MAGNETICS:

Lokalate's Marketing Initiatives to Increase Customer

Experience & Stay Relevant in the Ever Changing Market

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Gramedia | LOKALATE | JNE EXPRESS

Executive Summary

Situation

Lokalate is an instant coffee drink with a mixture of Indonesian local fruit flavors, giving the coffee an exotic impression.

Lokalate is one of the ways for the company to enter into the dynamics of the industry, which is entering the fourth wave of the coffee trend in Indonesia.

Lokalate has also used marketing initiatives that are very comprehensive and even has a complete distribution channel.

Complication

Despite the initial success, the COVID-19 pandemic is a big challenge for Lokalate. Promotion and distribution of products are facing enormous challenges due to the pandemic.

Having good marketing strategies to increase brand awareness is not sufficient to reach more young generations.

Question

What breakthrough marketing campaign can Lokalate create & how to promote and keep Lokalate relevant in the mind of Indonesian youth in hyper-competition in the coffee industry in Indonesia?

Answer

Innovate on Ready-to-Go Product
Lokalate brand new liquid instant coffee that promotes simplicity & practicality, especially for young adults

Customer-Oriented Marketing Campaign
Creating a marketing campaign based on customer journey and experience to create brand engagement

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Lokalate Problems Definition

KEY OBJECTIVES

Is there any **breakthrough marketing campaign** for Lokalate in this pandemic?

How to **promote and keep Lokalate relevant** in the mind of Indonesian youth in hyper-competition in the coffee industry in Indonesia?

STRATEGIES

Creating an Online-Based Marketing Campaign that focuses more on Customer Journey & Experience

Innovating on Product that Relates to Customer Pain Points

GOALS

Out of the Box Marketing Campaign

Increase customer acquisition

Lokalate as the top of mind brand of instant coffee drink

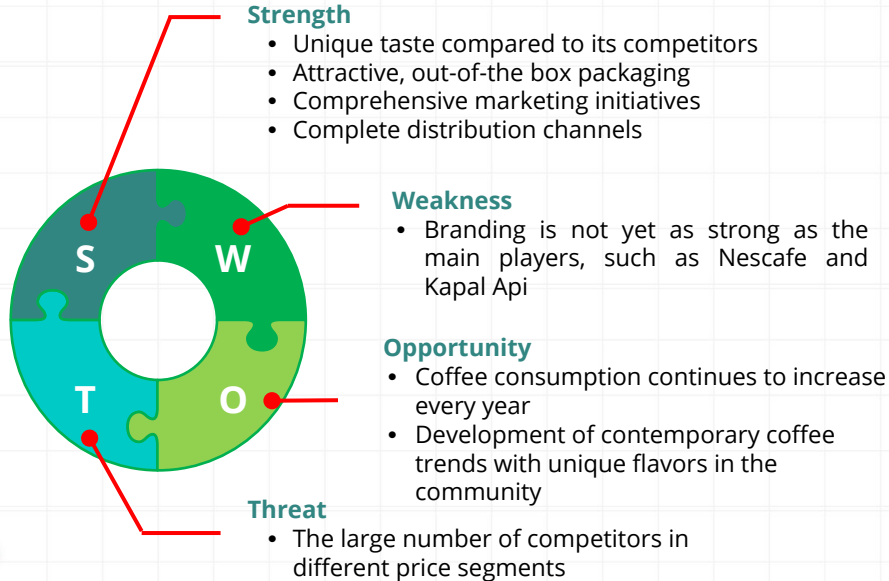Executive Summary — Overview — Analysis — Attract — Convert — Retain — Implementation

Analysis, Tools, and Key Points

SWOT Analysis

Strength
- Unique taste compared to its competitors
- Attractive, out-of-the box packaging
- Comprehensive marketing initiatives
- Complete distribution channels

Weakness
- Branding is not yet as strong as the main players, such as Nescafe and Kapal Api

Opportunity
- Coffee consumption continues to increase every year
- Development of contemporary coffee trends with unique flavors in the community

