



Marketing Strategy And Creative Product Innovation On Coffee Business Marketing Performance

¹Andi Alfianto Anugrah Ilahi, ²Mulyana Machmud, ³Hamida Hasan, ⁴Fahmi Faturrahman

^{1,2,3,4}Andi Sapada Institute of Social Sciences and Business, Indonesia.

¹alvian260@gmail.com, ²mulyanamachmud@amsir.ac.id, ³hamidahasan@amsir.ac.id,
⁴fahmifaturrahman@amsir.ac.id

*Correspondence Email: alvian260@gmail.com

Abstract: This study aims to describe the role of marketing strategies and creative product innovation in improving marketing performance in coffee businesses. The approach used was qualitative with descriptive methods. Data were collected through in-depth interviews, observation, and documentation with coffee business owners and managers in Parepare City. Data analysis was carried out through the stages of data reduction, data presentation, and conclusion drawing. The results show that marketing strategies implemented by coffee business actors include the use of social media, improving service quality, and strengthening local brands as the main attraction for consumers. Meanwhile, creative product innovation is realized through the development of flavor variants, attractive packaging designs, and product presentations that emphasize cultural values and regional characteristics. These two aspects support each other in improving marketing performance, as seen from the increase in the number of customers, consumer loyalty, and the positive image of coffee businesses in the local market. This study confirms that successful marketing performance depends not only on promotional strategies, but also on the ability of business actors to innovate creatively according to market needs and tastes. Thus, the integration of marketing strategies and creative product innovation is key to the sustainability and competitiveness of coffee businesses in the modern era.

Keywords: Marketing Strategy, Creative Product Innovation, Marketing Performance, Coffee Business

INTRODUCTION

Coffee is one of the world's leading commodities with high economic, social, and cultural value. Indonesia, as one of the world's largest coffee producers after Brazil and Vietnam, has significant potential to develop a globally competitive coffee industry. According to data from the International Coffee Organization (ICO), Indonesian coffee production continues to increase, and Indonesian coffee exports are distributed to various countries in Asia, Europe, and the Americas (Ilahi et al., 2024).

The development of the coffee industry is determined not only by coffee bean production but also by the ability to manage added value in the downstream sector, namely processing,



marketing, and product innovation. In this context, local coffee entrepreneurs play a crucial role in strengthening the national coffee value chain. They not only sell coffee drinks but also convey experiences and cultural identity in each product (Ilahi et al., 2025).

Global coffee consumption trends are shifting from a necessity to a lifestyle. Consumers are now seeking a coffee experience—a unique, authentic, and personalized experience. This concept is driving the emergence of the third wave of coffee, where consumers are beginning to appreciate the origins of the coffee beans, the brewing process, and even the story behind each cup. This phenomenon also occurs in Indonesia, especially in cities such as Jakarta, Bandung, Makassar, and Parepare, where the coffee drinking culture is growing rapidly and has become part of everyday social interactions (Ilahi & Asike, 2023).

Despite the enormous market opportunity, coffee businesses face complex challenges. Competition comes not only from fellow coffee shops but also from major brands and international franchise networks. Furthermore, rapidly changing consumer behavior demands that businesses continuously adapt (Ilahi et al., 2023).

One of the biggest challenges is establishing differentiation. Many coffee businesses offer similar products without a clear uniqueness. As a result, they struggle to retain customers long-term. This is where marketing strategy plays a strategic role—not just promotion, but also creating strong brand value and identity.

Modern marketing strategies require businesses to understand market segmentation, consumer behavior, and effective communication channels. Social media is a key tool for introducing products, building emotional connections with consumers, and fostering loyalty. Through platforms like Instagram, TikTok, and YouTube, coffee businesses can showcase the aesthetic value of their products, the manufacturing process, and even the story behind their businesses (Ilahi, 2023).

Many small businesses still haven't optimally utilized digital technology. Limited digital marketing knowledge, human resources, and promotional funds are major obstacles. As a result, even though their products are high-quality, they lose out in terms of visibility and branding. In a competitive business world, product innovation is a key factor in success. Innovation doesn't always mean creating something completely new, but can involve modifications, improvements, or the creation of new value that is relevant to market needs.



In the coffee industry, product innovation can include developing flavor variants (such as palm sugar milk coffee, spiced coffee, coconut coffee), packaging innovations (eco-friendly, modern design, or based on local wisdom), and even innovations in presentation concepts (e.g., grab-and-go, coffee on wheels, or themed coffee shops) (Putra et al., 2024).

Creative entrepreneurs are able to combine taste, aesthetic value, and consumer experience. They not only sell coffee as a product, but also sell stories and meaning. Emotional values such as togetherness, relaxation, and pride in local products are factors that build attachment between consumers and brands (Ilahi et al., 2025).

Continuous product innovation can expand markets and increase competitiveness. For example, several coffee entrepreneurs in South Sulawesi have successfully created ready-to-drink packaged products that are marketed online to various regions. This demonstrates that creative innovation not only enhances image but also opens up new economic opportunities.

