

Instagram Engagement Strategy in Improving Brand Loyalty (Case Study: Ombe Kofie)

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Abstract: This study described the strategy of using Instagram as a social media to increase the brand loyalty and sales of Ombe Kofie and to find out the brand loyalty stage of Ombe Kofie. Descriptive qualitative approach is used in this research. The main theory and concept were brand loyalty, Instagram feature, and sales promotion tools. The result of this study showed that Ombe Kofie used five features on Instagram and each of them has respective role in increasing brand loyalty and sale.

Index Terms: social media, Instagram, Brand loyalty, Sales, Coffee shop.

1 INTRODUCTION

THE use of social media by a company aims to give brand awareness in customer's mind to start recognizing and acknowledging that a brand exists, and then to attract customers to buy or try the goods or services that the company offers. Brand Awareness is the most important component of brand equity. This brand awareness refers to the ability of prospective buyers to recognize or remember a brand as a member of a category or product. Instagram is not only a social media for uploading photos but is also used as a platform for branding and marketing large companies and startup companies. The use of social media also has a significant role in a coffee shop. Most coffee shops use Instagram as a medium for promotion, product information, services, promos, and important announcements. Every people have different ways of choosing a coffee shop and becoming a regular customer. It may be because of its strategic location, friendly service, suitable music, or the branding that makes the coffee shop famous. Every coffee shop has its uniqueness, the uniqueness is seen from the design, diverse menu of coffee selection, friendly baristas, the use of social media, and how to interact with the engagement in the social media. Many aspects are considered until the customer decides to buy coffee in a particular coffee shop. Coffee shops have grown in Indonesia since the beginning of 2010, coffee shops that call themselves artisan or specialty coffee are coffee shops that attach great importance to coffee quality compared to other products they offer. Moreover, coffee shops that call themselves artisan usually do not only prioritize sales, but the people behind the bar and the quality of coffee is also their primary concern.

Ombe Kofie and Viverri Coffee are specialty coffee located in North Jakarta. The Instagram analytics comparison between Ombe Kofie with Viverri Coffee is fascinating. Based on [1] Ombe Kofie's followers is 18,241, and Viverri coffee's follower is 11,045. Ombe Kofie's daily average followers are seven users while Viverri Coffee's followers are reduced by one per day. Predictions made by Socialbalde shows that Ombe Kofie's potential followers in the next six months will increase

to 19,515 followers [1] At that time, there were not many Coffee Shops that claimed as Specialty Coffee/Artisan. Therefore, Jason as the founder of Ombe Kofie decided to open a Coffee Shop with the aim of serving a cup of coffee with the best quality for coffee lovers' community in the Pluit area, North Jakarta. Ombe Kofie stands on a small area located on a busy roadside, with the concept of "home" and small parking area. According to Jason, this Coffee Shop is established from his personal goal as to spend time, but it turns out he indirectly creates a lifestyle for the community. When Ombe Kofie first established, its popularity was said to be the equivalent with the long-standing coffee shop. The friendly and unique personality of the founder, Jason Leo, played a big role in the popularity of Ombe Kofie. Ombe Kofie was initially designed with old wooden tables and doors. A small room and a rusty iron chair make the interaction very intimate, especially with the founder of Ombe Kofie, Mr. Jason Leo. The menu offered at Ombe Kofie is coffee-based drinks and without a doubt requires high skill and expertise to process fried coffee beans from Giyanti, Morph, and Singapore. The most famous drink is Cold Brew, which is bottled and ready-to-drink coffee. The first Ombe Kofie branch is located in Pluit. The building is measuring only about 5x10 meters and located on a crossroad. However, having an atmosphere like home is one of the things that makes Ombe Kofie a unique coffee shop. With narrow area, Ombe Kofie can sell approximately 200 cups per day, and also Ombe Kofie is a coffee specialty which means only providing coffee-based drinks. It is called specialty coffee because Ombe Kofie only sells espresso-based beans that get an AA grade. There are three choices of beans available every day for Ombe Kofie's customers. Coffee beans offered by Ombe Kofie vary from Africa, South America, and also Indonesia. Those three beans will be switched every day so that Ombe Kofie's customers are not bored, because each bean has different tastes and characteristics. The mission of Ombe Kofie is to present the best coffee and build connections as well as provide the best for its community. In 2018, Ombe Kofie was a Coffee Shop with rapid development marked by the opening of new branches. Ombe Kofie believes that as time goes by they have developed and evolved, but they have not changed. Moreover, Ombe Kofie believes in the quality of the coffee they have and has committed to serve only excellent Specialty Coffees to its customers. Seeing from the rapid development of the social media and also from the last three years Ombe Kofie already has six branches (Pluit, Grand Indonesia, Kelapa Gading Mall, Summarecon Mall Bekasi, UOB Plaza, and Cikajang) and sales up to Rp 9,000,000 per day. So, this study wants to

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examine the Engagement Strategy of Instagram Social Media In Improving brand loyalty of Ombe Kofie.

