

## **I. INTRODUCTION**

### **1.1 Background**

The development of increasingly sophisticated technology makes information increasingly easy to obtain. Rapid technological development made business actors and industries to adapt due to survive in the digital era. Business actors need strategies to survive in the digital era. The strategy can be in the form of digital marketing. Digital marketing is an activity carried out to market products through the media digital using the internet. Digital platforms are increasingly diverse, making digital marketing easier to implement. Digital platform can be in the form of social media and e-commerce. Social media is different from e-commerce. E-commerce refers more to the experience of shopping through e-commerce websites or special websites, while social media is online media which can connect its users from all over the worlds to communicate.

Social media is able to expand social interactions by utilizing internet technology and websites. Social media has created a global network that connecting people from different backgrounds. Social media has allows for the formation of large online communities, where people share their interests, experiences, and thoughts. Social media removes the boundaries of space and time in socializing (Zen and Sitanggang, 2023). Social media can become a marketing medium for business actors to market their products widely. Currently, there are various kind of social media such as, Instagram, TikTok, Facebook, which have variety of features

for assisting with digital marketing. Based on the number of social media users, Indonesia is ranked fourth.

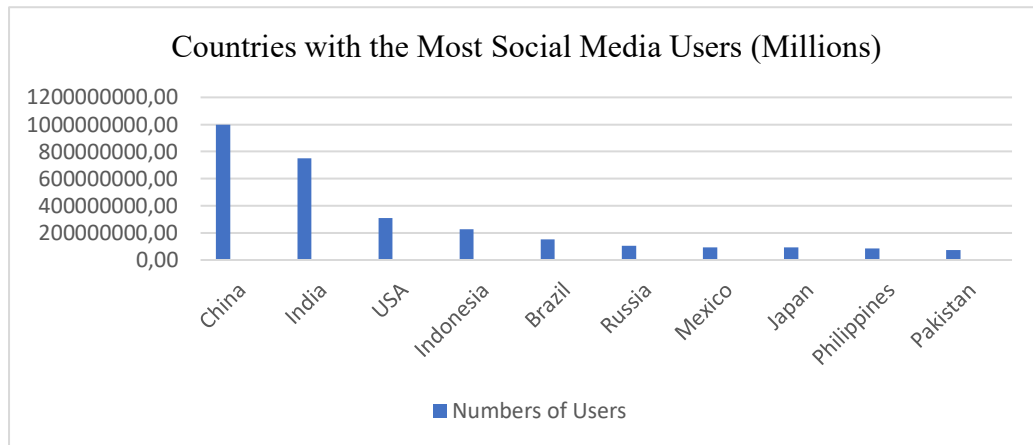


Figure 1.1 Countries with the Most Social Media Users  
Source: Singh, 2024

Figure 1.1 shows countries with the highest social media users in the world. Indonesia is the fourth country with the most social media users in the world after China, India, and USA. China ranks first in terms of the number of social media users as many as 1 billion users. India ranks second by number there are 750 million social media users. USA tops the rankings third with the number of social media users as many as 330.8 million users. Meanwhile, Indonesia is ranked fourth in terms of the number of users social media as many as 228 million users

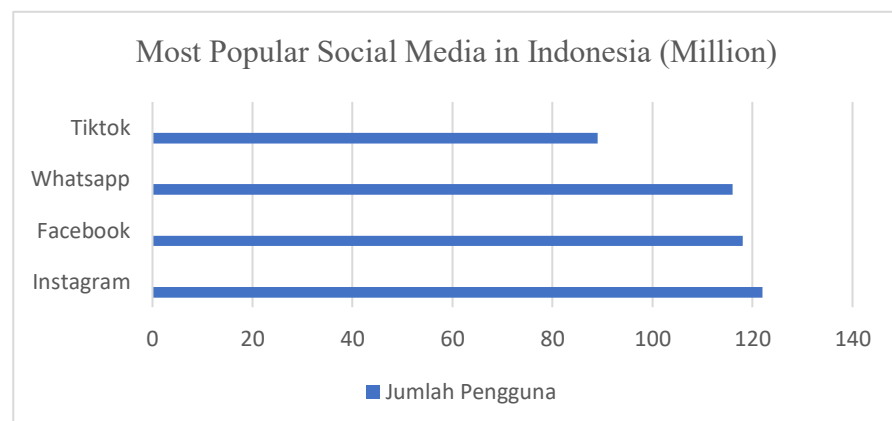


Figure 1.2 Most Popular Social Media in Indonesia  
Source: Pangabea, 2024

Figure 1.2 shows the most social media platforms in Indonesia, along with the number of users. The diagram shows that Instagram is the most popular social media in Indonesia with 122 million users. In second place is Facebook with 118 million users. WhatsApp is in ranking third with 116 million users. The number of social media users in Indonesia makes social media can be used as a medium promotion for business actors.