Threat
- The large number of competitors in different price segments

Company-Specific Analysis

Key Takeaway

Despite being in an industry with a high level of competition and a very dynamic market, Lokalate can increase its customer acquisition and sales using its **unique value proposition** and **marketing strategy**.
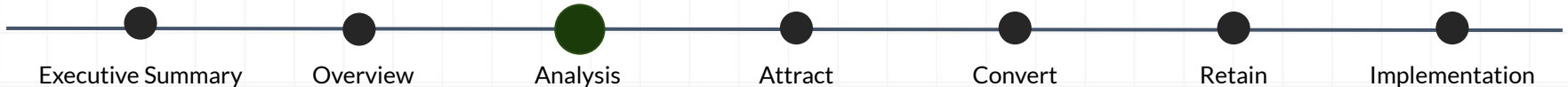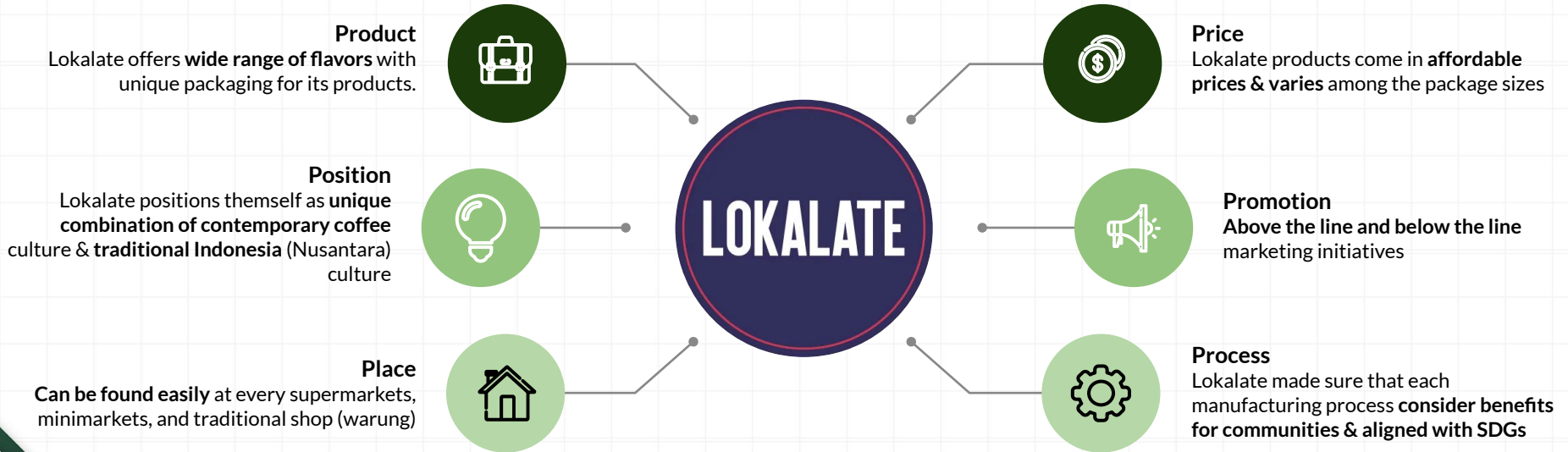
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Analyzing the value offerings of Lokalate with Marketing Mix (6Ps)

Product
Lokalate offers **wide range of flavors** with unique packaging for its products.

Price
Lokalate products come in **affordable prices & varies** among the package sizes

Position
Lokalate positions themself as **unique combination of contemporary coffee** culture & **traditional Indonesia** (Nusantara) culture

Promotion
Above the line and below the line marketing initiatives

Place
Can be found easily at every supermarkets, minimarkets, and traditional shop (warung)

Process
Lokalate made sure that each manufacturing process **consider benefits for communities & aligned with SDGs**

LOKALATE

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Lokalate's Target Market Positioning compared to other instant coffee brands in the market.....

