# Digital Marketing Strategies Used by Competing Coffee Shops in Candelaria, Quezon: Perspective of Employees

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## Abstract

The study aimed to identify the digital marketing strategies utilized by coffee shops in Candelaria, Quezon, the digital platforms used by coffee shops in digital marketing, and the challenges and benefits of digital marketing strategy and its impact on sales and profitability of coffee shops. The study utilized a qualitative research method and used structured interviews to collect the data from 10 respondents. The study used content analysis and descriptive coding in analyzing the data from the interview. The results revealed that coffee shops in the area use a variety of digital marketing strategies, with social media marketing being the most used, and the identified online platforms that are being used by coffee shops are Facebook, Instagram, Tiktok, Messenger, Websites, and Email with Facebook being the most used platform. Likewise, the result also shows that digital marketing can influence customer decision-making and purchase behavior, which helps coffee shops gain more sales and profits. The identified challenges and benefits of digital marketing are competition and striving to improve their marketing strategies to attract customers; the challenges and the benefits, such as convenience in endorsing their coffee shops and the potential for increased profits and brand recognition. This study implies that digital marketing has many benefits and positive impact on coffee shops. Digital marketing strategy is effective to gain more customers online and increase their sales.

**Keywords:** *digital marketing, business strategies, coffee shops, perspective*

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## Introduction

In today's digital era, effective marketing strategies have become vital for businesses to gain a competitive edge and thrive in the market. The coffee shop industry, characterized by intense competition and evolving consumer preferences, has increasingly turned to digital marketing to engage with its target audience. Chaffey (2011) mentioned that "encouraging customer communications on the company's own website or by using its social presence" is what social media marketing is all about. One key strategy in digital marketing is social media marketing since it allows businesses to reach their intended customers without having to pay publishers or distributors, which is normal for traditional marketing. According to Waghmare (2012), a lot of Asian nations are utilizing electronic commerce via opening up, which is crucial for boosting competitiveness and the development of internet technology.

Digital marketing strategies have transformed businesses' promotion of products and services, particularly in coffee shops. These strategies enhance brand visibility, attract new customers, and foster long-term relationships. To remain relevant in a saturated market, coffee shop owners and managers must adapt their strategies accordingly. The rise of social media, mobile applications, and online review platforms has impacted coffee shops' engagement with their target audience. Digital marketing strategies like campaigns, influencer collaborations, email newsletters, and search engine optimization are common, but their effectiveness varies across coffee shops. Limited research on employees' perspectives in competing coffee shops on digital marketing, highlighting their pivotal role in implementing initiatives, interacting with customers, and assessing their impact on business outcomes. This research investigates digital marketing strategies used by competing coffee shops from employees' perspectives, focusing on experiences, perceptions, and challenges. It explores online platforms, perceived challenges, and the benefits of digital marketing. Moreover, this study includes the Digital Marketing Strategies used by competing coffee shops as perceived by employees, the perceived impact of Digital Marketing on sales and profitability of coffee shops, online platform employees report as commonly used Digital Marketing efforts, and the perceived challenges and benefits of Digital Marketing as reported by coffee shop employees.

## Theoretical Framework

This study explores the potential of digital marketing strategies in satisfying customer needs, connecting with them, and fostering long-lasting relationships. In line with Kotler's theory of marketing, which views marketing as a science and art aimed at delivering value to fulfill target market needs. Additionally, Chaffey's theory of social media marketing highlights the impact of interactions between businesses and customers in understanding consumer behavior and influencing purchasing decisions. Furthermore, Berry's relationship marketing theory emphasizes the importance of creating enduring bonds with customers to understand their needs in the long run. By examining these theories, the researchers seek to uncover valuable insights into the effectiveness of digital marketing strategies and provide practical recommendations for enhancing customer satisfaction, influencing purchasing decisions, and fostering loyalty.

Theory of marketing by Kotler (2012), wherein he defined marketing as science and art of creating value to satisfy the needs and wants of customers profitably. Marketing is about knowing and satisfying both human and social needs and wants. This theory is all about marketing and satisfying both needs and wants of customers. Therefore, this theory is related to this study since the aim of this study to know if digital marketing strategies can be used by business owners and employees to satisfy and connect with their customers.

