

**SWOT ANALYSIS IN MARKETING STRATEGY AT THE COFFEE SHOP
IN THE PANDEMIC ERA
(Study of Belikopi Coffee Shop in Nganjuk)**

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Abstract: *During the pandemic, several coffee shops in Nganjuk city were unable to operate due to the manager's inability to maintain their business amidst the increasingly uncertain challenges of the pandemic. But not with the BelikopiNganjuk coffee shop which actually opened or grand opening its outlet in Nganjuk in a pandemic situation (December 19, 2020), and has survived until now. The purpose of this study is important to find out the general description of the BelikopiNganjuk strategy that has been carried out to attract the attention of visitors. In addition, the purpose of this research is also to formulate alternative marketing strategies for BelikopiNganjuk in the future so that they can compete superiorly and can apply the right marketing strategy. This study uses 2 analytical methods, namely marketing mix analysis and SWOT analysis (Strength, Weakness, Opportunity, and Threat) at BelikopiNganjuk. From the SWOT analysis data through the IFE (Internal Factor Evaluation) matrix which describes the company's strengths and weaknesses, the EFE (External Factor Evaluation) matrix which explains the opportunity and threat factors, and the quadrant diagram showing BelikopiNganjuk's current position, it was found that the highest score for strength is 0.85, the highest score for weakness is 0.425, the highest score for opportunity is 0.65, and lastly, the highest score for the highest threat is 0.325. Furthermore, the total value of the IFE matrix is 3.035 and the EFE matrix is 3.18, thus placing BelikopiNganjuk in quadrant I of the SWOT analysis diagram.*

Keywords: *Coffee Shop, SWOT analysis, Marketing Strategies.*

1. Introduction

Business development in the type of coffee shop business in Indonesia continues to experience an increase in complexity, competition, and business uncertainty, one of which is caused by the emergence of the Covid-19 pandemic. Since the announcement of the Covid-19 outbreak as a pandemic and the implementation of health protocols in various countries, this had an impact on reducing direct physical contact activities, ultimately causing various sectors to be able to adapt to these conditions, including the coffee shop business sector.

Talking about coffee shops, most of the coffee shops already have a comfortable place and supporting facilities. (Endarwati, 2021) For instance, air conditioning, WIFI, comfortable seats to unique and attractive interior designs, because now enjoying coffee has become a lifestyle for the community. Coffee has many fans in Indonesia, this is evidenced by the high consumption of domestic coffee in Indonesia.

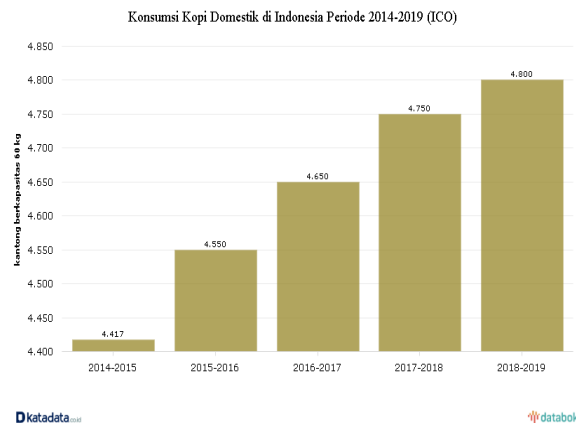


Figure 1. Domestic Coffee Consumption in Indonesia for the 2014-2019 periods
Source: (Annur, 2020)

Based on Figure 1, for 5 consecutive years coffee consumption in Indonesia has increased. So that this is a profitable sector and an opportunity for businessman to establish a coffee shop business. According to (Kurniawan, 2019), the number of coffee shops in Indonesia almost reached 3000 outlets (stores with large chains), not including small or independent coffee shops. This number is 3 times higher than in the 2016 which only amounted to 1000 outlets. However, due to the pandemic that entered Indonesia in 2020, now many coffee shops are temporarily or permanently closed due to a decline in sales as a result of purchasing power or the sluggish public economy during the pandemic. (Aulia, 2021) The implementation of the PSBB and PPKM policies is also considered very detrimental to the coffee shop business sector. Considering that the majority of coffee connoisseurs or customers come to the coffee shop after 7 pm, which is hindered by the rules for limiting business operating hours set by the government. In addition, the Covid-19 pandemic has changed consumer behavior to prefer to consume healthy food and beverage products (Adithia & Jaya, 2021). Head of BPP HIPMI for Industry, Trade and Energy and Mineral Resources, Rama Datau, stated that during the Covid-19 pandemic, there was a decline in coffee shop sales of up to 30% (Hamdani, 2020). So, this makes it necessary for a strategy for coffee shop business people to be able to survive in the pandemic situation.

