

Product Development and Positioning Strategies for Seaclues Local Coffee

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ABSTRACT

Keywords: coffee, product development, segmentation; positioning. Seacules Coffee Shop uses psychographic, demographic, and behavioural factors to segment the market. Seaclues Coffee Shop's target market includes consumers between the ages of 18 and 45 who lead an active lifestyle and work as professionals or students. Seaclues Coffee Shop's goods are presented as premium coffee beverages. Seaclues serves high-quality coffee beans that have been roasted by a roaster. Coffee is served to customers with high-quality services provided in a comfortable atmosphere. By implementing the right positioning strategy, Seaclues Coffee Shop can attract and retain the right customers, increase customer satisfaction, and build long-term loyalty. To respond to the dynamic market, Seaclues Coffee Shop has carried out product development by creating unique and high-quality product variants. The quality of Seaclues coffee products comes from high-quality coffee beans that go through a roasting process before being processed for serving. Seaclues Coffee Shop develops innovative and unique coffee products by utilizing spices. Accurate positioning and product development help Seaclues Coffee Shop create quality products that are different from competitors, which strengthens Seaclues Coffee Shop's presence in a competitive market.



Introduction

Indonesia is the 3rd largest coffee-producing country in the world after Brazil and Vietnam. Vietnam is in second place producing 29.75 million coffee bags throughout 2022/2023. The fourth and fifth places are filled by Colombia and Ethiopia with production of 11.3 million bags and 8.27 million bags, respectively (Arsyanto & Rahmawati, 2018). According to the Central Statistics Agency (BPS) (2022) in the last 5 years, the trend of local coffee demand has shown a consistent increase as follows:

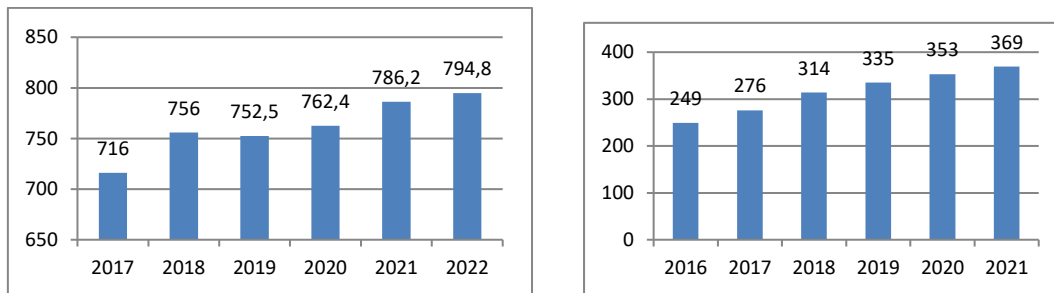


Figure 1
Demand Trends and Growth of Indonesian Local Coffee

The phenomenon in Figure 1 shows the increase in local coffee demand and production in the last 10 years, meaning that there are coffee business opportunities that can be exploited by business actors. This opportunity is responded to by the presence of MSMEs which has shown an increase in the last 3 years, from 1950 outlets in 2016 to 2950 outlets in 2019 (Handayani et al., 2023). One of the MSMEs that responded to this opportunity is Seaclues Coffee Shop, which was established in 2021, and located in North Jakarta. Until now, Seaclues Coffee Shop can survive the competition in the coffee shop industry with a coffee sales turnover of hundreds of millions by 2024 (Rismawati et al., 2019).

Product development is a company's growth strategy implemented by Seaclues to offer new or old products that are modified and marketed to current market segments. The results of (Hariyanto et al., 2023) explain that there is an influence of product development on marketing performance. Furthermore, (Dakhi, 2022) explained that consumer interest in buying is influenced by how a product is positioned among its competitors. Product positioning describes the placement of a brand in the market to get a positive response compared to competitor products (Hasiholan & DJ, 2019). Product positioning development is the act of designing and building a company's image to get a special place in the mind of the target market (Sihite et al., 2017). This research focuses on product development and positioning of Seaclues Coffee Shop coffee products based on local coffee. The purpose of this research is to provide an understanding of product development and positioning of coffee beverage products marketed by Seaclues Coffee Shop (Kholish & Darya, 2016).