Theory of social media by Chaffey (2012), wherein he defined social media marketing as an informal marketing approach. The theory states that the interaction between Business and its customers make a big contribution to understanding human behavior through consumer conduct. As a result, businesses used social media strategy to stimulate purchasing options among customers, lead them into making purchases, and even maintain loyalty to one brand of the product or service. This theory is about encouraging customers to purchase a product through the use of social media. Therefore, this is connected to this study because the primary objective of this study is to find out if the customers purchasing decision can be influenced by digital marketing.

Relationship marketing theory by Berry (1983), wherein he defined relationship marketing as a type of marketing strategy that helps the brand creates a long-lasting relationship with their customer. It is important to establish and maintain relationship as it helps the brand to understand their audience in the long-run. This theory is all about creating a strong relationship with customers. Therefore, this theory is related to this study since one

another objective of this study is to determine if digital marketing can be used by business owners to create a strong and long-lasting bond with their customers.

To sum it all, marketing theory provides a foundation for understanding the needs and wants of customers and developing effective strategies, whereas relationship marketing theory focuses on creating long-term customer loyalty. The theory of social media expands on these principles by understanding the role of social media platforms in building relationships and enhancing marketing strategies.

## Methodology

### *Research design*

This study utilized a qualitative descriptive research design. Candelaria, Quezon. Creswell (2012) states that this method gathers in-depth information about existing conditions. Specifically, this paper examines the digital marketing strategies of competing coffee shops in Candelaria, Quezon, as perceived by their employees. It also investigates how employees view the impact of digital marketing on sales and profitability, along with the commonly used online platforms and the reported challenges and benefits associated with these strategies.

### *Research Locale*

The research was conducted in seven (7) coffee shops at Candelaria, Quezon. This locale stands out as one of the leading coffee producers in Quezon Province (Farmers' Information and Technology Center, [FITS] 2020). The growing presence of coffee shops in Candelaria intensifies competition, driving the researchers to investigate the pivotal role of digital marketing in maintaining a competitive edge within this thriving market landscape.

### *Research participants*

This qualitative research study explores the perspectives of coffee shop employees in Candelaria regarding digital marketing strategies. The researchers chose 10 participants in Coffee Shop Employees. This number is justified according to Creswell's phenomenological study (2013). The participants for this study were selected using a purposive sampling technique. Participants were purposefully selected based on the following criteria: (1) Employee at a coffee shop located in Candelaria, (2) the shop employed in is actively involved in using digital marketing strategies with 500 followers, and (4) Willing to Participate in the study. These criteria allowed for a focused examination of the research

topic, providing valuable insights into the digital marketing landscape of coffee shops in Candelaria.

### *Corpus of the Study*

The corpus utilized in this study is comprised of ten distinct collections of textual data, each meticulously curated to address the specific research inquiries at the core of our investigation. Each corpus is derived from transcriptions meticulously generated from audio-recorded interviews conducted during the data collection phase of this research. These transcriptions represent a rich and diverse collection of spoken discourse, capturing the voices, perspectives, and insights of the study's participants.

To ensure the integrity and reliability of the corpus, rigorous transcription protocols were adhered to, including verbatim transcription of the audio interviews guided by the guidelines and tenet of Jefferson's Transcription System (University Transcriptions, 2022). The transcribed data spans a range of topics, experiences, and viewpoints, offering a comprehensive foundation for our subsequent analyses. The data were separately inter-coded by co-researchers before the analysis.

The utilization of this carefully constructed corpus serves as the primary source of data for our investigation, allowing for in-depth analysis and the extraction of meaningful insights into the phenomena under examination.

### *Data Gathering Procedures*

The data gathering procedure commenced with the researchers drafting a formal permission request letter, seeking approval to conduct interviews and collect information from a specific group of participants, namely, Candelaria's coffee shop employees. Concurrently, the researchers undertook the crucial task of preparing and validating a comprehensive questionnaire, tailored to the specific objectives of the study.