The research conducted at the BelikopiNganjuk coffee shop is important, considering that this coffee shop opened its outlet in Nganjuk in December 2020, the grand opening and promo were carried out in the midst of a pandemic situation where several other coffee shops in Nganjuk were closing their outlets due to pandemic situation. In addition, Nganjuk city is not a large urban area, so the trend of drinking coffee from urban communities does not have a significant impact in Nganjuk. Furthermore, the research analysis carried out aims to understand the description of the sales strategy that has been carried out by BelikopiNganjuk so that they dare to take market expansion steps and open branch outlets in Nganjuk city.

It is hoped that the results of this research will be useful for related parties, especially for coffee shop business owners who are trying to maintain their business amidst the challenges of an increasingly uncertain pandemic when this situation will end soon. For BelikopiNganjuk, it is hoped that the results of this study can be a reference and evaluation in the future to be able to determine an

accurate business strategy. Based on the description of the research background in the introductory section, the researchers determined the formulation of the problem that became the focus of discussion in the study as follows:

1. How was the BelikopiNganjukmarketing strategy implemented during the pandemic?
2. How is the SWOT analysis of the BelikopiNganjukmarketing strategy during the pandemic?

2. Literature Review

SWOT Analysis

SWOT analysis is the identification of various factors systematically to formulate strategies for the company, this analysis is based on logic that can maximize strengths and opportunities, but also minimize weaknesses and threats (Rangkuti, 1998). Furthermore, the business environment in SWOT is divided into 2 environments, which consist of the internal environment and the external environment.

1. Internal environment, the internal environment is a company's strengths and weaknesses in business functional areas, including management, marketing, finance/accounting, production operations, R&D and management information systems (David, 2009).
2. The external environment is a process carried out by strategic planning to monitor the sector from the outside environment in determining opportunities and threats for the company (Umar, 2009).

Then, an IFE (Internal Factor Evaluation) matrix and an EFE (External Factor Evaluation) matrix were formed which consist of columns, weights, ratings, and the total value which is the result of multiplying the weights and ratings. For the weight and rating column, it is filled in according to the value which is the result of grouping internal and external factors based on their level of importance. According to David (2009), the IFE matrix is used to determine the company's strengths and weaknesses, while the EFE matrix is used to identify the company's external factors.

Strategy

Strategy comes from the Greek word “*Strategos*”, which is a combination of the words “*Stratos*” which means army and “*ego*” which means leader. Strategy is a tool to achieve goals. Strategy is the art of using the skills and resources of an organization to achieve its goals through its effective relationship with the environment under the most favorable conditions. (Budio, 2019)

Government Preventive Strategies in the Pandemic Era

The preventive strategy or preventive action implemented by the government has a direct impact on the coffee shop business. (Wahidah et al., 2020) stated that examples of these preventive measures include the application of social distancing, physical distancing, and self-isolation in the community. When this research was conducted, the preventive action taken by the government was the implementation of PPKM (Enforcement of Community Activity Restrictions) in Java-Bali, PPKM strictly limited community activities, so the hope is that community activities that have the potential to expand the spread of Covid-19 can be minimized (Kompas, 2021).

Marketing Strategy

According to (Assauri, 2011) marketing strategy is a set of goals, objectives, policies, and rules that provide direction to marketing efforts from time to time. In determining this strategy, it can be done by analyzing the marketing mix consists of four main elements, namely product, price,

promotion, and place. The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market.

3. Research Method

This study uses a descriptive qualitative research method by observing and studying it directly from the object of research so that it can obtain an overview of information, explanations, and conditions related to the object of research. According to (Usman & Akbar, 2009), observation is a systematic observation and recording of the symptoms to be studied. This becomes important for data collection if it is carried out in accordance with the research objectives, planned, and recorded systematically, and can be controlled for reliability and error.

An interview was conducted with one of Belikopi's employees in Nganjuk to obtain more in-depth information about what is being studied, especially to answer questions in the formulation of the problem, namely regarding the coffee shop business activities on PPKM day implemented by the government and also the marketing strategy in pandemic era.