Product development is a company's growth strategy by offering new or old products that are modified and marketed to current market segments (Kotler & Armstrong, 2008). Product development is the process of finding ideas for new goods and services and converting them into commercially successful product line additions (Jasmani, 2019). Companies need to make optimal use of their resources and carry out product development activities to maintain the company's survival (Husniar et al., 2023). Product development must be made to maintain and increase the competitiveness of products against competitors (Wijaya & Maghfiroh, 2018). Product development is carried out internally by the company by developing products that are by ongoing trends (Wijaya & Maghfiroh, 2018). Product development by diversifying products and new product strategies is carried out to increase product sales (Nailuvarly et al., 2020). Based

on research by (Nailuvary et al., 2020), it is shown that product development improves sales stability.

Method

The research approach used by the researchers is qualitative. This study is qualitative descriptive using the method of collecting information on photo elicitation interviews. The use of the photo interview information collection method is to obtain information or information used in the research and is carried out by asking and answering questions between the interviewer and the respondent using photos as an intermediary, where the photos used include the Seaclus coffee shop. The researcher chose the coffee shop because he saw the crowd of visitors who came to the coffee shop and the name of the coffee shop brand that was already famous among the public. The purpose of using the photo-elicitation interview information collection method is to obtain information about the attitude of Generation Z towards the existence of local coffee shops. Similar techniques have also been used by several studies related to consumer behaviour, especially Generation Z and Millennials, by using visual media in the form of photos.

Results and Discussion

Positioning Produk Seaclus Coffee Shop

Positioning is the activity of designing offers and a company's image to occupy a special place in the minds of consumers who are included in the target market (Salma et al., 2021). For this reason, Seaclus Coffee Shop is positioned after market segmentation is carried out as revealed by the owner of Seaclus Coffee Shop.

"At Seaclus Coffee Shop, we segment based on several key factors: demographics, psychographics, profession and consumer behaviour". "In terms of psychographics, we focus on customers who have an active and modern lifestyle and appreciate the quality and unique experience of enjoying coffee. Our behavioural segment includes customers who often visit coffee shops for work, meetings, or just to relax with our products, one of which is café latte".

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The results of the interview explained that by using demographic, psychographic and professional indicators, Seaclus Coffee Shop selected the target consumers who are targeted by Seaclus Coffee Shop, namely consumers aged 18 to 45 years old with employment status as students, professional workers, and entrepreneurs and have an active lifestyle. One of the typical segmentation indicators of Seaclus Coffee Shop is the behavioural indicator of coming to Seaclus Coffee Shop which includes customers who come to work, and customers who come to relax.

To build a product image or identity in the minds of consumers, Seaclus Coffee Shop does positioning as revealed by the owner of Seaclus Coffee Shop as follows:

"At Seaclues, we focus on three main aspects: product quality, customer experience, and local uniqueness. We believe that the combination of these three elements can help us stand out amid stiff competition. We are very selective in choosing the coffee beans we use. Only the highest quality coffee beans from the best plantations are selected by us. One of our products is called Signature Corn Latte made from café latte mixed which is developed with caramel syrup with corn and cheese on top. In addition, our roasting process is highly precise and carried out by experienced roasters to ensure that each cup of coffee has a consistent and superior taste. We also try to continue to innovate by creating new coffee variants that follow the trend but still maintain premium quality."

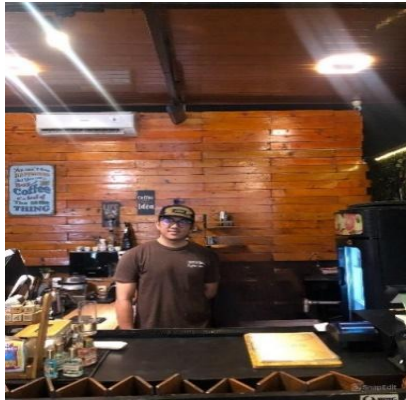
The results of the interview explained that the coffee products marketed by Seaclues Coffee Shop are positioned as premium coffee products. Coffee served based on quality coffee beans from the best plantations, marketed under the name Signature Corn Latte which is made from café latte mixed with caramel syrup with corn and kei as a topping. Seaclues Coffee Shop's positioning as a premium coffee is sourced from the process of serving coffee whose coffee beans are ground through a roasting process by an experienced roaster.

To ensure the availability of quality coffee beans, the owner of Seaclues Coffee Shop collaborates as follows:

"In addition, we have started a collaborative program with local farmers to create exclusive blends that are only available at Seaclues. We are also developing eco-friendly coffee packaging to support sustainability efforts". Positioning is also built through the experience of drinking coffee in a comfortable atmosphere as stated by the owner of Seaclues Coffee Shop follows:

"We want to be known as a coffee shop that not only offers high-quality coffee but also an inspiring and comfortable environment". "We provide an atmosphere that supports productivity with an aesthetic interior design and facilities such as free Wi-Fi and meeting rooms".

