

Research Article

Building Entrepreneurial Networks for Omnichannel Coffee Retailing in Cimenyan Sub-district: A Case Study

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Abstract.

Cimenyan district in Bandung Regency, enriched with coffee farms, contributes around 8 quintals annually to Bandung's 21.53 tons of coffee yield. As a distinguished coffee-producing hub in Indonesia and globally, it is vital in coffee trade dynamics. Discussions with local coffee stakeholders unveiled challenges in Cimenyan's coffee value chain, like seed quality enhancement, post-harvest processing, and traditional marketing practices. This initiative aims to bolster entrepreneurs and coffee growers in Cimenyan, focusing on expanding their market reach through an omnichannel retail strategy empowered by digital technology, notably incorporating Big Channel software training. This software training is crucial for orchestrating omnichannel retail operations, providing a platform for sales diversification. By facilitating knowledge transfer, skill enhancement through software training, and necessary support, it is envisioned that local stakeholders will broaden their sales across diverse digital platforms, enriching the customer journey from product exploration to purchase. The endeavor seeks to augment coffee sales competitiveness, foster innovative entrepreneurship, and/or extend digital and offline channels in the existing business domain, thereby, creating a more robust and technologically adept coffee retailing network in the Cimenyan district.

Keywords: entrepreneurial capacity enhancement, omni channel retail, coffee production, Cimenyan District

1. INTRODUCTION

Bandung Regency, a major coffee hub in West Java, spans 13,378.18 hectares, boasting an annual coffee production of 7,680.37 tons. The coffee-centric districts include Cimenyan, Cilengkrang, Cicalengka, Nagreg, Ibum, Kertasari, Pangalengan, Cimaung, Pasirjambu, Rancabali, Ciwidey, Pacet, Soreang, Ciparay, and Arjasari [1]. The coffee here is of premium quality, predominantly of the Arabica variety. As per the 2021 data from the Central Statistics Agency, Cimenyan District contributed approximately 3.75% to the total coffee production of 21.53 tons in Bandung Regency [2]. In Cimenyan, coffee plantations are notably found in Cikadut Village (2 ha), Mekarmanik Village, and

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Ciburial Village . Observations and dialogues with farming communities and marketers revealed issues like seed modernization, unchanged post-harvest management, and stagnant marketing practices [3]. A primary focus to elevate farmer group competitiveness is enhancing digital technology utilization for broader coffee marketing and sales, both nationally and internationally [4]. Conventional marketing strategies, limited sales channels, and low price bargaining power lead to unsold surplus production, which then gets distributed to other Indonesian regions. Typically, coffee farmers sell raw coffee fruits to collectors, who then forward them to sub-district processing centers for conversion into green beans and ground coffee. These processed products are eventually sold to dealers, suppliers, or industries beyond Bandung Regency [5]. The Community Service Program (CSP) is aimed at fostering innovative sales through digital technology, establishing a coffee sales network in Cimenyan sub-district, Bandung Regency, grounded on Omnichannel Retail. The omnichannel model, which integrates a variety of platforms centered around marketed store brands, embodies a holistic approach to retail, bridging the digital and physical realms to enhance the customer experience [6] .

2. METHOD

The method used in CSP is Participatory Action Research (PAR) activities is oriented towards empowerment and change. Empowerment and change through education and training to participants. CSP activities began with a survey on farmer profiles, product research, material delivery and training. The survey to identify farmer profiles, production results and marketing/selling methods in 5 areas in Cimenyan District include: Batu Templek, Padasuka, Ciburial, Manglayang and Kiara Payung Banjaran. The survey results show that the number of farmer groups is between 1-16 groups with an average production of 350 tons / year. The type of coffee produced arabica and robusta, coffee sold in the form of dry coffee beans. Marketing methods are still conventional with various sales channels due to limited ability to utilize digital media .

The second stage, conducting product research, aims to diversify existing products and expand market reach. The results of product diversification are in the form of good quality coffee powder in sachets measuring 10 grams and milk coffee drinks in bottles with 250 ml contents. Coffee powder variants in sachets consist of strong, mild and sweet flavors. Bottled milk coffee drinks with palm sugar flavors, vanilla latte, salted

caramel latte and pandan latte. Diversified coffee powder and milk coffee beverage products are marketed both offline and online.

The third stage, the delivery of material and training on omnichannel-based software applications, aims to increase the capacity and skills of participants in marketing diversified products [7]. The number of participants was 24 participants consisting of entrepreneurs, prospective entrepreneurs and students aged 20-23 years. Training participants are prepared to be at the forefront of helping omnichannel-based coffee marketing. The material presented was about the production value chain, creativity and innovation in coffee production and sales, current ways of coffee management, innovations made, constraints and competition. Improving participants' skills and capabilities in digital marketing through training on omnichannel retail with Big Seller software applications.

Referring to the website [8] BigSeller has been trusted by over 580,000+ Southeast Asian e-commerce merchants and aiding them in boosting sales across various channels in a much simpler manner. 8 Years + Experience in SaaS Services 580,000 + Southeast Asian Merchants Served 6000 + Merchant Training Sessions 500 + Global Partners.