The analysis carried out is an analysis of the marketing mix (product, price, promotion, and place), as well as an analysis of the internal and external environment which is the basis for conducting a SWOT analysis. SWOT analysis is carried out through the IFE (Internal Factor Evaluation) matrix which will describe the biggest strengths and weaknesses of BelikopiNganjuk, and the EFE (External Factor Evaluation) matrix which will describe the opportunities and threats the company has and the last is the IE matrix. (Internal External) which shows where the current business position is.

4. Results and Discussion

Marketing Mix Analysis

1. Product

What is being sold, according to Kotler in (Ismail, 2020), it is stated that a product is anything that can be offered, owned, used or consumed in order to satisfy the needs or needs of consumers. The benefits offered by the product and all its features need to be understood and the unique selling proposition of the product need to be studied. In addition, the potential buyers of the product need to be identified and understood.



Figure 2.Buy Kopi Nganjuk menu as of July 2021
 Source: Processed by researchers (2021)

From Figure 2 above, BelikopiNganjuk sells 2 main products, namely toast (*ropang*), and the second product, namely coffee. Each of these two products has several types of flavors/variants of its own.

2. Price

Price is one element of the marketing mix that the company uses to achieve its marketing goals. Determining the selling price is an important thing in marketing policy. The prices of BelikopiNganjuk products (Figure 2) are still affordable for consumers, especially for young people, with the average price per coffee of IDR 9,000. Plus, the coffee menu offered is very varied, with a total of 14 different coffee flavors. To accompany the coffee consumed by consumers, BelikopiNganjuk also offers toast with 7 different flavor variants. If some consumers think that the prices offered are still expensive, Belikopi has the advantage of having more varied coffee flavors compared to its competitors in Nganjuk. In addition, this flavor variant is a favorite of all ages, from children to adults.

3. Promotion

Promotion is a communication from sellers and buyers that comes from information that aims to change the attitudes and behavior of buyers who previously did not know to become familiar and who previously did not buy into buying. BelikopiNganjuk, held its grand opening with a "buy 1 get 1" promotion which was distributed through brochures for motorcyclists on the road to promotions on social media.



Figure 3.Belikopi Grand Opening Promo Nganjuk
Source: Processed by researcher

According to interviews, this promotion is claimed to have succeeded in attracting the attention of visitors to the city of Nganjuk so that BelikopiNganjuk is known by the wider community. Until now, until now, BelikopiNganjuk is almost never deserted by visitors making purchases by coming directly or making purchases through online motorcycle taxi services even though on the day of the government's PPKM policy.

4. Place

BelikopiNganjuk coffee shop is located at Jalan Veteran No. 77A, GunungKidul, Nganjuk, East Java. Belikopi is a coffee shop business that has a minimalist coffee shop concept, and has more than 30 branches spread from the province of East Java to Yogyakarta. The location of BelikopiNganjuk is a strategic location because it is still in the city, and until this research was written, there is no similar business that is a competitor close to the location of BelikopiNganjuk. Plus, this location can be reached by consumers very easily because it is right next to the highway.



Figure 4.BelikopiNganjuk Coffee Shop
Source: Researcher documentation (2021)

During PPKM, BelikopiNganjuk only accepts take-away orders. The 2nd floor which is usually used as a hangout has been temporarily closed and will reopen when the PPKM implementation has ended.

IFE Matrix Analysis (Internal Factor Evaluation)

The IFE matrix is used to find out how big the role of the internal factors in the company is. The IFE matrix shows the company's internal conditions in the form of strengths and weaknesses which are calculated based on ratings and weights (score).

Table 1.IFE . Matrix

Internal factors	Weight	Rating	Weight Score
Strength			
All BelikopiNganjuk employees carry out health protocols	0.11	3.00	0.33
Prices that do not increase and affordable	0.17	5.00	0.85
Cashless payment method available	0.11	3.50	0.385
Available online through online motorcycle taxi services (<i>Ojek</i> online platform)	0.11	3.00	0.33
Total	0.5		1,895
Weakness			
All employees have not been vaccinated	0.05	2.00	0.1
No safe distance control	0.17	2.00	0.34
Insufficient parking space	0.11	2.50	0.275
Inadequate air circulation in the 2nd floor room	0.17	2.50	0.425
Total	0.5		1.14
Total IFE	1		3.035

Source: Processed by Researchers (2021)

From table 1, it is known that prices that do not increase and are affordable are the main forces in Strength which get a total score of 1,895. For Weakness, the results of the data obtained from the interviews, found a total score that was not much different from all points in the Weaknesses section, with a total of 1.14.