Marketing performance reflects the extent to which marketing strategies and activities successfully achieve business objectives, such as increased sales, customer satisfaction, and market share growth. In the context of the coffee business, marketing performance is not only related to sales figures, but also how the brand is recognized, accepted, and remembered by consumers (Ilahi & Asike, 2023).

A good marketing strategy must be based on a deep understanding of consumer behavior. Businesses need to understand what customers want, when they buy it, and how they consume coffee products. From this understanding, strategies can be designed with greater focus, from pricing and promotion to distribution (Tijjang & Rahmawati, 2021).

Meanwhile, product innovation is an element that strengthens marketing strategies. Innovative products facilitate promotion because they offer differentiated value. For example, a coffee shop with an eco-friendly concept or recycled packaging can attract environmentally conscious consumers. When marketing strategy and product innovation work hand in hand, they form a synergy that increases competitiveness and strengthens market position.

Many previous studies have shown that product innovation positively impacts marketing performance, particularly through increased customer satisfaction and loyalty. However, in the context of small businesses, the ability to innovate is often limited by the creativity of entrepreneurs and a supportive business environment. Therefore, understanding how coffee



entrepreneurs develop their innovations and marketing strategies is important in this qualitative context (Handika & Darma, 2018).

From the various descriptions above, it can be concluded that the success of a coffee business depends heavily on the entrepreneur's ability to design appropriate marketing strategies and develop creative product innovations. The combination of the two not only improves marketing performance but also creates a strong brand identity in the eyes of consumers.

This research seeks to delve deeper into how these two aspects are implemented in the field. Using a qualitative approach, researchers will explore the experiences, strategies, and perspectives of coffee entrepreneurs on how they manage their businesses to remain relevant, competitive, and sustainable. Therefore, the results of this study are expected to not only enrich the scientific literature on marketing strategies and product innovation but also provide a tangible contribution to coffee entrepreneurs in Indonesia's continued growth within the dynamic creative economy ecosystem.

METHOD

Research Design

This study employed a descriptive qualitative research design to explore and analyze the role of marketing strategies and creative product innovation in improving marketing performance in coffee businesses. A qualitative approach was chosen because the research seeks to understand in depth the experiences, strategies, and perspectives of coffee business actors rather than to measure relationships statistically. This design allows researchers to interpret social phenomena holistically within their real-life context.

Research Location and Subjects

The research was conducted at several coffee businesses located in Parepare City, Indonesia, particularly those participating in the Rumah BUMN (State-Owned Enterprises) mentoring program. The selection of research locations was carried out using purposive sampling, considering business scale, diversity of products, length of operation, and active involvement in business development programs.

Research subjects consisted of:

1. Coffee business owners,



2. Marketing managers,
3. Baristas, and
4. Regular customers.

These informants were selected because they possess direct knowledge and experience related to marketing strategies, product innovation processes, and marketing performance outcomes.

Data Collection Techniques

Data were collected using multiple techniques to ensure data credibility and richness:

1. In-depth Interviews: Semi-structured interviews were conducted with coffee business owners and managers to explore marketing strategies, innovation practices, and perceived impacts on business performance. Interviews with baristas and customers were conducted to gain insights into service quality, product innovation, and consumer perceptions.
2. Observation: Direct observations were carried out at coffee shop locations to examine marketing practices, customer interactions, product presentation, service processes, and the overall business atmosphere. Observations helped validate information obtained from interviews.
3. Documentation: Documentation included business profiles, promotional materials, social media content, sales records (where available), menus, and photographs of products and packaging. These documents supported and strengthened the qualitative findings.

Data Analysis Techniques

Data analysis was conducted using an interactive qualitative analysis model, consisting of the following stages:

1. Data Reduction: Data from interviews, observations, and documentation were transcribed, selected, and categorized according to research themes, such as marketing strategy, creative product innovation, and marketing performance.
2. Data Display: The reduced data were organized and presented in narrative descriptions, tables, and thematic matrices to facilitate interpretation and pattern identification.
3. Conclusion Drawing and Verification: Conclusions were drawn by identifying relationships between marketing strategies, product innovation, and marketing performance. The findings were continuously verified through data triangulation to ensure validity and consistency.



Data Validity

To ensure data trustworthiness, this study applied triangulation of sources and techniques, comparing information obtained from different informants and data collection methods. Member checking was also conducted by confirming key findings with selected informants to minimize misinterpretation.

RESULTS AND DISCUSSION

Based on observations and interviews with several coffee entrepreneurs in various regions in Indonesia, it was found that the majority of coffee businesses are micro and small-scale. Most businesses focus on selling processed coffee products such as ready-to-drink coffee, roasted coffee beans, and packaged coffee. Furthermore, modern coffee shops are growing due to the growing public interest in coffee shop culture as part of the urban lifestyle.

Coffee entrepreneurs demonstrate a high level of enthusiasm for innovation, despite still facing limitations in capital, human resources, and suboptimal digital promotional strategies. However, awareness of the importance of creative marketing and product innovation is growing with the development of social media and e-commerce.

