

Analysis of Competitive Strategies in Retaining Customers (Study on Makecents Coffee Space in New Terrain)

Ashifa Ridza Syafina, Nursanjaya *, Lisa Iryani, Cut Sukmawati, Nursakinah Ritonga

Prodi atau Jurusan Administrasi Bisnis, Fakultas Ilmu Sosial Ilmu Politik,
Universitas Malikussaleh

Jl. Kampus Unimal Bukit Indah, Blang Pulo, Kec. Muara Satu, Kota Lhokseumawe, Aceh 24355, Indonesia

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ABSTRACT

With the increasing popularity of the coffee shop business in the city of Medan, Makecents Coffee Space must implement appropriate competitive and marketing strategies in order to continue to win the competition, attract customers and maintain customer loyalty. witnessing it directly or indirectly is like giving a list of questions to be answered. From the results of the SWOT analysis and discussion, the factors that are the advantages of Makecents coffee space which can be used to increase competitiveness in facing competition between similar businesses are the price and quality factors offered. The strategies carried out by Makecents Coffee Space first analyze what the market wants, then provide a good service process so that it can attract customers, provide attractive product offers, and free customers to comment and provide input by providing stalls for commenting so that they can retain existing customers. already exists and is able to attract more customers. Based on the competitive strategy that has been created, the right strategy for Makecents Coffee Space to retain customers is to pay attention to customer orientation, personalize the customer experience, beautify existing customers by providing stalls so that customers are free to comment so as not to make customers disappointed and result in a decrease in the good value of Makecents. . coffee room. Of the existing strategies, all of them are the core of a market strategy where the company increases its sales of available products and markets through more aggressive marketing efforts.

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Corresponding Author:

Nursanjaya
Universitas Malikussaleh
Email: nursanjaya@unimal.ac.id

INTRODUCTION

In this modern era, human needs and wants develop along with the times and economic improvement. Increased consumption of goods and services drives the popularity of business as a means to fulfill these needs and wants. Business, according to Raymod E. Glos, Richard D. Steade, and James R. Lowry, is a series of activities that create value through the development and transformation of various resources into goods or services that consumers want (Source: Tambusai Education Journal, Vol. 5, No. 2). Thus, business depends not only on fulfilling consumer desires, but also on the ability to compete with competitors that continue to emerge.

David (2015: 59) defines competitors as companies that offer similar products and services in the same market. Competitor analysis is the key to identifying existing threats and opportunities. Market

segmentation, according to Ni'mah et al. (2019), is a strategy to recognize consumer interests and needs, and create products accordingly. The goal is to direct the marketing process more effectively, maximize company resources, and win the competition.

Business success is determined by good management and the right strategy, especially in the face of changes in the business environment. In the context of the coffee industry, coffee shops have bright prospects in Indonesia, with many new competitors emerging. To survive, a coffee business must have a strong competitive strategy, as done by Makecents Coffee Space in Medan. Makecents Coffee Space has managed to survive in the midst of competition by adopting the right strategy since its establishment in 2020.

Makecents Coffee Space offers coffee with premium coffee beans that are always new every week. They also implement digital marketing and word of mouth strategies to expand their customer reach. Their competitive strategies include low cost, differentiation, and specialization. Makecents Coffee Space keeps production costs low, offers unique products, and provides good service and participates in major events to increase visibility.

In the face of fierce competition, Makecents Coffee Space continues to innovate, including a venue design change in 2021 that successfully increased their turnover. The right marketing strategy, including positioning and corporate branding, is an important tool in winning the market and retaining customers.

This study aims to analyze the competitive strategies implemented by Makecents Coffee Space and how these strategies help them retain customers amidst increasingly fierce competition. This research also investigates the issues and factors that influence the implementation of competitive strategies at Makecents Coffee Space.

LITERATURE REVIEW

Competitive strategies are planned and unplanned strategic steps to have a competitive advantage so as to attract consumer attention, strengthen positions in the market, and withstand competitive pressures (Hariadi, 2005: 99).

SWOT analysis assesses the external factors (opportunities and threats) with the internal factors (strengths and weaknesses). Factors within the company are included in a matrix called the internal strategic factor matrix or IFAS (Internal Strategic Factor Analysis Summary) while factors from outside the company are included in a matrix called the external strategic factor matrix or EFAS (External Strategic Factor Analysis Summary).

The SWOT matrix is a tool used to organize the company's strategic factors. This matrix can clearly illustrate how the external opportunities and threats faced by the company can be adjusted to its strengths and weaknesses.