EFE Matrix Analysis (External Factor Evaluation)

The EFE matrix is used to determine the magnitude of the influence of the company's external factors. The EFE matrix describes the conditions of the company's opportunities and threats which are calculated based on ratings and weights.

Table 2.EFE. Matrix

External Factors	Weight	Rating	Weight Score
Opportunities			
Competitors who are temporarily closing due to the pandemic	0.13	4.00	0.52
A coffee variant that is not available anywhere else	0.13	5.00	0.65
Customer loyalty	0.13	4.00	0.52
The strategic location of BelikopiNganjuk	0.13	3.50	0.455
Total	0.52		2.145
Threats			
Rules for curfews for businesses/reduction of operating hours	0.11	2.00	0.22
Vulnerable to sanctions	0.11	1.50	0.165
The economic situation of the community is not stable	0.13	2.50	0.325
The condition of Nganjuk city which is not a big city	0.13	2.50	0.325
Total	0.48		1.035
Total EFE	1		3.18

Source: Processed by Researchers (2021)

From table 2, it is known that coffee variants that are not available elsewhere are the biggest contributor to the score in the opportunities section with a score of 2,145. Conditions in the threats section are similar to those in the weakness section, which on average have almost the same points, with a total of 1,035 points.

Based on the results of the data in table 1 and table 2, the next step is to form a SWOT analysis quadrant diagram to find out where the quadrant position is in BelikopiNganjuk.

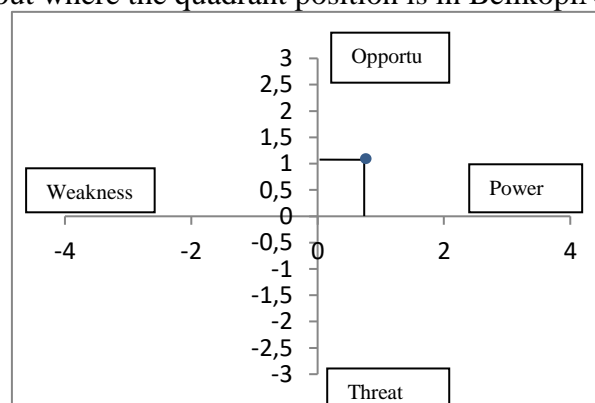


Figure 5. Quadrant Diagram of SWOT Analysis

Source: Processed by researchers (2021)

The results of the analysis in Figure 5 place the BelikopiNganjuk position point in the quadrant I position of the SWOT analysis diagram. The position in quadrant I explains that BelikopiNganjuk has a great opportunity to continue to increase its sales to continue to grow. Then, in general and overall the researcher offers several strategies based on the results of data analysis as follows:

Table 3. SWOT Matrix

		Strength (S)	Weaknesses (W)
		Internal	External
		1. All BelikopiNganjuk employees carry out health protocols. 2. Prices do not increase and are affordable 3. Cashless payment method available. 4. Available online through online motorcycle taxi services	1. All employees have not been vaccinated. 2. No safe distance control. 3. Insufficient parking space 4. Inadequate air circulation in the room on the 2nd floor.
Opportunities (O)		Strategy (SO)	Strategy (WO)
1. Competitors who are temporarily closing the coffee shop due to the pandemic 2. Coffee variants that are not available anywhere else 3. Customer loyalty 4. The strategic location of BelikopiNganjuk.		1. Continue to carry out the health protocol as a preventive measure that has been set by the government. 2. Adding unique coffee flavor variants and making specialty coffee from BelikopiNganjuk. 3. Maintain affordable rates to maintain customer loyalty.	1. Vaccinate all employees 2. Supervise a safe distance to visitors as Belikopi's commitment to prevent the transmission of Covid-19 3. Adding air circulation paths so that visitors feel comfortable visiting
Threats (T)		Strategy (ST)	Strategy (WT)
1. Rules for curfews for businesses/reduction of operating hours. 2. Vulnerable to sanctions. 3. The economic situation of the community is not stable. 4. The condition of Nganjuk city which is not a big city.		1. Socializing through social media regarding new operating hours in the midst of a pandemic. 2. Cooperate with more digital payment platforms or e-money. 3. If needed, provide free order delivery for deliveries within the city, considering Nganjuk is not a big city.	1. Following the government's advice to pay attention to a safe distance for consumers who come to avoid the government's reprimand. 2. Hold promos if deemed necessary, as well as promoteBelikopi to the public. 3. Receive feedback from consumers.