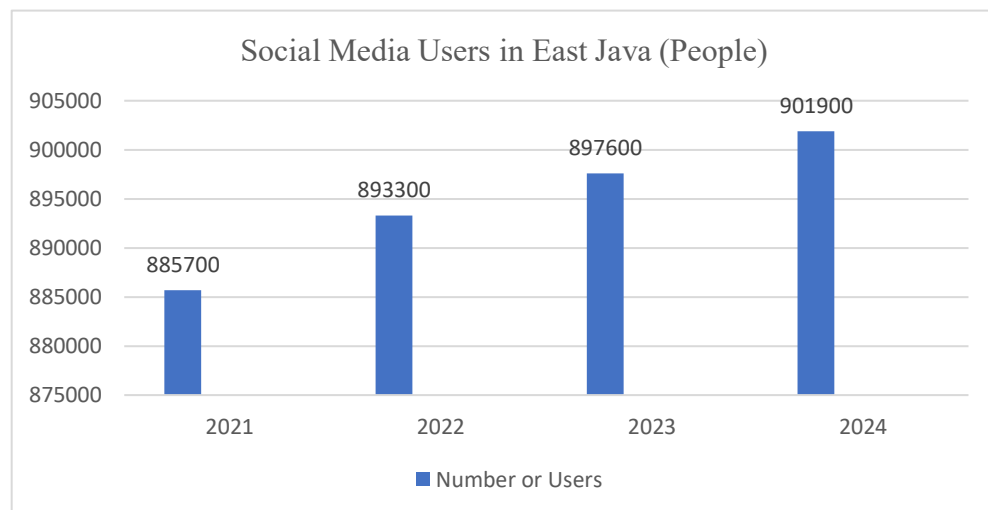


Figure 1.3 Number of Social Media Users in East Java  
Source: BPS, 2025

In East Java region, there has been an increase in social media users every year. In 2021, social media users in East Java reached 885,700 people. In 2022, social media users in East Java reached 893,300 people. In 2023, Social media users in East Java reached 897,600 people. In 2024, social media users in East Java reached 901,900 people. The number of social media users in East Java is constantly increasing from 2021-2024, it is possible that there will be an increase in social media users in East Java the following year.

The use of digital marketing media as a marketing medium has been used by business actors. The rapid development of technology has made business actors to adapt to technology in order to expand their markets and can market their

business more efficiently and effectively. Marketing strategy using digital media also has advantages, such as being able to reach use of website globally so that they can reach consumers precisely at a lower cost than traditional marketing (Falsuki et al., 2023). One of the business that is growing is café. A café is a business that is built as place to relax, prioritizing serving coffee, tea, and several other food choices. Cafes are often a place to meet colleagues, do assignments, have meetings, or just place to have lunch. Cafes have prestige value among teenagers. The advantages that café in general must have is a strategic location, unique interior design reasonable price, and the quality of the taste served (Wijaya, 2017).

Tempat Kumpul Café is a micro-scale café located in Sidoarjo, precisely located on St. Taman Pondok Jati, Sidoarjo Regency, East Java. Tempat Kumpul Café has been operating since February 2021 and is already legally established. Tempat Kumpul Café mainly sell drinks such as coffee and other soft drinks, but Tempat Kumpul Café also provide food such as snack, main course, and dessert. Based on interview with Manager of Tempat Kumpul Café, there is problem faces by Tempat Kumpul Café. The problem is sales that has not reached the monthly target in 2024.