3. RESULT AND DISCUSSION

A two-phased initiative in the coffee sector of certain Indonesian regions, carried out between February to May 2023. The first phase, spanning February to April 2023, was an identification stage targeting the acquisition of critical information concerning the coffee sector in the regions of Cimenyan (specifically Batu Templek, Padasuka, Ciburial), Cilengkrang (Manglayang), and Banjaran. This phase employed interview methodologies with plantation owners to gather data on the number of farmers, types of coffee being cultivated, the production capacity, and the existing sales chains across the coffee plantations. as seen in the Figure 1 below

The findings from this survey highlighted a robust coffee production environment in the Cimenyan region, with Arabica and Robusta being the primary coffee types. The produced coffee not only met local consumption demands but also catered to other sectors like cosmetics and perfumery. However, a marketing challenge was identified as a significant portion of the coffee products had to be sold outside the Java island due to low local demand. The survey also documented the production processes, mainly



Figure 1: Manglayang District Warehouse and Coffee Processor.

up to the stage of sorting dried coffee beans which were then sold. As seen in Figure 2 below:



Figure 2: Coffee Roaster and Filling Machine.

Transitioning into the second phase, the focus shifted to the diversification of coffee products. This phase involved processing coffee beans into coffee milk drinks and coffee powder. Collaborations were forged with partners who provided spaces for trials, assistance in deriving favorable coffee formulae, and support in packaging these products. The packaging formats included 10-gram sachets and 250-ml bottles, with the coffee sachets having different taste profiles like strong, mild, and sweet. The coffee milk drinks were also varied in flavors including gula aren, vanilla latte, salted caramel latte, and pandan latte. This phase of trials was conducted between April and May 2023. as seen in Figure 3 below :



Figure 3: Coffe cupping and experiment.

A notable aspect of this phase was the marketing strategy for the diversified coffee products. The products were marketed both offline and online, utilizing software applications to reach a wider audience. Prior to this, taste tests were conducted with potential coffee consumer demographics, both male and female, to ascertain the preferred flavors. The objective of these activities was to identify a taste profile that resonated with a broad spectrum of potential customers, and to utilize software applications like BigSeller to facilitate a wider market outreach for these newly developed coffee products, as seen in figure below

The endeavor to nurture entrepreneurial networks within the realm of omnichannel sales progressed through a tri-phased methodology, encompassing training, mentoring, and evaluation/monitoring. The training was meticulously structured for both seasoned and aspiring coffee sellers with the goal to broaden their sales networks across both offline and online domains. The curriculum was robust, shedding light on various facets including the coffee business value chain, igniting creativity and innovation, mastering digital marketing, evolving omnichannel retail approaches, and the adept utilization of supportive software, notably the BigSeller software. The training was delivered with a blend of online and on-site methodologies, catering to diverse learning inclinations. The ensemble of 24 vibrant participants was a mix of entrepreneurs, prospective entrepreneurs, and students aged between 20 to 23 years. Within this cohort, 15 participants engaged in offline sessions while 9 participants took to the online mode of learning. These participants are being molded to be the trailblazers in advancing omnichannel-based coffee marketing, with a keen emphasis on leveraging the BigSeller software to optimize sales and marketing endeavors. BigSeller serves as an omnichannel retail software capable of orchestrating multiple sales channels, both

virtual and physical, in a unified fashion. This software is endowed with features that contribute to a more streamlined and effective business management.

BigSeller's features that augment omnichannel retail management in an integrated fashion include:

Inventory control (includes centralized inventory management, push inventory functionality, real time inventory data synchronization, creation and management of merchant SKU, and scientific and standard warehousing management).

Order administration (includes processing orders module, order processing steps, unified order management, centralized order management, and inventory interaction)

Customer information governance (includes customer data management accross multiple marketplace)

Data Compilation and Analysis (multi-dimensional data analysis, accurate data calculation, profit analysis, and intelligent aggregation of sales data.

Training implementation as seen in the figure below (Figure 4, 5 & 6)



Figure 4: Delivery of Production Value Chain Material.



Figure 5: Omnichannel Retail Software Training.



Figure 6: BigSeller Software Training.

Mentoring is conducted post-training to facilitate field implementation. The evaluation phase is carried out to ensure that the training and mentoring outcomes align with the set targets. Evaluation is conducted through questionnaire completion before and after the training to gauge the extent of understanding shift among participants regarding the delivered material. A subsequent evaluation is carried out one month post-training, accompanied by mentoring to monitor the implementation. This evaluation and monitoring are executed through both direct visits (onsite) and virtual engagement (online).

The evaluation of the training was conducted to assess the enhancement in participants' knowledge and their capability to utilize software post-training. The method entailed the distribution of questionnaires both before and after the training. These questionnaires contained 7 closed-ended and 2 open-ended questions covering topics such as methods of selling products, the use of digital technology, benefits derived from such technology, and an understanding of omnichannel retail.