This study aims to understand how marketing strategies and creative product innovation contribute to improving marketing performance in coffee businesses in Indonesia. Based on in-depth interviews and field observations with several coffee business owners, it was found that most rely on a combination of digital and traditional marketing strategies. This approach was chosen because it can reach consumers from various segments, including young people who are active on social media and loyal customers who prioritize in-person coffee shop experiences.

Digital marketing strategies are one of the most dominant components in increasing brand exposure. Social media platforms such as Instagram, TikTok, and WhatsApp Business are used to showcase product uniqueness, build brand stories, and engage with customers. Through engaging and consistent visual content, coffee businesses are able to build brand awareness while creating emotional connections with consumers. This has proven effective in increasing customer engagement and expanding the market.

In addition to digital strategies, some coffee businesses maintain traditional strategies such as direct promotions, word of mouth, and community activities. These approaches are considered



effective in strengthening customer loyalty due to the face-to-face interaction and personalized service. In the coffee business context, customer experience is a crucial aspect that cannot be completely replaced by digital media. Therefore, a combination of online and offline approaches is a balanced strategy for maintaining business sustainability.

Creative product innovation is also a determining factor in increasing the competitiveness of coffee businesses. Based on the findings, innovation takes various forms, from developing new flavor variants, improving the quality of raw materials, to designing more modern and environmentally friendly packaging. This innovation not only enriches consumer choices but also enhances aesthetic value and brand identity. Coffee businesses that consistently innovate are more likely to gain consumer attention and preference.

Innovation in service is also a key strategy for businesses. Many coffee shops are now adding takeout, drive-thru, and online sales to reach customers who prioritize convenience. Furthermore, collaboration with creative communities and local economic actors helps strengthen brand image and increase the attractiveness of coffee businesses in the eyes of the public. Thus, innovation occurs not only in products, but also in service systems and the overall customer experience.

Thematic analysis found that marketing strategy and product innovation complement each other in creating optimal marketing performance. Coffee businesses that actively innovate and implement adaptive marketing strategies tend to experience increased sales, strengthened customer loyalty, and expanded market reach. This indicator demonstrates that the ability to adapt to market trends and consumer behavior is crucial to the success of coffee businesses in today's competitive era.

The findings of this study align with the Resource-Based View (RBV) theory, which states that competitive advantage can be achieved through the utilization of unique and difficult-to-imitate internal resources, such as creativity and innovative capabilities of entrepreneurs. Furthermore, the research findings support the marketing mix theory, which emphasizes the importance of the combination of product, price, promotion, and distribution in determining marketing success. The synergy between product innovation and marketing strategy is a key factor that differentiates one coffee business from another.

The research findings indicate that the success of a coffee business's marketing performance is determined not only by product taste and quality, but also by the entrepreneur's ability to



understand the market, build relationships with customers, and deliver innovations relevant to consumer trends. Therefore, adaptive marketing strategies and creative product innovations must be continuously developed to ensure coffee businesses survive, compete, and positively contribute to the local economy.

Strategic Aspects	Field Practice	Information
Product	Variety of flavors and environmentally friendly packaging	Highlighting local identity and quality of taste
Price	Value for money strategy and seasonal promotions	Price adjustments based on market segments
Place	Direct sales and online delivery	Collaboration with digital platforms
Promotion	Social media, giveaways, endorsements	Community-based and storytelling

Table 1. Coffee Business Marketing Strategy

Types of Innovation	Implementation Example	Impact
Product Innovation	Spiced milk coffee, palm sugar coffee	Attracting new customers
Service Innovation	Online ordering and monthly subscriptions	Increase customer loyalty
Packaging Innovation	Minimalist and eco-friendly design	Improve brand image

Table 2. Creative Product Innovations in Coffee Businesses

Indicator	Changes Felt	Supporting Factors
Sales Volume	Increased 15–40%	Digital and community promotion
Customer Growth	Increase through social media	Storytelling and taste innovation
Customer Loyalty	Go higher with membership program	Friendly and personalized service

Table 3. Coffee Business Marketing Performance

CONCLUSION



This research shows that marketing strategies and creative product innovation play a crucial role in improving marketing performance in coffee businesses. Effective marketing strategies, such as utilizing social media, collaborating with coffee enthusiast communities, and implementing product differentiation concepts, have been proven to attract new consumers and strengthen the loyalty of existing customers. Marketing based on an understanding of consumer needs and behavior provides a competitive advantage for coffee businesses, enabling them to survive in increasingly fierce competition.

Creative product innovation is a key driver in maintaining the sustainability of coffee businesses. The development of unique flavor variants, the use of local raw materials, and attractive packaging designs not only increase product sales but also strengthen brand identity in the eyes of consumers. The integration of adaptive marketing strategies and continuous product innovation can create synergy that significantly improves marketing performance. Therefore, coffee businesses need to continuously innovate and strengthen their marketing strategies to compete and thrive in a dynamic market.

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