High Brand Image

Kapal Api

NESCAFÉ

Good Day

KOPI ABC

LOKALATE

Traditional ——————————————— Innovative

TORA BIKA

Low Brand Image

Key Points

Lokalate has many various and **innovative** flavors compared to other instant coffee brands

Fierce competition of the coffee industry in Indonesia, with **multiple dominant high-brand image**

Lokalate can use its **key strength to win the target market** by utilizing its **"innovative"** brand image & unique experience
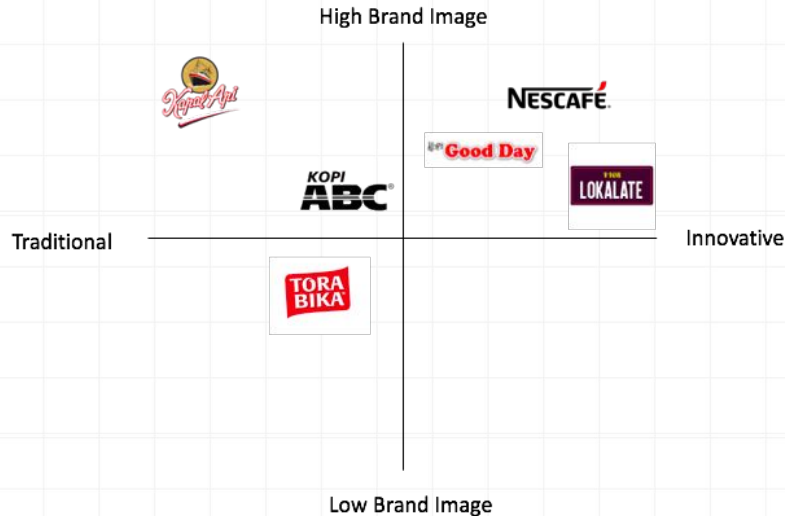
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Lokalate's Target Market should be focused on College Students and Fresh Jobbers

Segment	High Schoolers	College Students	Fresh-Jobbers
Age Group	15 – 18 years old	18 – 22 years old	Above 22 years old
Spending/ Month	Rp500.000 – Rp1.000.000	Rp1.000.000 – Rp3.000.000	Above Rp3.000.000
Consumption Behaviors	- Easily influenced by their peers and social media - Following the new trend and hype	- In pursuit to increase social image - High usage of social media	- Prioritize product quality - Fast paced lifestyle - Choose efficiency and effectiveness
Communication Strategy	Social Media & KOL	Humor Marketing, Social Media & KOL	Humor Marketing, Social Media & KOL

Their Characteristics

Career Oriented: motivated to work and compete to earn more money and gain greater profits

Fast Paced: their day to day schedule consists of waking up, work or studying, and back to sleep

Tech Savvy: they accept that their mobile phone is virtually a vital part of their daily life.

Seek convenient: they love instant things, practical, simple and also quick

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Identifying Lokalate's Most Potential Customer Persona as The Main Target for Market Share
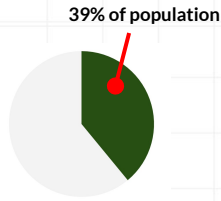
Young generation comes with the huge customer basis that suitable with Lokalate's product features and characteristics

- **Andy (19 YO)**
- **College student**
- **Active gamer**

Background

As an typical college student, Andy likes enjoying coffee and playing games with friends

39% of population

Motivation and Pain Points

Motivation
- Coffee as the primary source for staying up
- Enjoy the games with friends while staying up late
- Instant product with affordable price

Pain Points
- Overwhelmed by numerous product offerings
- Staying up late is kind of hard without any caffeine product
- Monotone flavor of coffee as the main source of caffeine

Highlights

Caffeine addiction

Intention to buy

Strategies

Attract the potential customer with unique marketing

Increase the product awareness with young public figure related to market

Retain the young generation by giving the valuable offerings

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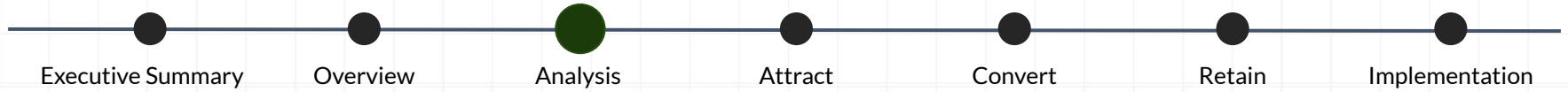
Innovation to Keep Lokalate Relevant in the mind of Indonesian youth in hyper-competition of Coffee Industry

Key Objectives

Lokalate can stay Relevant by providing new product innovation that meet customer's motivation & pain points

Brand new "Ready to Go LokaLiquid" product

Why?

