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The Marketing Strategy in Majority-Muslim Countries for Decision-Making Implemented by PT. Sari Coffee Indonesia

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Abstract

Indonesia, as a country with a Muslim majority population, has a very high demand for coffee, making it a potential market for major coffee producers. Drinking coffee in Indonesia has become a tradition that not only emphasizes taste but also values of togetherness and brotherhood, closely related to Islamic teachings that prioritize social interaction and maintaining good relationships. Along with the times, coffee consumption in Indonesia is also influenced by lifestyle trends. PT. Sari Coffee Indonesia (Starbucks) takes advantage of this opportunity by designing a wellthought-out marketing strategy to meet consumer needs, including product innovation, presentation, and service. This study aims to understand the marketing decision-making process implemented by PT. Sari Coffee Indonesia, as well as to analyze how the company integrates Islamic values into its business, such as fair business ethics, social responsibility, and respect for diversity. The study also identifies the important role of social media and digital marketing in building stronger relationships with consumers and enhancing brand awareness. The methodology used in this research is a literature review, referring to journals, books, and articles that discuss marketing strategies in the context of Indonesia's Muslimmajority population. It is hoped that this study will provide insights into the application of Islamic principles in sustainable marketing decision-making, as well as how data-driven and consumer-oriented marketing strategies can create competitive advantages in the coffee and cafe industry.

Keywords Strategy, Marketing, Decision-Making, Islam, Business Ethics.

INTRODUCTION

In the era of globalization and rapid technological advancements, competition in the business world has become increasingly fierce. This requires companies, small businesses, and e-commerce platforms to implement effective and efficient marketing strategies in order to achieve maximum profit. Marketing, in general, is a large-scale planned activity where a company or organization makes efforts to meet market demands (Larasati Ahluwalia, 2020). Marketing strategy itself can be defined as a series of steps involving analysis, planning, implementation, and control of specific programs. Both marketing strategy and marketing management are key elements in achieving the success of a company or business. Marketing management refers to the activities of planning, organizing, implementing, and controlling various marketing activities, one of which is product promotion. In an increasingly competitive era, effective marketing management is essential, along with a deeper understanding of consumer behavior and the identification of potential market segments that can generate maximum profit for the company. However, there is still a lack of awareness among the public or entrepreneurs about marketing management, particularly in utilizing digital media, which can serve as a tool for advancing knowledge and managing effective marketing in today's world.

In the present day, with the advent of digitalization, marketing is no longer limited to traditional methods such as print advertisements, television, or newspaper media. It has expanded into the digital realm through content marketing on social media and the use of big data. Companies and businesses can now leverage digital platforms to analyze consumer behavior, introduce products, and enhance customer experiences in a more personal and relevant way. Every company and business engages in product or service promotions with the hope of receiving positive feedback and building long-term relationships with their customers. To achieve and fulfill these goals, companies must design innovative marketing strategies that align with consumer demands and market trends to become the brand that immediately comes to mind for consumers.

Coffee is one of the leading beverages that generates foreign exchange for the country. From a production perspective, Indonesia ranks third after Brazil and Vietnam. As we know, competition in the coffee shop and café business has become increasingly intense, as seen from the various competitors offering unique value propositions to consumers in terms of service, products, and more. One company in the food and beverage industry in Indonesia is PT. Sari Coffee Indonesia, also known as Starbucks Indonesia. In Indonesia, Starbucks is managed by PT. Sari Coffee Indonesia under the umbrella of PT. Mitra Adiperkasa, Tbk. Starbucks Indonesia produces coffee beverages, non-coffee drinks, and snacks as accompaniments. Starbucks always chooses strategic locations and has over 300 outlets. The decision-making process in marketing strategy at Starbucks Indonesia involves various considerations, including market analysis, consumer needs, and product innovation that is relevant to both global and local trends.

Starbucks Indonesia is also known for its ability to create promotional programs and campaigns that not only attract new customers but also maintain the loyalty of existing ones. Starbucks offers several discounts when using their app, and customers who sign up for membership for the first time receive a discount. The marketing strategy used by Starbucks Indonesia is social media marketing, where they use several social media platforms to interact and communicate with their customers, offering attractive deals through Instagram, Line, Twitter, TikTok, and Gmail. However, these offers are only available during specific moments, so consumers are more likely to purchase Starbucks products only during promotions. This means that the offers given by Starbucks only attract short-term consumer buying interest.