2 RESEARCH METHODS

This research used descriptive qualitative research as a method. Descriptive qualitative method is focused on observation and scientific environment (natural setting). Researchers go directly to the field and act as observers. They make categories of behavior, observes symptoms, and records them in the observation book. In qualitative descriptive, the hypothesis cannot be created before the research, but it appears in research (Ardianto, 2010). Descriptive qualitative research is a research that intends to make a description out of situations or events. Moreover, descriptive research is an accumulation of basic data in a descriptive way, solely does not need to find or explain interconnected, test hypotheses, make predictions, or get meaning and implications even though research that aims to find new things can also include methods descriptive method. This type of research is used because the current research is not testing relationships, testing hypotheses, making predictions, or getting meaning and implications, but only to explain how Instagram social media engagement strategies increase brand loyalty. The research method used is a case study with the intention to gather information about the strategies and steps used by Ombe Kofie in using the Instagram application to increase brand loyalty and sales. Case studies are a method for understanding individuals that carried out integratively and comprehensively to obtain a deep understanding of the individual and the problems they faced with the aim to solve the problem and obtain good self-development. In order to obtain a deep understanding of Instagram social media engagement strategies in increasing brand loyalty and sales, collection techniques with triangulation and data analysis are inductive/quality. This study combined data from participatory observation, in-depth interviews, and data about social media growth and sales. Participatory observations were carried out by directly working as a social media administrator at Ombe Kofie from January-June 2018, and interviews were conducted to two respondents who worked as Social Media Managers and General Managers. Moreover, there was also documentation of sales growth, Instagram engagement, and followers.

3 RESULT AND DISCUSSIONS

Ombe Kofie is a coffee shop located in North Jakarta, Indonesia, and it was established on March 12, 2015. Ombe Kofie is engaged in food and beverages and calls themselves specialty coffee. It means Ombe Kofie is not only prioritizing sales but also emphasizing the quality of coffee, consistency, and the man behind the bar. The man behind the bar means that all barista who works at PT Yaombe Cipta Lestari has the qualifications and experience as a barista and has extensive knowledge of coffee. The name Ombe Kofie was initially taken from the Javanese language, "Ng'ombe" which means drink. Jason Leo, who was the founder of Ombe Kofie, initially built Ombe Kofie with a very personal goal, which was to fill his spare time and because he found a small empty area near his residence. Jason Leo who is more familiar with a nickname such as "Uncle J" or "Om Jason" is a man in his 50's who has a very interesting personality, wide circle of

acquaintance, and unique hobbies. So, many people want to meet and talk to "Om Jason" Ombe Kofie is a new coffee shop, but its popularity almost equal to a long-standing coffee shop that has been established for years. This is because Ombe Kofie has a very different atmosphere from other coffee shops. The atmosphere created in Ombe Kofie is very intimate, and all customers interact with each other, where at other coffee shops, customers tend to enjoy by themselves. Other coffee shops only make coffee for customers and then receive money from customers. However, Ombe Kofie is different, its small room causes interactions between customers and baristas to be very intimate, and many customers want to sit in a small bar to get a short and intimate conversation with "Om Jason." Ombe Kofie offers an interesting Specialty Coffee menu, and mostly is coffee-based. The beverage menu is divided into two segments, coffee-based and non-coffee based. Interview and participatory observation were conducted to explain the strategy of using Instagram as social media to increase brand awareness and Ombe Kofie's sales.

3.1 OMBE KOFIE'S BRAND LOYALTY LEVEL

Ombe Kofie has very loyal customers and has a lot of regular customers. It means that if customers had come to Ombe Kofie for the first time, will come for the second time. From the visitor volume, it can be concluded that Ombe Kofie has committed buyers, Ombe customers are at the level of liking the brands. It is because many people that have come and tried Ombe Kofie decided to come again. Customer loyalty is great because baristas can recognize regular customers and memorize their regular orders, and those customers can defend Ombe Kofie when they go to another coffee shop in Jakarta. Based on the observation, the stages of liking the brands reached by Ombe Kofie were proven by not a few of Ombe Kofie customers who called themselves #PeopleofOmbe. They were proud to be included in the coffee community that had been made by Ombe Kofie, and many Ombe Kofie Customer who posted on their Instagram personal account and used the hashtag of #PeopleofOmbe. Ombe Kofie has loyal customers because they have many regular customers who have formed a community called #PeopleofOmbe. After they came for the first time, they will come for the second time. It makes the baristas memorizing their names, their orders, even where they were seated. So, based on visitor volume, it could be concluded that Ombe Kofie had customers at the level of liking the brands, because they would come for the second time. From the strategy to increase brand loyalty conducted by Ombe Kofie through Instagram, it is clearly seen that the increase of brand loyalty compared to before the strategy to increase brand loyalty through Instagram is conducted. The strategy to increase brand loyalty through Instagram was utilizing three Instagram features that are homepage, comment section, and profile.