Understanding the Customer Needs → young adults prefers instant & easy to use products

Offers a **brand new yet diverse products** of Lokalate (not only comes in powder drink)

How To Use

1. Pour LokaLiquid on your bottle drinks
2. Shake gently
3. LokaLiquid is ready to drink!

100% BIODEGRADABLE
100% COMPOSTABLE

Adding **biodegradable aspect** to its packaging will **align with Nutrifood goals** to achieve **SDG goals**

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Lokalate's Breakthrough Marketing Initiatives using Customer's Journey

Stage	Attract & Engage	Convert	Retain & Advocate
Customer State of Mind	Are aware of and interested with Lokalate brand and product	Start comparing and making the decision to purchase Lokalate's product	Keep purchasing Lokalate's product and recommending to other friends
Strategy Objective	Mass marketing to gain brand awareness and interest	Education of Lokalate's flavors and product convenience	Customer oriented and continuous improvement
Bulaksumur's Proposed Marketing Initiatives for Lokalate	1 Transit Ads & Humor Marketing 2 Lokalate 360 Campaign 3 Viral Video: From Earth to You 4 Social Media Activation	5 All in One: Integrated Application 6 LokaConcert: Mini Home Concert 7 In-Store Activation	8 Customer Relationship Management 9 Surprise & Delight
Lokalate's Objective	Gain brand awareness and interest	Communicate Lokalate variety of flavors and acquire new customers	Retain existing customers and continue to grow
Key Performance Indicators (KPI)	• Google trend on the keyword of "Lokalate" increases by 70% • 10.000 real and active followers increase on Lokalate's Twitter • 60% increase in reach and post engagement	• 50% increase in offline sales especially mini markets • 10.000 new account users on mobile application	• Increase in customer satisfaction by 90% • Repeated customer purchase from online purchase increase by 70%
Key Hook	#MyMoodBooster	#LokaConcert	-

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TRANSIT ADS & HUMOR ADVERTISING

What?

Transit advertising is **outdoor advertising** that utilizes public transportation (commuter lines, MRT, buses, etc.) as the main media to be able to carry advertising messages and circulate in the community.

When making a transit on their journey, it is very easy for Lokalate to build brand awareness when waiting for the transport to arrive by advertising their products using **repetitive, memorable, interesting language and incorporating a little humor.** In addition, it is important to formulate sentences that **describe the pain points** that have been felt by the consumers, and how Lokalate can help them. Persuasive sentences that highlight the problems that exist in the lives of young adults, making Lokalate more "**relatable**" and closer to their hearts.
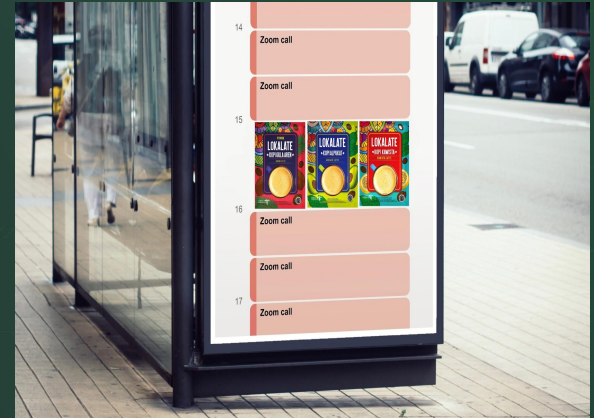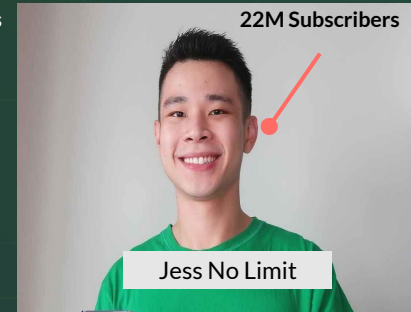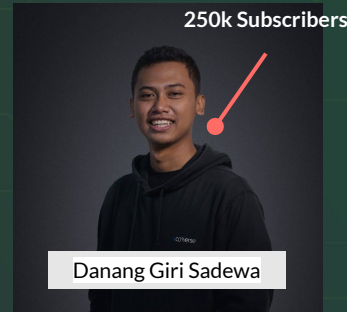
ATTRACT & ENGAGE