There are discussions that will be discussed, which are as follows:

1. Competitive Strategy of Makecents Coffee Space
2. Competitive Strategy in Retaining Customers Based on SWOT analysis
3. Internal Factors that are the Strengths of Makecents Coffee Space
4. Physical Evidence of Makecents Coffee Space
5. The Responsiveness of Makecents Coffee Space in Serving Customers.
6. Empathy (Empathy) Provided by Makecent Coffee Space to Consumers
7. External Factors that are Strengths and Threats for Makecents Coffee Space

RESEARCH METHODS

The research location is in the Makecents Coffee Space in Medan City, Makecents Coffee Space has been established since 2020, where this coffee shop is located on Jalan Mayjend D.I Panjaitan No. 177, Babura Kec. Medan Baru, Medan City. Which is one of the coffeshops that is highly favored by young people today. Where, this research focuses on Makecents Coffee Space coffee shop.

The reason the researchers took this research location is because Makecents Coffee Space stands in a place where the competition is clearly visible where, Makecents Coffee Space stands in a place that is not an area with mobility difficulties and is also surrounded by cafes which also sell similar processed coffee products. where cafes in the area have kept up with the times by following the wishes of today's youth, which makes Makecents Coffee Space unique in the eyes of its customers. Another uniqueness that Makecents Coffee Space has is the presentation of a place that really follows the wishes of young people, good service and also product innovations that continue to be done in order to continue to win the competition.

The data collected in this study consisted of primary data and secondary data, primary data, primary data, namely data sources that directly provide data for data collection. Primary data sources are the main sources obtained through words (interviews) and actions from observation sources (seeing, hearing and asking).

While secondary data is obtained from reading articles, journals, theses, books and the internet which are references for the population, then the authors collect and study the data.

RESULTS AND DISCUSSION

Makecents coffee space is a business engaged in the field of coffee shops that sell various kinds of processed coffee and non-coffee in Medan City. The business pioneered by Pandi is the first coffee shop in Medan City to adopt processed coffee or designs from coffee shops outside Sumatra Island, which until now is still doing this method until many similar businesses have sprung up in Medan City. This coffee shop started in 2020. The beginning of this coffee shop was due to the owner's interest, namely Pandi, because previously there was no coffee shop that designed its place aesthetically like a coffee shop on the island of Java which not only provides the best experience when drinking a glass of coffee but also provides a good experience for the place served in the coffee shop. It was experiences like that that made Pandi as the owner want to open a similar business which of course at that time coffee shops were not yet crowded in Medan City.

Makecents coffee space has the purpose of being able to reap greater profits, have its own market share, and also as a 'cozy home' intended as a gathering place for humans to unwind and have fun. But there are also many people who come to coffee shops to just chat with their closest people, which requires Makecents Coffee Shop to be all places for enthusiasts.

Competitive Strategy of Makecents Coffee Space

Competitive strategies are planned or unplanned strategic steps to gain a competitive advantage so as to attract consumer attention, strengthen market position, and withstand competitive pressures (Hariadi, 2005: 99). According to Robbins & Coulter (2010), competitive strategy defines competitive advantage, the products or services offered, the customers reached, and their preferences. Makecents Coffee Space faces competition with branding that emphasizes the use of premium coffee beans and a "home-style coffee" design concept. In addition, they always provide information about the processing of coffee beans and provide informative and personalized service to customers. Makecents Coffee Space's competitive strategy includes branding, venue design, product offerings, and services, all of which aim to create uniqueness and customer satisfaction. This is in line with previous research by Arfian, Widarko, and Rizal (2022) who also discussed marketing strategies to face competition in the coffee shop business.

Competitive Strategy in Retaining Customers Based on SWOT

SWOT is an abbreviation for Strengths, Weaknesses, Opportunities, and Threats. SWOT analysis organizes key strengths, weaknesses, opportunities, and threats into an organized list and is usually presented in a simple grid bar. Strengths and Weaknesses are internal to the company things that can be controlled and changed or altered. Examples include who is on the company team, patents and intellectual property, and location.

Opportunities and Threats are external things that affect the business or things that happen outside the company in the larger market. Companies can take advantage of opportunities and protect against threats, but you cannot change them. Examples include competitors, raw material prices, and customer spending trends. This technique was created by Albert Humphrey, who led a research project at Stanford University in the 1960s and 1970s using data from Fortune 500 companies. When conducting a SWOT analysis, learn a solid strategy for prioritizing the work that needs to be done to grow the business.