Source: Processed by researchers (2021)

SWOT (SO) Matrix Analysis

To take advantage of the opportunities that BelikopiNganjuk has, things that can be done are to implement health protocols in the pandemic era for customers. From several observations that have been made by researchers, sometimes there are some customers who do not use masks and are still crowding around the waiting room, so that it can raise doubts about making purchase decisions for other customers. Then by adding a distinctive flavor variant from BelikopiNganjuk, it will add a good brand image to customers so that the perceived value felt by customers can be formed. The last is to maintain prices so that they can be reached by the community, Nganjuk city is a small city and has a low income compared to surrounding cities such as Madiun and Kediri, plus most of the Nganjuk area is a plantation area or rice fields so that many people are rural residents.

SWOT (WO) Matrix Analysis

From the weaknesses and opportunities possessed by BelikopiNganjuk, it is known that not all employees have been vaccinated against Covid-19, so this is quite vulnerable for the continuity of business activities, plus the lack of supervision of a safe distance to visitors and the lack of air circulation on the 2nd floor will worsen the situation. circumstances. By overcoming some of these problems, BelikopiNganjuk will feel safe and comfortable in running their business amid the pandemic, as well as visitors who will see BelikopiNganjuk's good commitment to prevent the spread of Covid-19 so that customers are willing to make repurchases.

SWOT (ST) Matrix Analysis

Judging from the strengths and threats of BelikopiNganjuk, several steps can be taken to overcome the threats caused by external factors, especially from the impact of the pandemic by adding more payments using digital payment platforms, with many choices of platforms as payment media, so as to prevent the spread of the virus. through product payments via cash payments. Then, if there is a change in the operating hours of BelikopiNganjuk due to regulations from the government, it should be informed via social media, and for better ensure the safety and health of consumers, BelikopiNganjuk can provide free delivery services with certain minimum purchase requirements with the delivery location still at in Nganjuk city.

SWOT (WT) Matrix Analysis

Regarding the weaknesses and threats that exist in BelikopiNganjuk, the manager should immediately pay attention to the safe distance for consumers who come to avoid reprimands and sanctions from the government in the future. The second strategy, because the majority of the population in Nganjuk regency are residents of rural areas, then doing the promo will really attract the attention of more visitors so that it will be better known in all levels of the Nganjuk community. The last thing is to receive a feedback from the consumers, considering that BelikopiNganjuk was only 6 months old when this research was conducted, the impression that consumers get when they first visit BelikopiNganjuk, will greatly help the manager to evaluate.

5. Conclusion

Based on the results of the analysis of the marketing mix and the results of calculations using the SWOT approach, it can be concluded that 2 points of conclusions to answer the formulation of the problem are as follows:

1. The marketing strategy implemented by BelikopiNganjuk is to do a "buy 1 get 1" promo at the time of the grand opening, the location of BelikopiNganjuk is also very strategic because it is still in the city and on the edge of the highway so it is easily accessible by consumers. BelikopiNganjuk also provides ordering services through online motorcycle taxi services and digital payment methods are available. The products offered have their own advantages, namely they have quite a lot of variants of coffee types that can be liked by all people, and the product prices are still very affordable.
2. Based on the results of calculations using the SWOT approach, it can be concluded that BelikopiNganjuk's position is in the position of quadrant I, meaning that this situation is very profitable and provides a great opportunity for BelikopiNganjuk to carry out a growth strategy. Based on the results of internal factors (table 1) and external factors (table 2), it is found that the value of strengths and opportunities (SO) is 4.04, strengths and threats (ST) is 2.93, weaknesses and opportunities (WO) is 3.285, and weaknesses and threats (WT) of 2.175. The strategy that has the highest value is Strength and Opportunity (SO), by maintaining prices, implementing distance control to customers, and adding a distinctive flavor or coffee flavor variant from BelikopiNganjuk, then BelikopiNganjuk has a great opportunity to take business development steps in the coffee shop sector in Nganjuk.

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