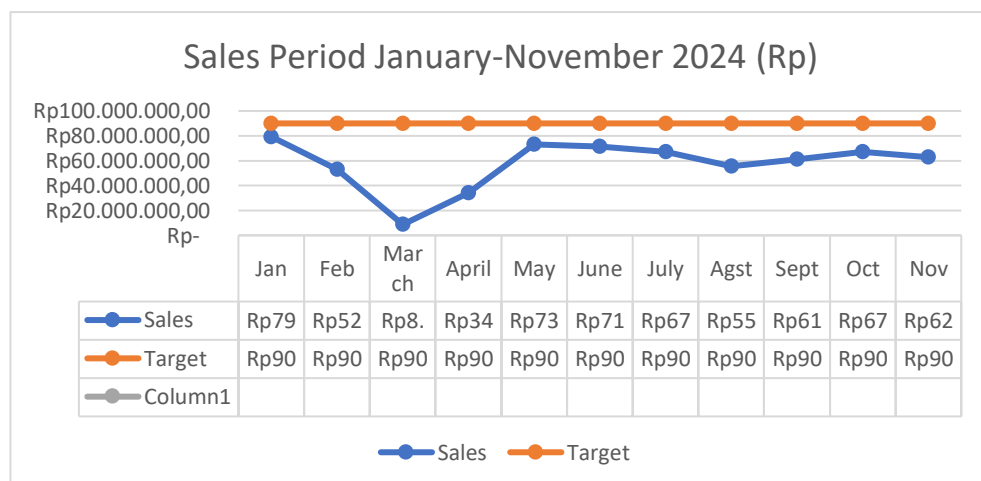


Figure 1.4 Sales of Tempat Kumpul Café for the Period January-November 2024  
Source: Primary Data, 2024

Figure 1.4 shows that the income of Tempat Kumpul Café in January-November 2024. The largest sales are in January which is IDR 79,314.000. In february the café's income was IDR 52,841,000. The least sales occurred in March, namely Rp8,684,000. in April, sales reached IDR 34,012,000. In June sales reached IDR 71,289,000. In July, sales reached IDR 67,280,000. In August sales reached IDR 55,588,000. In September sales reached IDR 61,208,000. In October, sales reached IDR 67,050,000. Novemer sales reached IDR 62,836,000. The monthly target to be achieved by Tempat Kumpul Café is IDR 90,000,000/month. Based on interviews with the Manager the target is set as the maximum profit that can be achieved by Tempat Kumpul Café. Based on this data, Tempat Kumpul Café's sales tends to fluctuate and has not yet reached its target. If its left unchecked it could causes losses to the café, so the cause must be found.

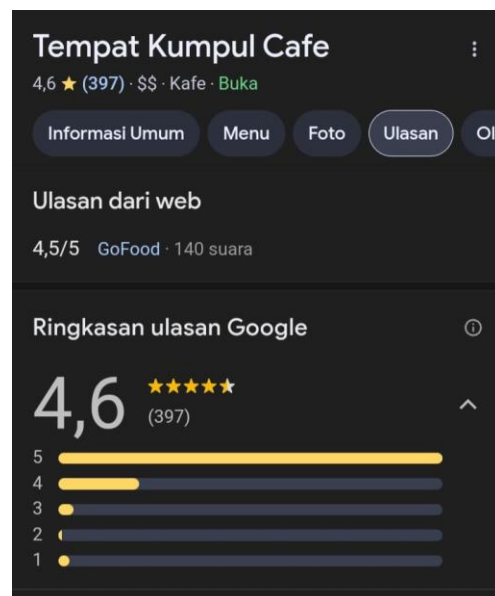


Figure 1.5 Rating Tempat Kumpul Café on Google  
Source: Google, 2024

Figure 1.5 shows the rating of Tempat Kumpul Café on Google. Tempat Kumpul Café has a 4.6 out of 5. This rating consider good with 397 reviews. Most visitor give good reviews by giving 5 stars. Bases on Google review, Tempat

Kumpul Café has provided Good Service. The food and drinks offered are also of high quality. Tempat Kumpul Café also provides a comfortable atmosphere for visitors.

According to Rizal et al. (2017), sales that do not reach the target can be caused by fierce competition. Fierce competition makes companies need to take advantage of opportunities and implement appropriate marketing strategies. The company will try to dominate the market with various marketing strategy and also services with the aim of getting maximum profit with a high level of optimal work efficiency. Based on its geographical location, there are several competitors that are suitable for Tempat Kumpul Café in terms of products, namely Manis ae Coffee and Space and Arkanza Coffee and Roastery.