Internal Factors that are the Strengths of Makecents Coffee Space

Internal factors are factors that come from within or oneself, including insight or knowledge that exists in oneself. Experience in the world of business or business. Experience and ability when solving a problem, the internal factors in question will be discussed as follows:

Marketing can be described as the process of defining, anticipating, creating, and fulfilling the needs and desires of consumers for products and services. The scope of marketing activities is determined by the marketing concept called the marketing mix. According to Kotler and Armstrong (2012), in marketing there are 7 marketing elements, namely, Product, Price, Promotion, Place, People, Physical Evidence, and Process. Service products do not cause a transfer of ownership from the provision of services to consumers in service products that are purchased are services. The marketing strategy used by Makecents Coffee Space to face competition between similar businesses as a result of researcher interviews with informants is to utilize social media as a means to disseminate the existence of coffee shops and rely on the mouths of customers who will convey to other customers about the value of the coffee shop. The owner strives for services or products sold not to give bad value in the eyes of customers and prepare a good name or branding from the start.

Andri Sukma, the manager, added that Makecents Coffee Space is a coffee shop that specializes in coffee that offers different tastes and sensations. This coffee shop dares to take risks to innovate its own coffee

products and pays attention to premium raw materials, strategic location, and attractive place design. Based on the explanation from Pandi Noor and Andri Sukma, the author can describe the marketing strategies used in facing competition against similar businesses, namely by carefully analyzing the market, building good branding from the start, and prioritizing place design, product offerings, and services that are unique and satisfy customers. This discussion is related to marketing theory according to Tjiptono, where marketing is a basic tool designed to achieve corporate goals by developing sustainable competitive advantage through markets and programs used to serve these markets. This research is also in line with previous research on business competition strategies to maintain business existence in the face of the rise of coffee shops in Malang City by Muhammad Rifki Arfian, Agus Widarko, and Mohammad Rizal (2022), which discussed marketing strategies in the face of similar business competition.

Physical Evidence of Makecents Coffee Space

According to Tjiptono (2016), physical evidence is a form of service that can be seen directly and felt, such as what employees use. This is a real factor that influences consumer decisions to buy and use the products or services offered (Zeithaml et al., 2009). As for the shape of the Makecents Coffee Space logo itself, as a result of an interview with Pandi Noor, the logo is used on every take-away cup and also on the apron or shirt of employees. This provides a distinctive feature that is easily recognized by customers. One of the customers, Putri Andini, stated that physical evidence is very important to differentiate a coffee shop and give it its own characteristics. She is satisfied with Makecents Coffee Space's eye-catching logo and feels satisfied every time she buys a drink there. The existence of satisfactory physical evidence helps Makecents Coffee Space survive amidst the increasingly fierce coffee shop competition in Medan City, and ensures loyalty and the addition of new customers.

The Responsiveness of Makecents Coffee Space in Serving Customers

According to Hasnih et al. (2016), responsiveness is the willingness to help and provide fast and precise service to customers, with clear information delivery. Letting customers wait for no apparent reason can lead to negative perceptions of service quality. Based on the results of interviews with Makecents Coffee Space consumers, they feel that their complaints are responded to properly. One customer, for example, stated that when the food she ordered arrived late, Makecents provided a free snack as compensation, showing a quick and responsive response. This is one of the strategies that keeps customers loyal and not switching to other coffee shops. Other informants also stated that Makecents was quick to respond and apologize for unpleasant experiences, demonstrating their responsiveness in handling customer complaints. This evidence shows that Makecents Coffee Space is very responsive to consumers, both directly and through the suggestion space provided. This responsiveness is in line with previous research by Muhammad Rifki Arfian, Agus Widarko, and Mohammad Rizal in a journal (2022) which discusses business strategies to maintain business existence in the midst of intense competition, as done by Makecents Coffee Space.

Empathy (Empanthy) Provided by Makecent Coffee Space to Consumers

Empathy is the ability to realize, understand, and appreciate the feelings and thoughts of others, as explained by Stein & Book (1997). Makecents Coffee Space applies this empathy in its services. In the interview, Andri Sukma stated that he always tries to understand and fulfill customers' needs, positioning himself as a customer to feel what they are experiencing. This was also recognized by a customer, Putri Andini, who was satisfied with Makecents Coffee Space's service. Despite coming when they were already closed, customers were still served well to maintain their feelings and appreciate their presence. This empathy makes customers feel comfortable and appreciated, which contributes to their satisfaction and loyalty towards Makecents Coffee Space.