3.2 INSTAGRAM ENGAGEMENT STRATEGY IN INCREASING BRAND LOYALTY

The advantage of Instagram in increasing brand loyalty is because it is very easy to download and almost all people in Indonesia have Instagram on their mobile phones. According to Herru Limarto Instagram has many advantages that can be used as medium to increase brand loyalty, because there are

so many Instagram users in Indonesia, and users can choose between personal and business profile. Brand loyalty is a component for Ombe Kofie because brand loyalty refers to the ability of prospective customers and regular customers to recognize and remember a brand and still buy or use the brand. Ombe Kofie considers brand loyalty to be closely related to brand identity in memory. Before efforts to increase brand loyalty through Instagram were made, Ombe Kofie's brand loyalty was carried out by word of mouth from the connections and relationships of Ombe Kofie's founder, Jason Leo. The improvement of Ombe Kofie's brand loyalty not only through Ombe Kofie's Instagram, but also through their regular customer's social media. People who often come to Ombe Kofie used to call themselves #PeopleofOmbe because they are proud to be considered as the Ombe Kofie family. Increasing brand loyalty through Instagram is very effective because from Instagram many new customers come to Ombe Kofie. They want to try the friendly and service intimacy that are being discussed through Instagram. Also, through Instagram, there are also many feature pages covering Ombe Kofie, for example, Manual.id, which is a coffee community that promotes an excellent coffee shop in Jakarta. Ombe Kofie's regular customer always posts photo or stories on their Instagram account and tags Ombe Kofie when they are at Ombe Kofie, so their followers know the existence of Ombe Kofie. The use of Instagram as social media to increase brand loyalty uses three features in Instagram, namely the Homepage feature, comment section, and profile. The use of the homepage in increasing brand loyalty is by posting regularly so that Ombe Kofie can keep in touch with their regular customers. Also, every post must have "soul" that distinguishes Ombe Kofie from other coffee shops. The homepage feature is used frequently by posting hashtag #peopleofombe. If the regular customer recognizes hashtag #peopleofombe posted by Ombe Kofie, the Instagram engagement will increase because people will be excited in the comment section. The comment section feature is used by responding to feedback or comments. Moreover, the interaction between barista and #peopleofombe is a plus for increasing brand loyalty. Profile features also have a major influence on increasing brand loyalty, because profile features show the atmosphere at Ombe Kofie. However, the strategy was not only to post Ombe Kofie's products but also capture moments which showed the family side of Ombe Kofie. Instagram's profile is the main key to increase brand awareness and strengthen the brand identity of Ombe Kofie because Instagram's profile feature is a representation of Ombe Kofie. Ombe Kofie's strategy to increase brand awareness and Ombe Kofie's sales through Profile feature is by making interesting and deep visuals for each post. Ombe Kofie's post must show the value of Ombe Kofie which are the warmth, the intimate interaction between barista and customers, and excellent services so that customers feel that they are at home. Another strategy by Ombe Kofie is not following untrustworthy accounts because, besides an attractive Instagram profile, followers and following are also aspects that build credibility. If a coffee shop has followers around 20,000 and has 40 likes per post, the Instagram account of the coffee shop will not look credible because followers and engagement are not comparable and following also affects credibility. If a coffee shop follows people who are not related to their fields and follows all customers who come, the coffee shop does not look exclusive and not

credible. Ombe Kofie also keeps the engagement, followers, and following on their Instagram account to build credibility, because the more credible a coffee shop is, the more people will try.

3.3 The Use of Instagram to Increase Brand Awareness

The use of Ombe Kofie's Instagram homepage feature is to find out and tell what is happening at Ombe Kofie in the form of Instagram posts. Strategy by Ombe Kofie to increase brand awareness is by posting regularly and determining the right time with the most engagement. However, it is not enough to post regularly, every Instagram post of Ombe Kofie must have meaning to differentiate their post from other coffee shops and reshape Ombe Kofie's brand identity that has disappeared. Every Ombe Kofie's post must show the family side and specialty of coffee offered, and the warm atmosphere offered by Ombe Kofie. So, the brand identity becomes clearer and make more people want to try Ombe Kofie. The strategy to build credible brand awareness through the comment section feature is by replying comments that are considered feedback using polite language. Barista at Ombe Kofie also replies to #PeopleofOmbe comments they know and are a regular customer of Ombe Kofie because the baristas are the keys to a personal connection with the customer. Customers will feel personalized by Ombe Kofie and make them interested in coming again for the second time. However, Jordy Liong believes that not all comments must be replied, because it will not look credible by people who saw the Ombe Kofie's comment section. Ombe Kofie's Explore Instagram feature is used to increase brand awareness by posting regularly, because the explore feature is a feature that allows Ombe Kofie's posts to appear in other accounts. Thus, people who interested in coffee will look at Ombe Kofie posts and even opens Ombe Kofie's profile. This feature is possible for Ombe Kofie to increase brand awareness. The strategy used to increase brand awareness is by making a creative post so that the thumbnail looks more interesting than other posts in the explore feature. In creating creative post, adding words and editing the color of the photo as interesting as possible are needed.