Upon submission of the permission request, the researchers patiently awaited the requisite approvals, a pivotal step in ensuring ethical and legal compliance. Once approval was obtained, the researchers proceeded to engage with the participants. In this phase, the significance of the study was elucidated to the coffee shop employees, emphasizing the value and potential impact of their contributions to the research. Additionally, the researchers clarified any terms or conditions related to participation, ensuring that participants were well-informed and comfortable with the study's requirements.

The primary data collection phase involved interviews with Candelaria's coffee shop employees, focusing on their experiences and practices related to digital marketing strategies. These interviews were conducted using a standardized interview, wherein the same questions were asked to every interviewee without changes in the wording to maintain consistency and gather relevant information. The choice of interviews as a data collection method allowed for in-depth insights and personal perspectives, enriching the dataset with firsthand accounts from industry experts. The recorded interviews were separately transcribed by both of the researchers to uplift reliability and accuracy, to ensure quality control of the data, and to minimize bias, ensuring its completeness and unified capture of the idea from the data.

The utilization of digital marketing as a focus area provided a unique lens through which to examine the dynamics of the coffee shop industry in Candelaria, enabling the researchers to explore how modern marketing techniques are employed in this specific context

### Data Analysis

The analysis of data is framed by Krippendorff's steps in content analysis (1980) with an emphasis on the importance of descriptive coding, as justified in Saldaña (2009). The following steps were followed by the researchers: (1) Preparation of data, which involves the translation of the recorded interviews into a text [coding and inter-coding] to make it ready for analysis. (2) Defining unit of analysis: The unit of analysis was defined as individual passages or segments of text that contained relevant information pertaining to digital marketing strategies, their impact, and associated challenges and benefits. (3) Category and Coding Scheme Development, a comprehensive coding scheme was devised to guide the assignment of text passages to relevant categories. (4) Coding Scheme Validation, a preliminary round of coding was conducted on a sample of interview data. This process facilitated the identification of potential ambiguities or areas where the coding scheme needed refinement. (5) Full Data Coding. All the interview data were systematically coded. Each passage was assigned to appropriate categories, ensuring that the coded data accurately reflected the content of the interviews. (6) Inter-Coder Reliability Check, a subset of the data was independently coded by multiple researchers. Inter-coder reliability checks were performed to gauge the agreement between coders. (7) Drawing Conclusions: These are drawn by examining the prevalence and significance of each category. (8) Reporting: The entire data analysis process was transparently reported to ensure replicability and validity.

The finalized analysis was presented to provide readers with a comprehensive understanding of how the findings emerged from the qualitative data as supported by reviews of existing studies and literature.

### Ethical Consideration

In the context of investigating digital marketing strategies in competing coffee shops in Candelaria, Quezon, this study meticulously addressed ethical concerns. Prior to commencing research, diligent steps were taken to secure informed consent from participants. This involved providing detailed letters outlining the study's objectives, participant roles, potential risks or benefits, and data confidentiality. Privacy protection was paramount, and the data collected was solely used for the specified research variables. Ethical conduct was steadfastly maintained throughout the research, ensuring transparency, impartiality, and respect for all participants involved.

## Findings and Discussion

### Digital marketing strategies of competing coffee shops as perceived by their employees.

The digital marketing strategies identified include Social media marketing, Website marketing, and Email marketing. The data shows that coffee shops use varied digital marketing strategies in marketing yet the most commonly used and effective digital marketing strategy stated by the participants was Social media marketing. Thus, this result is similar to Baer's (2015) analysis wherein he insists that social media has become an indispensable instrument in any digital marketing strategy because it enables businesses to engage with their customers on a personal level, create brand awareness, and develop brand loyalty. Furthermore, according to Schaffer (2023), almost 92 percent of marketers are using social media in marketing.