External Factors that are Strengths and Threats for Makecents Coffee Space

Internal Factors that Are Weaknesses of Makecents Coffee Space

According to David & R (2005), weaknesses are resource limitations within the company that reduce the company's capabilities and performance. These weaknesses can include inadequate facilities, limited financial resources, weak management capabilities, and ineffective marketing strategies. Makecents Coffee Space has several internal weaknesses that affect their operations. One customer complained that when it rains, the upstairs seating area is often exposed to tempias, causing customers to move indoors which is often full. In addition, the lack of trash bins meant that trash was not disposed of properly, making the area dirty. Based on these issues, Makecents Coffee Space needs to pay attention and address these weaknesses so as not to lose customers just because of some existing shortcomings.

External environmental analysis is used to evaluate environmental sectors in determining opportunities or threats to the company (David, 2011). External factors affect every company and often cannot be controlled,

such as market trends, economics, demographics, relationships with suppliers, and political or environmental regulations.

According to David & R (2005), opportunities are conditions that favor the company. Improved technology and good relationships with buyers are examples of opportunities. Makecents Coffee Space often collaborates with motorcycle clubs and utilizes events to market their products. They also capitalize on customer satisfaction to bring in more new customers.

Gathering and evaluating information about competitors is important for a successful strategy. Makecents Coffee Space's competitive strengths include the selection of premium coffee beans, good customer service, and the use of high-quality roastery coffee machines to create delicious coffee.

Technological advances affect an organization's services, markets, and competitive position. Makecents Coffee Space uses technology in the production process, transactions, and online marketing. They also utilize technology to facilitate service and payment, and receive comments and feedback from customers.

According to David & R (2005), threats are conditions that are unfavorable to the company. External threats faced by Makecents Coffee Space include people asking for parking fees from customers and competitors offering products at lower prices. These threats need to be addressed so as not to harm their business.

External factors are business opportunities from outside the business environment. The experience of the entrepreneur is often a source of opportunities. However, threats also come from external factors such as unscrupulous customers and competitors offering lower prices. Therefore, it is important for entrepreneurs to observe external factors that can harm their business.

Competitive strengths come from a company's characteristics and resources that result in higher performance than competitors. Porter describes competitive strengths in generic strategies, namely all-around cost leadership, differentiation, and focus. Makecents Coffee Space pays attention to the participants or employees hired so that consumers are satisfied with the products and services provided.

Andri Sukma explained that Makecents Coffee Space chooses employees who are experienced in coffee, understand coffee flavors, and are able to use coffee machines well. This helps maintain the quality of the coffee and gives customers confidence.

Technology is a tool that greatly influences the coffee shop business. Makecents Coffee Space utilizes technology in every aspect of operations, including the coffee machine, cashier system, and social media for marketing. They also plan to upgrade the customer feedback system by providing barcode stickers on each table that can be scanned to provide comments.

By utilizing technology, Makecents Coffee Space can run its business efficiently and remain relevant in this digital era. Technological advancements facilitate access and provide convenience for customers, which is one of the reasons why Makecents Coffee Space continues to survive and attract customers.

CONCLUSION

Based on the results of research on Competitive Strategy Analysis in Retaining Customers (Study on Makecents Coffee Space in Medan Baru), it can be concluded that the strategies carried out by Makecents Coffee Space involve analyzing market desires and providing good service to attract customers. They offer interesting products and allow customers to comment and provide input by providing special stalls. The strategic placement of the place and the selection of human resources who are experts in their fields are highly considered to increase customer attraction. Even so, Makecents Coffee Space must always be on the lookout for threats such as negligence or unresponsiveness that could lower customer trust. Service quality, product offerings, and venue design are the most appropriate marketing factors for this coffee shop business.

From the results of the SWOT analysis, the factors that are the advantages of Makecents Coffee Space are the products and quality offered. The right competitive strategy for Makecents Coffee Space in retaining customers is to pay attention to customer orientation, personalize the customer experience, and retain existing customers by providing stalls for comments. These steps are aimed at preventing customer disappointment that can reduce the good image of Makecents Coffee Space. This strategy is the core of the marketing strategy, where the company increases sales of existing products and markets through more aggressive marketing efforts. Overall, by focusing on service quality, attractive product offerings, and attention to customer needs and feedback, Makecents Coffee Space is able to retain existing customers while attracting new ones, increasing their competitiveness in the coffee shop industry.

Suggestion

The suggestions that can be outlined are as follows:

1. After conducting research on the analysis of competitive strategies in retaining customers at Makecents Coffee Space, several suggestions are made to respond more quickly to customer orders, double-check orders, expand the place both indoors and outdoors so as not to cause negligence that can make customers disappointed, further optimize the cleanliness and comfort of the place so that there is less criticism and input from customers.
2. We recommend that makecents coffee space regularly make discounts, because offers such as discounts are an important factor for companies because they can increase sales.

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