3.4 The Use of Instagram to Increase Sales

Instagram is Ombe Kofie's main platform for running sales promotion tools. This is because Instagram is the easiest way to notify Ombe Kofie customers if Ombe Kofie has promotions, free items, and ongoing price discounts. Ombe Kofie uses Instagram to run sales promotion tools, including coupons, price packages, premiums, cross promotions, and joint promotions. Ombe Kofie chose very detailed about the promos offered by third parties and promos made by Ombe Kofie because it was considered to make branding less good if there are too many promos posted on Instagram. In promoting on Instagram, the strategy carried out by Ombe Kofie was to maintain Instagram profiles so that they remain exclusive. Joint promotion and cross-promotion by Ombe Kofie must be sorted because Ombe Kofie only runs promotions with brands that are equivalent to Ombe Kofie or above Ombe Kofie. Collaborating and promoting together with brands that the branding level is below Ombe Kofie are considered to have no advantages. It is because Ombe Kofie will attract the branding from the partner's brand, and the partner's brand will drop Ombe Kofie's branding. However, if Ombe Kofie collaborates or promotes with brand that is above Ombe Kofie, Ombe

Kofie's branding is raised with the promotion carried out with the partner's brand, for example, with BCA that has 150,000 Instagram followers. In carrying out promotional coupons and price packages, Ombe Kofie usually does not do sounding via Instagram because it will leave a mark on Ombe Kofie's Instagram profile because if a brand does excessive promotion, customers will find the brand unsold. The promotion of coupons and price packages is carried out by the presence of a second party, parties that are working with Ombe Kofie and those who provide the discount coupons, for example, Central Department Store located in Grand Indonesia, issues a coupon that gives a discount of 100,000 Rupiah for product purchases at Maarkeze Grand Indonesia, which is Ombe Kofie's branch. Promotion is done by using Central's Instagram. The photographer team from Ombe Kofie will provide visuals that are following Ombe Kofie's branding and add captions about the promos and post it on Central's Instagram. The visual must have more values, such as the addition of colors and fonts to selected photos. All aspects related to visuals are created as attractive as possible so that people are interested in opening thumbnails in Instagram's explore feature. Premium promotions are free goods or very cheap goods as an incentive to buy a product [2]. The promotion is created by creating attractive visuals, according to Ombe Kofie's branding, but the intensity is limited to maintaining branding. The premium promotion run by Ombe Kofie to increase traffic, for example, is the distribution of gift by Ombe Kofie, and buy 1 get 1 promotion by Maarkeze every Tuesday which was very successful in increasing traffic. The strategy carried out by Ombe Kofie's social media team to increase traffic through these premium items is by preparing premium products and doing photo shoot. Raw photos will be edited by photographers, by working with social media teams to create interesting captions, and then the post is adjusted with Ombe Kofie's Instagram traffic that gets the most engagement. Also, follow up the promo through Instagram story because the post is not permanent and will not defame Ombe Kofie's branding.

4 CONCLUSION

Based on the research results, it can be concluded that the use of Ombe Kofie's Instagram to increase brand loyalty is by utilizing several features on Instagram. The most useful feature used to increase Ombe Kofie's brand loyalty is the homepage, comment section, explore, and profile. Furthermore, Ombe Kofie's brand loyalty has reached the liking stage of the brands because it is proven by many regular customers of Ombe Kofie who call themselves #PeoplofOmbe. The practical advice that can be conveyed is that Ombe Kofie must quickly open new branches in Jakarta to increase brand loyalty to the level of committed buyers and maintain coffee stability by selecting workers more selectively. Ombe Kofie must be more serious in running promotions through Instagram to maintain the stability of the brand he wants to show to others, and Ombe Kofie can run other sales promotion tools through Instagram social media to increase sales for example lotteries, samples, and product warranties. Another suggestion based on this research is to increase knowledge to the community about the strategies taken in managing Instagram social media to increase brand loyalty and sales in a company, and can provide knowledge to the public about coffee specialties and Ombe Kofie's history.

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