HELLO WORLD: LOKALATE 360 VLOG CAMPAIGN WITH INFLUENCERS

This 360-degree video campaign is designed **to create "real connections" with younger consumers.** We realized that our target audience of young coffee lovers pick up their phone at the start of every day looking to be entertained by real experiences. The 360-degree video allows Lokalate to be engaging in an innovative way.

We recommend Lokalate in collaborating with several Indonesian micro influencers such as **Danang Giri Sadewa** (to represent **College Students**) & macro influencers such as **Jess No Limit** (to represent **gamers/e-sport industry**). We chose these two because they have a very large followers base on Instagram and YouTube.

#MyMoodBooster

250k Subscribers

Danang Giri Sadewa

22M Subscribers

Jess No Limit

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FROM EARTH TO YOU: LOKALATE VIRAL VIDEO ADVERTISING

Why?

According to Kompas.com, **61.8% of Indonesian population uses social media, 84% of them are young adults.**. As a result of its success, Lokalate must use social media on a regular basis. To convey the advantages of Lokalate use, by using Instagram, YouTube, and Facebook Ads.

How?

Consider emphasizing the **supplier side** of when making an advertising, demonstrating that Lokalate and PT Nutrifood provided a single, sustainable ecosystem from the supplier to the consumer. Visualize the steps you'll take to earn their trust. **Keep in mind that by consuming Lokalate, young generations are also helping to boost the welfare of suppliers, especially coffee bean farmers.**

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TWITTER & LINKEDIN SOCIAL MEDIA ACTIVATION

For this activation, we suggest using platforms such as Twitter and LinkedIn. We found that Twitter users are very suitable for the local target market, while LinkedIn itself is also filled with students and fresh jobbers to build their online CV.

Overheard Jakarta
@overheardjkt

"Gila, besok weekend lo masih lembur meeting sampe pagi aja?"

"Biasa, orang kantor gue pada pesimis. Pesimis umurnya gak sampe minggu depan, jadi semuanya harus kelar sekarang."

Benchmark: @Overheardjkt's Twitter

The social media platform will not only be a medium to sell Lokalate's product but also a **relatable platform for people to speak their opinions about the ups and downs of adulthood** and Lokalate will be the one that connects them all. In addition, while everyone uses LinkedIn to search for jobs and professional insights, we are here to remind these hard workers individuals **that they need to take a break and #FindYourMoodBooster.** This strategy is carried out to strengthen emotional marketing on Lokalate products because it prioritizes **message value.**

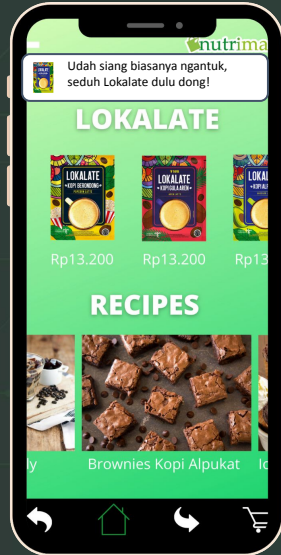Executive Summary — Overview — Analysis — Attract — Convert — Retain — Implementation

ALL-IN-ONE INTEGRATED APPLICATION

Udah siang biasanya ngantuk, seduh Lokalate dulu dong!

