

Digitalization and Branding of Local Coffee Based on Sustainability Principles

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Abstract

Indonesia is one of the world's largest coffee producers and boasts numerous advantages in the global market, including unique flavors derived from highland cultivation and inherited traditions. Indonesian coffee holds significant potential; however, many local coffee MSMEs, including farmers, processors, and business owners, have yet to fully utilize digital technology. Another issue that needs attention is sustainability. Global consumers are increasingly concerned about the quality of the products they consume, including coffee. Coffee entrepreneurs must be able to apply branding and sustainability principles to their businesses. To build branding, entrepreneurs must choose a brand, logo, and tagline that create a lasting impression on customers. Effective marketing is also essential. Digital marketing can reach and engage with a broader target market. Effective digital marketing requires specialized management, including content management and customer interaction. To assess the success of their marketing strategy, entrepreneurs can compare pre- and post-marketing sales, social media engagement rates, new customers, and customer feedback. In the long term, coffee businesses need to implement sustainability principles. There are three main pillars of sustainability: environmental sustainability, economic viability, and social acceptability. Environmental sustainability encompasses practicing sustainable agriculture. Increasing information and knowledge about the coffee supply chain is expected to improve the sustainability of various MSMEs operating in the coffee sector. The application of this new knowledge is expected to improve welfare, thereby maintaining the sustainability of coffee products.

Keywords: Coffee, Digital Marketing, Branding, Sustainability

A. Introduction

Indonesia is one of the world's largest coffee producers. According to the Ministry of Agriculture, Indonesian coffee production is expected to reach 789,000 tons per year between 2022 and 2025. This high production places Indonesia as the fourth-largest coffee producer in the world, after Brazil, Vietnam, and Colombia. Robusta is the main coffee produced. This high production is primarily for export rather than domestic consumption, with net exports reaching 427,000 tons by 2025, with the main destinations being the United States, Egypt, Germany, and Malaysia.

Coffee in Indonesia has a unique taste determined by geographical and cultural characteristics, for example, Aceh Gayo Coffee has aromas of brown sugar, dark chocolate and citrus, Mandailing coffee has a sweet caramel and spice flavor, and Temanggung has an earthy

and caramel flavor, and many unique coffee flavors that make Indonesian coffee superior in the global market. The uniqueness of the taste begins with the cultivation process in the highlands to traditions passed down from generation to generation. This story makes coffee not just a commodity, but many added values (Balai Perakitan dan Pengujian Tanaman Industri dan Penyegar Badan Perakitan dan Modernisasi Pertanian, 2025). Nusantara coffee has enormous potential; however, many local coffee MSMEs, both farmers, processors, and small business owners, have not utilized digital technology optimally to increase competitiveness in expanding market businesses. This is shown by although exports have increased, domestic consumption has actually decreased.

In today's digital economy, business development requires the use of digital technologies such as social media, e-commerce, and application-based operational systems. Economic opportunities that leverage digital technology are not always accessible due to limited access, knowledge, and digital skills, which often hinder local entrepreneurs from developing them. Beyond technological challenges, another issue concerns sustainability. Global consumers are increasingly concerned with the quality of the products they consume, one of which is coffee. Coffee that is cultivated and processed with greater environmental considerations, improves farmer welfare, and supports the local economy has a higher selling value in domestic and international markets. Therefore, it is crucial to provide local coffee MSMEs with increased knowledge on digitalization, branding, and the application of sustainability principles throughout the coffee product chain.

Based on these issues, it is necessary to increase information and knowledge for all coffee business actors regarding the use of digital technology in managing and marketing their products. It is essential to encourage strengthening branding strategies for local coffee by highlighting local values, cultural wisdom, and the unique characteristics of each coffee-producing region. Furthermore, knowledge is needed regarding the importance of integrating sustainability principles into the coffee value chain, from production to marketing. This aims to ensure local coffee products are competitive in national and global markets.