The results of the interview explained that Seaclues Coffee Shop's coffee beverage products are positioned as premium coffee products with coffee beans that go through the process of roasting coffee by a roaster. Positioning as a quality coffee shop is also supported by an inspiring and comfortable environment, meaning that positioning is built through physical products and coffee shop services.



To create a strong positioning, Seaclues Coffee often holds events to build closer relationships with customers as stated by Mr. Subur as the owner as follows:

"We also often hold community events, such as coffee workshops and discussions, to build closer relationships with our customers. All of this helps us create a strong positioning as a premium coffee destination and a community that cares about quality and experience."

Seaclues Coffee Shop Product Development

The key to product development is to be able to transform the gap between unclear demand and expectations into real products (Alimudin, 2018). Success in product development will result in a superior product (Husniar et al., 2023). The same thing is the focus of Seaclues Coffee shop as conveyed by the owner of Seaclues coffee shop as follows:

"The first coffee product launched by Seaclues Coffee shop is Meiden Dreams Fit, which is a coffee with a unique espresso served with fresh milk and hazelnut syrup plus liquid dark chocolate and foam".

"Innovation is key to staying relevant and exciting in this highly dynamic industry. At Seaclues, we continue to innovate by introducing a variety of unique coffee variants. One of Seaclues Coffe's product innovations is *the Signature Corn Latte* which is made from a café latte mix developed with caramel syrup with corn and cheese on top. This not only attracts customers who are looking for an authentic coffee experience but also establishes a strong and authentic identity in the local market. Various coffee variants provided include milk coffee and palm sugar milk coffee, espresso-based drinks such as Cappuccino, Mochaccino, and Americano".

By utilizing local ingredients, Seaclues Coffee Shop develops products by creating a variety of unique coffee menus, such as coffee with a touch of local spices marketed with *Cinnamon Café Latte* served with side dishes. Furthermore, Seaclues Coffee Shop also develops *cold brew* coffee with an infusion of tropical fruits called coffee with the addition of Indonesian herbs launched with *Fruit Ice Coffee*.

Various variants of coffee created by Seaclues Coffee shop, all of which use quality coffee beans as revealed by the owner of Seaclues Coffee shop as follows:

"We are committed to using high-quality local ingredients".

By prioritizing the use of high-quality coffee beans and precise roasting techniques, Seaclues was able to highlight quality advantages that were difficult for competitors to replicate, thus strengthening its position as a premium coffee provider.

From the results of the interview, it is evident that Seacules Coffee with the owner of Seaclues Coffee Shop, Seaclues can position itself as an exclusive and strong coffee destination, able to attract and retain loyal customers. Thus, Seaclues can maintain its competitiveness and continue to thrive in the competitive coffee products industry. It can be seen that their segmentation and positioning strategies are very focused and directed. They know their target market well and strive to meet customer needs and preferences with high-quality products and services. Their positioning as a premium coffee shop with a unique experience and a community that cares about quality sets them apart from the competition. With innovative plans and an adaptive approach to market developments, Seaclues Coffee Shop seems poised to continue to grow and attract more customers in the future.

By implementing the right positioning strategy, Seaclues Coffee Shop can attract and retain the right customers, increase customer satisfaction, and build long-term loyalty. Successful positioning will also help create a strong brand image and differentiate itself from competitors, strengthening Seaclues Coffee Shop's presence in a competitive market.

Conclusion

Seaclues Coffee Shop has succeeded in innovating coffee beverage products by creating a unique and quality coffee identity. Quality is sourced from quality coffee beans as raw materials that go through the roasting process by experienced roasters. To ensure the availability of quality raw materials, Seacules Coffee Shop has built collaborations with coffee farmers. The quality of the drinks marketed Through product development and customer experience, Seaclues Coffeshop has managed to become an exclusive and highly competitive coffee destination in a busy market.

Seaclues Coffee Shop's segmentation and positioning show a focused approach to understanding customer needs. With segmentation based on demographics, psychographics, and behaviour, they target various market segments. They attract customers with customized coffee varieties, a comfortable environment, and a loyalty program. Their positioning strategy focuses on the premium coffee experience, with a commitment to local ingredients and a productivity-supporting atmosphere. Overall, Seaclues has an adaptive and innovative approach, and the potential to continue to grow and strengthen the brand image in a competitive market.

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