LOKALATE

Rp13.200 · Rp13.200 · Rp13...

RECIPES

Brownies Kopi Alpukat

How the Integrated Application Works

Our team realized that the websites that Nutrimart and Lokalate **are not yet integrated in an application and not handy for customers to access.** Therefore, why don't we create a mobile application?

This mobile application can be an **all-in-one application.** Besides **buying the products** through the application, consumers also get fast & easy Lokalate recipes and gets a **platform to share weekly articles** and tips to a productive work environment or college life. In addition we also add a **Lokalate intake schedule** reminder to remind consumers to drink their Lokalate during work/study hours. Everything is just one click away because young generations love **instant things**!

CONVERT

LOKACONCERT: CHARITABLE CONTRIBUTION THROUGH MINI HOME CONCERT

Why?

As the pandemic situation has not yet declining, Virtual or Mini Home Concert can be one of the marketing strategy for Lokalate to **bring home favorite Indonesia singers virtually closer to its target market.**

How?

Customers can enjoy the mini concert through the in-app application or through other online platform

→

Viewers can upload their moments on social media with the **#LokaConcert** and #LokalateXRaisa

→

During the concert, a platform is open for **viewers to be able to give their charitable contribution**

The objective of this is to showcase that Lokalate is not only a brand that is **unique but also are aware with the issues that are currently happening** because the charity can be given to Covid-19 patients or others that are in need.

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MINI MARKETS IN-STORE ACTIVATION

The in-store activation should be **memorable** so that the customers not only remember Lokalate but also the message that it brings. We chose mini markets because instant coffee is the **most accessible at mini markets** and usually students as well as young adults obtain their daily needs in a mini market instead of a supermarket. The in-store activation will be in the form of post-it reminders next to Lokalate's product itself to remind everyone that even though with your insane working schedule you should still take your time and find your mood booster and companion with Lokalate.

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CUSTOMER RELATIONSHIP MANAGEMENT USING CUSTOMER DATABASE

By utilizing the all-in-one mobile application, Lokalate can really consider and evaluate their customers' behaviour. CRM helps Lokalate to build a relationship with their customers that, in turn, creates loyalty and customer retention. Since customer loyalty and revenue are both qualities that affect a company's revenue, CRM is a management strategy that results in increased profits for Lokalate.

How?

Lokalate can **communicate and interact with the customers** through feedbacks form and the customers can get something in return such as discount voucher. When it is their birthday, Lokalate can also surprise them with a promo deal that they cannot resist!

HAPPY BIRTHDAY

Hanna WIDA

click here to redeem your birthday voucher

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RETAIN & ADVOCATE

SURPRISE & DELIGHT

Why?

Surprise & Delight is a strategy that **gives unanticipated benefits to customers to renew interest and amplify messaging through Lokalate.** Surprise changes behaviour, is cheap, turbocharges emotions, and fuels more passionate relationships between customers and brands.

How?