B. Discussion

In order for coffee entrepreneurs to be able to implement branding and sustainability principles in their business, an understanding of coffee branding is necessary. A brand itself, in language, is a mark that indicates a particular product, while brand identity is everything related to a particular product, and appeals to the five senses. Brands can take various forms that cause

them to be seen, touched, held, heard, and even seen because they move. Brand identity is a collection of aspects that contain the background of the brand, principles, and objectives of the brand itself. According to Trademark Law No. 15 of 2001, Article 1, paragraph 1, a brand is "a sign in the form of an image, name, letter, number, color, or a combination of these elements used as a distinguishing feature in the trading activities of goods or services.

Branding is about seizing every opportunity to express why people should choose one particular brand over another. The desire to dominate the market and provide employees with the best tools to reach customers is what makes branding so necessary for companies.

To build branding, entrepreneurs must be able to choose a brand that can create a deep first impression for customers. A good brand name will create a memory for someone. The choice of a brand name should be able to capture and communicate the essence of the product. In addition to choosing a brand name, another important aspect of branding is choosing a logo. According to David E. Carter in Vijehan and Asep (2021), a good logo includes several things: it must be original, different from others, clearly legible, simple, memorable, easy to associate with the company, and easy to adapt to various graphic media. A tagline is also necessary to help consumers remember a particular product. A tagline is a short phrase that captures the essence, personality, and positioning of a company and differentiates it from its competitors. When creating a logo and tagline, the next important thing to consider is the design of the layout, where a good design depends on the arrangement of each element.

Once the brand name, logo, tagline, and other requirements have been selected, the next step is promotion. Promotion is an element used to market a product by informing, persuading, and reminding consumers about the company's brand and products. Vijehan and Asep (2021) state that a coffee product requires a clear brand identity as an attractive promotional medium. Attractive promotional media will increase consumer interest in purchasing the coffee brand. Quality certainly influences consumer interest, but packaging design is also crucial. Building a product's brand image requires designing the right visual identity. Brand identity is crucial because it is the core and image of a company.

Marketing a product more widely requires effective marketing. The primary goal of marketing is to meet the needs and desires of the target market and achieve company goals. Marketing in the current digital era has evolved by utilizing digital technology and media. Digital marketing, or marketing that utilizes digital media, can reach and interact with a wider target market. Digital marketing utilizes the internet, mobile devices, social media, search engines, and other digital channels. Target markets can be reached more effectively,

interactively, and measurably by implementing digital marketing. The use of digital data and analysis provides companies with comprehensive information about customer behavior and preferences, allowing for optimization of marketing strategies (Hasani and Kurniawati, 2024).

Companies can implement effective digital marketing strategies by utilizing social media to optimize the use of various engaging content about products, collaborating with social media activists to promote products, optimizing search engine websites, and using digital advertising to promote their products. Hasani and Kurniawati (2024) stated that a strong understanding of the needs and preferences of the target market is needed to determine the right marketing strategy. One social media platform that can be used as a strategy in marketing products is WhatsApp. This media is used to share interesting content about products, including the manufacturing process, customer reviews, and special offers. WhatsApp was chosen because it is visual and allows for the display of product photos and videos in an attractive manner. In addition, this media also connects customers with products more interactively and communicatively.

Content management and customer interaction on social media platforms must be taken seriously by deploying a dedicated team that understands the medium. The timing of uploads and the consistency of content sharing are also crucial. Content can be shared at least three times a week to build a bond between the product and consumers. Hasani and Kurniawati (2024) stated that research shows that the most popular types of content among consumers are coffee-making videos and consumer testimonials. These results suggest that content should be informative, engaging, and educational for customers. A product's brand philosophy and values are also crucial elements in building a branding strategy. The product's philosophy and brand must reflect the company's commitment to product quality and its manufacturing process. To assess the success of their marketing strategies, entrepreneurs can conduct various measurements, such as comparing sales before and after marketing, social media engagement rates, new customers, and customer feedback. Marketing success is evaluated using the data obtained from this information. Entrepreneurs can also evaluate when marketing strategies are failing to increase sales, as well as other indicators mentioned, so that the marketing methods implemented can be improved (Hasani and Kurniawati, 2024).