Key Insights:

Initially, over 57.1% of participants adopted a blended approach of online and offline selling methods, with this figure showing an inclination post-training.

It was observed that participants were already utilizing online mediums, showing a preference towards multi-channel retailing, indicating an understanding of online platforms' significance.

Initially, there was a notable lack of awareness regarding how digital technology can be leveraged for business management, which improved post-training, showcasing the positive impact of the training.

An increase in the understanding of how digital technology can be used to enhance sales was noted, alongside an interest in inventory management post-training.

Before training, a significant number of participants did not use online media for promotion, but post-training, there was a 13.4% increase in the willingness to use online media, indicating a better understanding of online promotion.

Post-training, the preference for online platforms diversified, with an inclination towards using the Big Seller software app, reflecting the training's role in exposing participants to omnichannel retailing.

A 37.1% increase in participants with plans to improve the quality and quantity of products sold was observed post-training, showcasing a heightened awareness towards sales improvement.

Responses to open-ended questions post-training displayed an improved understanding of the importance of consumer satisfaction surveys, product innovation, and expanding marketing networks.

A significant increase in awareness about omnichannel retail was observed post-training, illustrating the training's effectiveness in enhancing the participants' knowledge, especially regarding the utilization of Big Seller software for omnichannel retailing.

The results of the survey summary can be seen in the table 1 below.

This summary highlights the positive impact of the training on participants' understanding and readiness to adopt digital technology, especially the Big Seller software, and omnichannel retailing strategies for improved business management and marketing [9].

During the execution of the Community Service Program, hurdles surfaced primarily due to the participants' constrained skillsets in navigating the training for software applications grounded in omnichannel retail, with a pronounced gap in data analysis capabilities. This skill deficit resulted in a mere two participants successfully applying the omnichannel software applications, underscoring a pressing need for rigorous, sustained mentoring initiatives aimed at farmers or budding entrepreneurs. Such mentorship is envisioned to be instrumental in crafting adept marketing strategies and honing data analysis proficiencies, thereby bridging the identified skill chasm.

The results garnered from the structured monitoring and mentoring directed towards the training attendees led to the emergence of four new entrepreneurial ventures. These ventures are engaged in marketing a diversified range of products, chiefly coffee beverages that were crafted by the team. Among these entrepreneurs, one individual has taken to online platforms to market the coffee beverages, while the remaining four have adopted offline channels for their marketing endeavors. The offline marketing strategy notably includes forming partnerships with canteens situated within the premises of high schools and universities, thereby establishing a physical presence and direct sales channels in educational institutions. Through this approach, they are

TABLE 1: Table Captions Should Always be Positioned Above the Tables.

No	Question	Pre-training Response	Post-training Response	Change
1	How do you sell your products currently?	57.1% Both Offline & Online, 33.3% Online	-	-
2	If online, which platforms do you use?	5-6 separate marketplaces	-	Multichannel concept
3	Are you aware of digital technologies for business management?	52.6% No	66.7% Yes	+14.1%
4	What digital technology is needed for business management?	64.7% Sales Improvement	81% Sales Improvement	+16.3%
5	Are you using online media for promotion?	68.8% No	76.2% Yes	+7.4%
6	If yes to No. 5, which online media do you use?	53.3% Various Platforms	36.8% Big Seller App	-16.5%
7	Any plans to improve product quality and quantity?	80% No	57.1% Yes	+22.9%
8	How to improve product quality and quantity?	Consumer Satisfaction Surveys	Product Innovation & New Variants	-
9	Any plans to expand marketing?	75% No	57.1% Yes	+17.9%
10	How to expand marketing?	Social Media & Live Streaming	-	-
11	Are you aware of omnichannel retail?	100% No	61.9% Yes	+61.9%
12	What do you know about omnichannel retail?	100% No Knowledge	Good Understanding	-

not only promoting their coffee products but also creating a blend of online and offline marketing channels to reach a broader spectrum of consumers within the community [10]. Offline seller as seen Figure 4 below :



Figure 7: Offline Seller.

4. CONCLUSION

The outcomes from the training shed light on a substantial advancement in participants' understanding concerning the integration of digital media anchored in omnichannel retail frameworks, fostering a resilient entrepreneurial network in business management, with a spotlight on coffee retailing in Cimenyan Sub-district. Additionally, there was a discernible ascent in the competency to engage a distinct omnichannel application software, carving a pathway for a more streamlined, cost-effective, and real-time marketing channel for coffee products.

As the initiative advances, a meticulously structured continuum of support is endorsed for nascent entrepreneurs in assimilating omnichannel retail approaches, ensuring they harvest notable value benefits within the coffee retailing arena. Concerning coffee farmers, there emerges a salient need for astutely tailored training endeavors, with an aim at refining the dynamics of production and sales management, underscored by a savvy adoption of digital technology. This nuanced blueprint is envisioned to further bolster the entrepreneurial networks, propelling omnichannel coffee retailing to a more refined plateau of efficiency and market resonance in the Cimenyan Sub-district.

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