The surprises that we suggest Lokalate are free membership to streaming platforms such as Iflix, Viu, Spotify, and so on. We chose these as the surprise gifts because according to Statista.com the user base is dominated by millennials aged between 18 and 24. **When customers open up a package of Lokalate, there could be a surprise inside for their free one month membership.** Through this, we hope to increase customers' retention because customers will be excited to buy Lokalate because they are excited to see when they will get the surprise prize and hopefully they can refer Lokalate to their friends and family too.
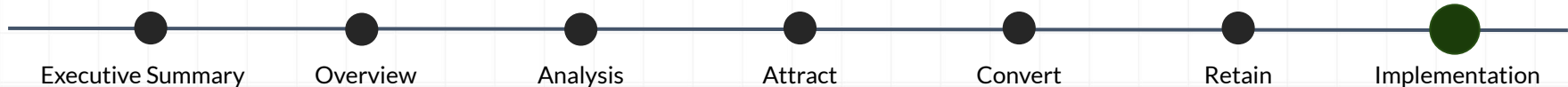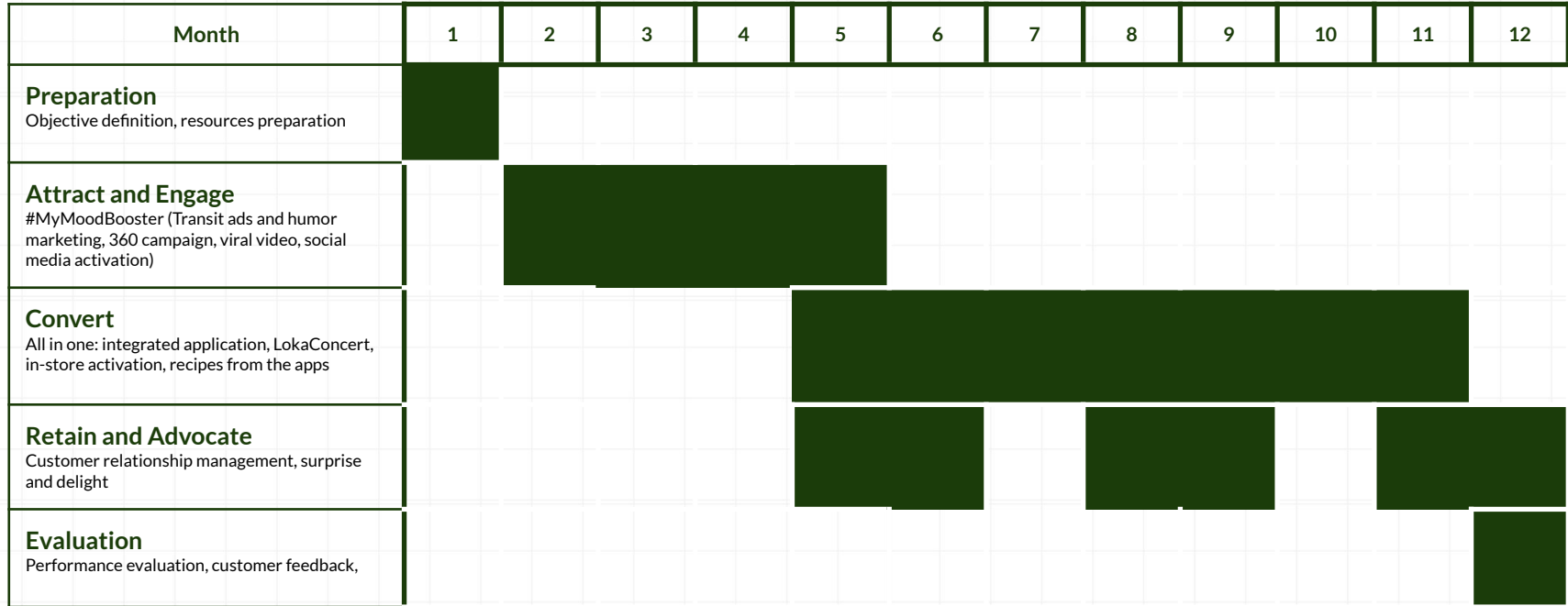
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Implementation: Key Action Timeline for TRANSITION strategy

Month	1	2	3	4	5	6	7	8	9	10	11	12
Preparation Objective definition, resources preparation	■											
Attract and Engage #MyMoodBooster (Transit ads and humor marketing, 360 campaign, viral video, social media activation)		■	■	■	■							
Convert All in one: integrated application, LokaConcert, in-store activation, recipes from the apps					■	■	■	■	■	■	■	
Retain and Advocate Customer relationship management, surprise and delight					■	■		■	■		■	■
Evaluation Performance evaluation, customer feedback,												■

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Implementation: Rivalry and first mover risks to be focused in terms of mitigation initiatives