Coffee businesses need to implement sustainability principles in the long term. There are three main pillars of coffee business sustainability: environmental sustainability, economic viability, and social acceptability. Sustainability principles are efforts made to ensure that the

entire coffee supply chain does not negatively impact the environment, that farmers receive fair returns, and that all parties involved benefit economically.

According to SEARCA in Dewi and Sudarma (2020), sustainability includes being economically viable, environmentally friendly, socially just, in harmony with local culture, and implementing a comprehensive knowledge-based sustainable agricultural system that considers the dynamic interactions between on-farm and off-farm activities. According to the Ministry of Agriculture, Directorate General of Plantations (2014), consumer demand is increasing, which has an impact on coffee cultivation and trade, including coffee that has various certificates such as Fairtrade, Utz Certified Organic, Common Code for Coffee Community (4C), Rainforest Alliance, Coffee and Farmer Equity (CAFE) Practices (Starbucks), and Bird Friendly. This system provides certainty to consumers regarding the origin and sustainability of a product.

The coffee business chain begins with coffee farming. The sustainability of a farming business is determined by the economic benefits received by farmers. Farming will continue if it is profitable; conversely, if it is not profitable, it will be abandoned. Based on research by Dewi and Sudarma (2020), achieving adequate economic benefits is not easy for farmers. It requires tireless effort, a willingness to make changes, and the courage to innovate. Farmers must actively seek information about technological developments to increase production. These characteristics will be met if farmers have a good level of education and are young. Young farmers tend to have the courage to innovate, make changes, and actively seek information compared to older farmers. Farming experience is also an important factor. With experience, farmers can better understand actions that are profitable and detrimental to their business.

Sustainability is seen not only from an economic perspective but also from an environmental perspective. Environmental sustainability encompasses several aspects, the first of which is practicing sustainable agriculture. This is achieved through the application of environmentally friendly coffee cultivation techniques, such as the use of organic fertilizers, natural pest and disease control, and water conservation. The next technique is waste management, which involves reducing, recycling, and processing coffee waste (such as coffee bean skins) to mitigate negative environmental impacts. Properly managed coffee waste can be processed into animal feed. Conservation of other resources is also part of environmental sustainability, such as protecting the soil and maintaining biodiversity around coffee plantations.

Research by Dewi and Sudarma (2020) indicates that the use of environmentally friendly methods such as rorak (planting) in Arabica coffee farming in Bali, significantly helps maintain the quality of plant nutrients. Rorak has many benefits, including protecting the surrounding fertilizer from being washed away by rainwater and inhibiting the development of pests and diseases, significantly reducing pest infestations. Furthermore, coffee plant regeneration is necessary for aging and unproductive plants. Regeneration is carried out using superior seeds from local areas, as seeds from other regions often do not produce optimal results. Geographical conditions contribute to the diversity of plant varieties produced.

Dewi and Sudarma (2020) also stated that technology is a crucial element in the success and sustainability of a business. Farmers must regenerate their plants at least once every 20 years. Coffee plants also require shade trees, as Arabica coffee plants are susceptible to extreme conditions and therefore require shade. Shade trees should be chosen to provide benefits to the coffee plants, such as lamtoro, sengon, and citrus. Shade trees also need to be cared for and pruned at the right time, aligned with the coffee plant's flowering months. Harvesting and post-harvest processes are crucial; coffee cherries are picked when they are red and fully ripe to achieve optimal yields. Coffee will have maximum flavor when produced from perfectly ripe cherries, thus commanding a higher selling price.

C. Closing

Increasing information and knowledge for the coffee supply chain is expected to improve the sustainability of various MSMEs operating in the coffee sector. This information improvement does not stop at increasing knowledge, but can be implemented by all parties, such as farmers, coffee processors, and other MSMEs in the supply chain. The application of new knowledge is expected to improve welfare, thereby maintaining the sustainability of coffee products. Sustainability is not only economic, but also for the environment and society in general. This information improvement is expected to not only stop at the activity but also be disseminated to all other MSMEs in the coffee sector, so that more parties will benefit from this information improvement.

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