The social media marketing used by Starbucks Indonesia is quite effective in attracting consumer interest. However, network issues sometimes cause obstacles when redeeming Starbucks offers on social media or the Starbucks app, leading to consumers canceling their purchase. Moreover, when Starbucks Indonesia faced a boycott, it caused a decline in its stock, and Starbucks Indonesia worked hard to promote and offer its products to consumers. Marketing decision-making by Starbucks Indonesia not only involves price and product but also elements such as location, customer service, and strong communication on social media with customers. By combining various elements of marketing strategy, Starbucks Indonesia can maintain its position as the market leader in the coffee industry and the café competition in Indonesia.

Based on the background of the issues outlined above, the objective of this research is to understand how decision-making is applied in implementing marketing strategies by PT. Sari Coffee Indonesia (Starbucks Indonesia). In line with Islamic values, this research aims to explore how PT. Sari Coffee Indonesia (Starbucks Indonesia) integrates ethical business practices, social responsibility, and respect for diversity in its marketing decision-making. Islam teaches the principles of justice, transparency, and honesty in business, which serve as guidelines for conducting fair business practices. This research will also focus on how these Islamic principles are applied in the decision-making process related to marketing strategies, creating a business environment that fosters trust and good relationships between the company and its customers.

RESEARCH METHODS

This study adopts a combination of qualitative and quantitative approaches to explore risk management in the financial decision-making process, using expected value theory as an analytical framework for company investments. The initial stage of this methodology involves a comprehensive literature review to understand the basic concepts of risk management, expected value theory, and best practices in investment decision-making. The reviewed literature includes textbooks, academic articles, and relevant industry reports, aiming to provide a solid theoretical foundation for this research. After data collection, analysis will be conducted by applying descriptive statistical analysis techniques for survey data and thematic analysis for qualitative data obtained from interviews.

Quantitative data will be analyzed to identify strategic decisions in marketing, while qualitative analysis will be used to explore managers' perspectives and experiences regarding the management of marketing. It is expected that the

results from both types of analysis will provide a deeper understanding of the application of risk management in marketing decision-making and the relevance of expected value theory in this context. Finally, this study will formulate recommendations based on the findings, which can help companies design more effective and data-driven marketing strategies. Thus, this research not only contributes to academic literature but also serves as a practical guide for managers in facing competition in a dynamic market.

RESULT AND DISCUSSION

Marketing strategy involves planning and actions designed to achieve the company's goals through the optimization of available resources, incorporating market segmentation, target market identification, and positioning as the foundation for designing the marketing mix. In Islam, marketing strategies must be carried out with principles of justice, transparency, and high ethics, avoiding deception and manipulation, and considering consumer needs in line with Islamic teachings that emphasize honesty and social responsibility. Decision-making in marketing is a crucial process that involves data analysis, evaluation of alternatives, and selection of the best option based on market data, consumer behavior, and competition, aligning with the principles of syura (consultation) in Islam, where decisions are made through consultation and collective consideration. Social media has now become a crucial tool in modern marketing strategies, enabling companies to interact directly with consumers, strengthen brand engagement, and reach a wider audience. The use of social media in Islam should prioritize ethical communication that is respectful and does not harm others.

Product innovation also plays an important role in creating a competitive advantage, as demonstrated by Starbucks with seasonal menus and local flavor adaptations to maintain market relevance, which can be seen as an effort in achieving success. A well-chosen strategic location can increase brand visibility and accessibility, as demonstrated by Starbucks selecting locations in densely populated urban areas, while also upholding the principle of social justice by not causing harm to the surrounding community. Promotions and special offers are also an important part of the marketing mix to attract customers, increase purchase intent, and maintain customer loyalty. Consumer decisions are influenced by various factors, such as perception and in-depth customer experience with the brand, which Starbucks creates by offering a unique experience and premium brand image, while still adhering to the principle of caution and not forcing consumer will. Finally, companies must use SWOT analysis to identify strengths and weaknesses, as well as seize opportunities and overcome challenges in facing increasingly tough competition, while promoting Islamic values in every business step they take.

Starbucks is a coffee shop that originated in Seattle, United States, and was established on March 30, 1971. Initially, Starbucks was not a hangout spot or café like it is today, but simply a store selling regular coffee. The company was founded by three academics, Jerry Baldwin, Gordon Bowker, and Zev Siegl who all shared a passion for coffee and tea. They decided to borrow and invest some money to open a small coffee shop called Starbucks, located near Pike Place Market in Seattle, Washington. The name "Starbucks" was inspired by a character in the classic novel Moby Dick. The founders were also influenced by Alfred Peet, a coffee roaster from the Netherlands who began importing Arabica beans to the U.S. in the 1950s. Peet's success led him to open Peet's Coffee and Tea in California in 1966, which specialized in high-quality coffee and tea imports. This inspired the founders of Starbucks to model their business after Peet's, focusing on the sale of coffee beans and coffee-making equipment. By 1980, Starbucks had opened four stores in Seattle. However, in the same year, one of the founders, Zev Siegl, left the business to pursue other interests.