Risk	Root Cause	Risk Handling	Probability	Impact
First mover risk (FR)	Emerging of inferior brand competitors with lower price	Sustainable innovation and maintain unique value proposition	Moderate	High
Distribution channel risk (DR)	Uncertain regulation and COVID-19 cases trend create the hurdle in terms of logistics	Ensuring the protocol obedience and safety product distribution	Moderate to high	Moderate
Rivalry and reputation risks (RRR)	Price and product competition with other brands in the industry	Differentiation and competent public relations	High	High
Macroeconomic risk (MR)	Consumer price index (CPI), purchasing power	Competitive pricing	Moderate	Moderate

Risk metrics for prioritization of mitigation

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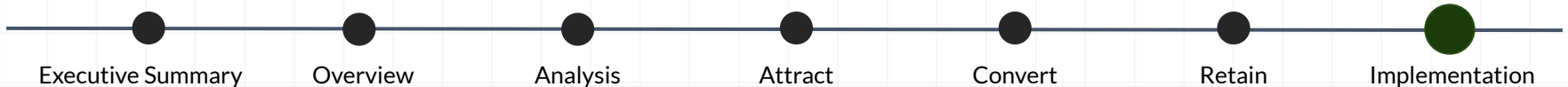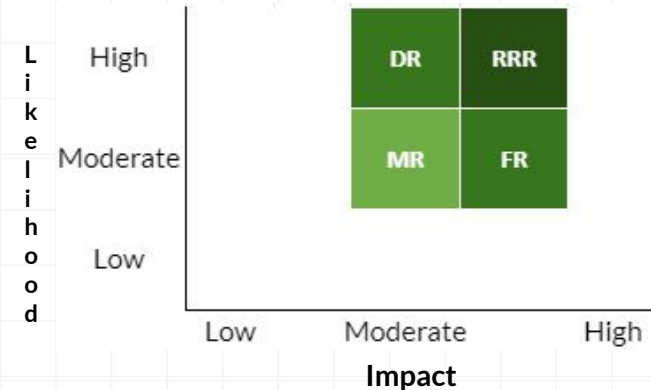
Implementation: Impact and Financial Projection

Sustainable value proposition and benefit

Large potential of customer basis from millennials as main target
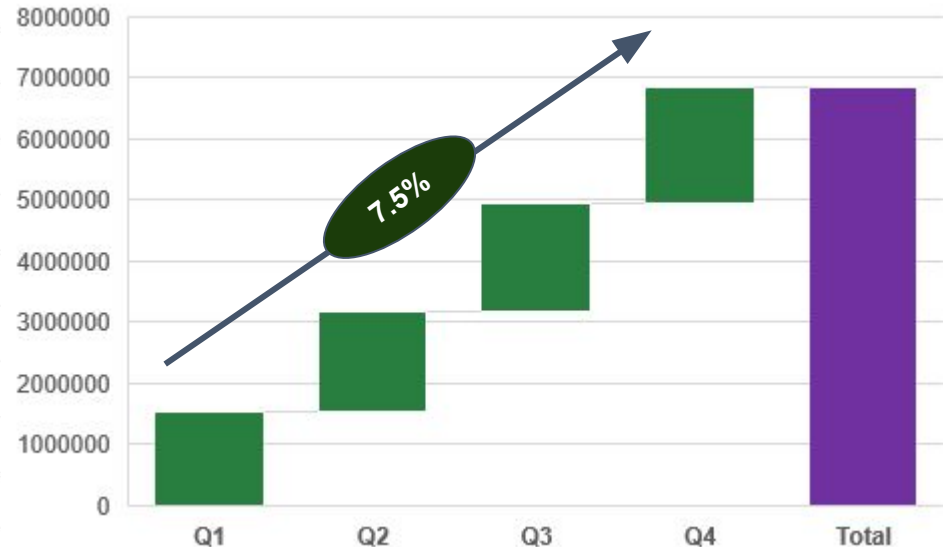
- Raise customer awareness and engagement
- Strong customer retention with unique value offerings

- Increase in revenue for approx 10%
- Increase in customer growth for 5-8%
- Increase in profit margin for approx 7%

MAGNETICS Strategy to amplify the Lokalate's Overall Sales (in quantity)

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