Table 1.1 Comparison of Number of Products with Competitors

Indicator	Tempat Kumpul Café	Manis ae Coffee and Space	Arkanza Coffee and Roastery
Food	35	30	53
Drink	44	50	70

Source: Primary Data, 2025

Table 1.1 shows comparison of the number of products, between Tempat Kumpul Café, Manis ae Coffee and Space, and Arkanza Coffee and Roastery. Based on tabel 1.1, the difference in the number of products at Tempat Kumpul Café is not too far from Manis ae Coffe and Space and Arkanza Coffe and Roastery. Tempat Kumpul Café has 79 menu in total. Manis ae Coffee and Space has 80 menu in total. Meanwhile Arkanza Coffee and Space has 123 menu in total. Based on the explanation, the menu offered by Tempat Kumpul Café can be compete with competitors.

Table 1.2 Comparison of Heart Share with Competitors

Cafe	Year of Establishment	Instagram Followers	Engagement Rate (%)
Tempat Kumpul Café	2021	1595	1,39
Manis ae Coffee and Space	2021	2505	8,1
Arkanza Coffee and Roastery	2024	1245	2,3

Source: Instagram, 2025

According to Widiani et al. (2021), one of the factors that causes failure to achieve sales targets is the low public heart share towards a brand compared to other competitors. Heart share shows the emotional connection between consumers and brand, including loyalty and the affection that consumers have for the brand. Heart share level can be influenced by product quality, customer experience, brand reputation, and marketing campaigns. According to Widiani et al. (2021), the size of heart share can estimated by looking at the number of Instagram followers of the company. Table 1.2 shows that Tempat Kumpul Café has a number of followers which lower compared to its competitors with a total of 1,554 followers. Meanwhile, Manis ae Coffee and Space has 2,453 followers, and Arkanza Coffee and Roastery has 1,245 followers. Based on this data, the low hart share rate of Tempat Kumpul Café prove that the market share of Tempat Kumpul Café is also low, because according to Widiani et al. (2021), brand with high heart share tend to have loyal customers who contribute to market share growth in the long term. Another factor that can affects sales fluctuations at Tempat Kumpul Café is the existence of intense competition among cafes

Based on these problems, it can be concluded that the design of digital marketing strategies on social media are needed to complete problems that exist in Tempat Kumpul Café. Digital marketing strategy chosen because by utilizing

digital media as a promotional tool, it can expand the audience and attract customers to come to the shop or café (Donoriyanto et al., 2023). Tempat Kumpul Café was chosen as the research location because Tempat Kumpul Café is a micro-scale café that is currently facing problems in the form of sales that have not yet reached the monthly target. The research focuses on identifying internal and external factors that influence sales at Tempat Kumpul Café and analyze digital marketing strategies that is suitable for increasing sales Tempat Kumpul Café using SOSTAC Method. The SOSTAC method was chosen as the analysis tool because the SOSTAC method can create very complete strategy and detailed. The SOSTAC method produces detailed planning, starting with knowing the situation around the company, setting measurable goals, develop strategies to achieve goals, plan tactics to carry out strategy, then create a detailed schedule to implement the tactics and systems control to monitor activities to ensure they remain in line with the plan (Smith, 2017).

## **1.2 Problem Formulation**

1. What are the internal and external factors that influence sales at Tempat Kumpul Café?
2. What are the appropriate digital marketing strategies to increase sales at Tempat Kumpul Café?

## **1.3 Research Purposes**

1. Identify internal and external factors that influence sales at Tempat Kumpul Café.
2. Analyze digital marketing strategies to increase sales at Tempat Kumpul Café.

## **1.4 Research Implication**

Here are some of the expected benefits, namely:



1. For researchers, as a means of implementing the knowledge they have learned during their studies. Contributing ideas and hopefully adding to their insight, knowledge, and analytical skills regarding business development strategies, as well as being one of the requirements for graduating to obtain a bachelor's degree.
2. For universities, as a source of reference and guidance for further research of a similar nature, and as a repository of knowledge and information, especially for students, and as a reference for writing similar scientific papers.
3. For partners, this research is expected to provide knowledge about business development strategy analysis so that it can be implemented to develop their businesses.