In 1982, Howard Schultz joined Starbucks as the Director of Retail Operations and Marketing. Schultz played a key role in attracting customers by creating brochures that made it easier for people to learn about the products Starbucks offered. In 1987, Schultz took over Starbucks after purchasing the company from the original founders. Under Schultz's leadership, Starbucks grew rapidly, expanding to more than 100 stores in just four years. Over the years, Starbucks has expanded internationally, with nearly 30,000 locations, including in Indonesia. The concept of Starbucks evolved with the times, from a simple coffee shop with seating to a modern café or hangout spot, especially popular with young people. Today, Starbucks is frequented by not only the younger generation but also adults, due to its comfortable and aesthetically pleasing atmosphere. The café also provides amenities such as free Wi-Fi and power outlets near seating areas, making it a popular choice for students and professionals who need to work while enjoying a coffee. Starbucks offers both indoor seating with air conditioning and outdoor seating with a view.

As Starbucks expanded, its menu also grew. The company now offers not only coffee but also food items such as salads, sandwiches, bread, cookies, and other snacks. There are also a variety of non-coffee beverages such as teas, lactose-free drinks, and other options. The prices at Starbucks range from IDR 35,000 to IDR 70,000, which some people may consider expensive. However, the quality of the products and services provided by Starbucks justifies the price. In comparison, many other cafés offer similar products at lower prices, but Starbucks' quality and amenities make it stand out. Additionally, there are now street vendors offering coffee at much lower prices, making it easier for people to grab a cup of coffee while on the go. Despite the growing competition, Starbucks has managed to maintain its customer base. The brand is recognized worldwide for its unique identity, and it continues to evolve to stay relevant in a competitive

market. Starbucks has implemented several marketing strategies to maintain its growth and customer loyalty, such as:

- 1. Utilizing Social Media: Starbucks promotes its products through social media platforms like Instagram, TikTok, X, and others. By posting videos and images, Starbucks keeps its audience engaged and informed about new products, promotions, and updates. This strategy ensures that Starbucks remains visible and attractive to consumers, both online and offline.
- 2. Starbucks App: Starbucks has developed its own app to make it easier for customers to order and pay. The app offers discounts for first-time users, allows customers to view the menu, and even order for delivery, eliminating the need to visit the store in person.
- 3. Product Innovation: To stay ahead of competitors, Starbucks continuously innovates by introducing new menu items, including bakery items, sandwiches, cakes, and specialty coffee drinks like blended coffees and lattes. The company focuses on providing high-quality products to meet customer expectations.
- 4. Collaborations: Starbucks has collaborated with influencers and popular celebrities to attract new customers. For example, in 2023, Starbucks collaborated with the K-pop group Blackpink to launch a special drink, the Strawberry Choco Cream Frappuccino, and exclusive merchandise. This collaboration helped Starbucks tap into the fanbase of Blackpink, especially among young people.
- 5. Strategic Locations: Starbucks carefully chooses its store locations to ensure they are accessible to a wide range of customers. Choosing the right location is key to ensuring that the stores are easily visible and convenient for customers to visit.

PT. Sari Coffee Indonesia (Starbucks) strives to implement these marketing strategies, though it still faces challenges. One such challenge was the controversy surrounding the Israel-Hamas conflict, as Starbucks, being an American company, was perceived to be supporting Israel. This led to a boycott of Starbucks, which resulted in a significant drop in stock value. In response, Starbucks issued a public clarification, expressing sympathy for the victims and reaffirming its stance against violence. Despite these challenges, Starbucks continues to adapt and refine its strategies to maintain customer satisfaction and growth, always welcoming feedback from customers to improve its services.

CONCLUSION

PT. Sari Coffee Indonesia (Starbucks) is a café that offers a comfortable atmosphere and complete facilities, making it a popular gathering spot,

especially among young people. Starbucks differentiates itself by using premium coffee beans, ensuring higher quality compared to many of its competitors. The competition in this industry is fierce, prompting Starbucks to continuously develop various marketing strategies, such as creating product innovations, launching the Starbucks app, collaborating with others, and leveraging social media to reach more customers. As a company that prioritizes quality and comfort, Starbucks has made every effort to provide the best for its consumers. Despite relatively higher prices and a lack of promotions or discounts, many people, especially those living in rural areas, still have not had the chance to experience Starbucks products. From an Islamic perspective, business should also prioritize justice and welfare for all layers of society. It is recommended that Starbucks consider offering more affordable services in rural areas, providing more reasonable prices, and introducing monthly promotions so that more people can benefit from Starbucks products.

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