In addition, collaboration with local content creators can become a strategic step to increase promotional reach. By leveraging influencer networks, KOPI QITA can reach broader audiences and strengthen consumer trust in the brand.

2. Product Innovation and Diversification

Product development is an essential strategy for increasing business attractiveness. KOPI QITA should add complementary food menu variations such as snacks, bread, and pastries that align with consumer preferences. Moreover, beverage menu innovation should be conducted regularly to remain aligned with market trends. Examples include introducing seasonal menus, new flavor variants, or visually appealing beverages. This diversification strategy aims not only to increase customer satisfaction but also to improve transaction value per customer. With more diverse menu options, consumers are more likely to purchase multiple products simultaneously.

3. Strengthening Online Sales Strategies

To respond to changing consumer behavior toward digital purchasing, KOPI QITA must strengthen its online sales strategies. This can be achieved by optimizing delivery platforms through improved product displays, attractive photography, and clear, informative descriptions. Additionally, promotional offers such as discounts, cashback, and bundling packages can increase purchase intention. Utilizing promotional features available within applications is also necessary to improve product discoverability.

4. Customer Loyalty Programs

Implementing customer loyalty programs is an important strategy for retaining consumers. KOPI QITA can develop programs such as point systems, membership cards, or special discounts for loyal customers. These programs aim to increase purchase frequency and establish long-term relationships with customers. In addition, loyalty programs can serve as tools for collecting customer data useful for future marketing strategy development.

5. Strengthening Differentiation and Positioning

KOPI QITA needs to strengthen its positioning as a coffee shop that not only provides products but also supports productive activities. This can be achieved by improving facilities such as stable Wi-Fi, power outlets, and comfortable atmospheres. Moreover, branding concepts should be clarified to establish a strong identity in consumers' minds. Through clear differentiation, KOPI QITA will become easier to recognize and remember.

Strategic Implications and Business Development Impact

The implementation of the proposed business development strategies is expected to positively influence KOPI QITA's business performance. One of the most significant impacts is increased brand awareness through optimized digital promotion. With more attractive and consistent content, the business can reach wider audiences and improve consumer interaction. Additionally, product development and menu

diversification are expected to improve customer satisfaction and increase transaction values. Consumers who receive more complete experiences tend to exhibit higher satisfaction levels and stronger loyalty potential.

The optimization of online sales is also expected to increase sales volume, particularly among consumer segments prioritizing convenience in transactions. With appropriate strategies, online sales can become one of the business's primary revenue sources. Customer loyalty programs are expected to improve customer retention, as consumers who feel appreciated are more likely to make repeat purchases and recommend the business to others. Overall, the implementation of integrated strategies will assist KOPI QITA in enhancing competitiveness and strengthening market positioning. The anticipated long-term impact is the achievement of sustainable business growth.

Evaluation and Future Development Recommendations

To ensure successful strategy implementation, KOPI QITA needs to conduct periodic evaluations of each implemented program. These evaluations aim to measure strategy effectiveness and identify areas requiring improvement. One indicator that can be used is the increase in sales, both offline and online. Additionally, social media engagement rates can serve as indicators of digital promotional success. KOPI QITA should also pay close attention to customer feedback as evaluation material for product and service development. Consumer input can provide valuable information regarding market needs and preferences. In the future, KOPI QITA is advised to continuously innovate and adapt to changing market trends. Flexibility in responding to business dynamics is the key to maintaining sustainability. Furthermore, developing collaborations with suppliers, communities, and content creators can become effective strategies for expanding networks and increasing business exposure. Through continuous evaluation and development, KOPI QITA is expected not only to survive but also to grow and compete optimally within the coffee shop industry.

CONCLUSION

This study demonstrates that KOPI QITA possesses substantial potential to develop amidst increasingly competitive conditions within the coffee shop industry. However, the business still faces several major challenges, including suboptimal digital promotion, low online sales performance, limited product variety, and insufficient differentiation compared to competitors. Based on the analysis results, appropriate business development strategies should focus on optimizing content-based digital promotion, product innovation and diversification, strengthening online sales platforms, and implementing customer loyalty programs. Additionally, strengthening positioning as a coffee shop that supports productive activities represents an important step in improving competitiveness.

The implementation of integrated strategies is expected to enhance brand awareness, customer satisfaction, and sales volume, both offline and online. Through continuous evaluation and innovation, KOPI QITA has the opportunity to strengthen its market position and achieve sustainable business growth in the future.

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