### Impact of digital marketing on sales and profitability in coffee shops.

The identified impacts include the impact of effective posting on sales, the influence on customers' behavior that increased sales, picture editing and attention-grabbing posts, positive perception of coffee quality and word-of-mouth, social media and online visibility, viewership and customer conversation, social media usage increased sales, and the positive

impact on profitability and customer acquisition. The data shows that digital marketing has something to do with influencing customer decision-making and purchase behavior and has a positive impact that really helps coffee shops gain more sales and profits. Thus, this result affirms Allen's (2023), analysis wherein he insists that digital marketing can be a powerful tool for businesses to reach their target audiences and boost sales performance. By utilizing digital marketing strategies, businesses can reach new customers, increase their customer base, and increase their sales. Marino (2023) also reported that the impact of digital marketing can increase brand awareness by 80 percent. By this means, it is worth claiming that digital marketing is relevant in influencing consumer decision-making and buying behavior. The similar report also shows that consumers are 155 percent more likely to look up brand-specific terms after they've been exposed to display ads and 70 percent more likely to make a purchase from a retargeting ad.

### *Online platforms that employees report as commonly used in digital marketing efforts.*

The online platforms identified include Facebook, Instagram, Tiktok, Messenger, Websites, and Email. The analysis reveals varied online platforms that coffee shop employees use in marketing. However, the most commonly mentioned to be used as online platform as stated by the participants, was Facebook. This result is similar to Patel, (2019) analysis as he mentioned that Facebook continues to be the leading social media platform for marketing. In addition to this, current statistics report that 48.93 percent of marketers use Facebook to promote their products and business (WebFx, Digital Marketing Strategy, 2023).

### *Perceived challenges and benefits of digital marketing as reported by coffee shop Employees*

The challenges identified include competition among coffee shops, the need to improve editing skills, and the challenge of attracting more customers. On the other hand, the benefits highlighted are the ease of use of online platforms for endorsing coffee shops, increasing profits, and enhancing coffee shop recognition.

These findings provide valuable insights into the experiences of coffee shop employees regarding digital marketing. They indicate that coffee shops face competition and

strive to improve their marketing strategies to attract customers. According to Sorav (2020) one of the challenges of using digital marketing is the increased competition. It was stated that the more businesses turn to digital marketing, the level of competition will increase. This can make it difficult to attract customers and convert leads. Furthermore, 34.5 percent of marketer struggle with the complicated digital landscape, and this includes the crowded digital space that presents challenges in standing out and reaching the target audience. However, they also recognize the benefits of using online platforms, such as convenience in endorsing their coffee shops and the potential for increased profits and brand recognition. In the context of the study, the aforementioned supports confirm the participants' challenges in technicalities and editing skills and space.

On one hand, the participants' response regarding the benefits of digital marketing is supported in Imolila (2020), which relatively states that some of the benefits of digital marketing are increased sales and increased brand recognition. In this case, digital marketing is a proven way to increase sales. Moreover, Marino (2023) also reported that the use of digital marketing strategies increases the sales by 24 percent and brand awareness by 80 percent. With customers being more in tune with digital channels than ever before, businesses have more opportunities to convert potential customers into paying customers. Digital marketing, when done right, can help build a strong brand and increase brand recognition. This can help increase sales in the future and strengthen your business's reputation.

These findings have implications for the coffee shop industry and can inform practices related to digital marketing. By understanding the challenges and benefits highlighted by employees, coffee shop owners and marketers can adapt their strategies to compete in the digital space effectively. Additionally, the findings suggest the importance of leveraging online platforms to reach a broader audience and achieve business goals.

## Conclusion

The study reveals that social media marketing, website marketing, and email marketing are the most commonly used digital marketing strategies. Meanwhile, the commonly used online platform is Facebook. The perceived impact of digital marketing on sales and profitability of coffee shops are the impact of effective posting on sales, influence

on customer behavior, social media usage and increase sales, and positive impact on profitability and customer acquisition. On the other hand, competition among coffee shops, the need to improve editing skills, and the challenges of attracting more customers are the perceived challenges. Ease of use of online platforms for endorsing coffee shops, increase in sales and profit, and enhancement of coffee shop recognition are the perceived benefits of using digital marketing. Business owners and aspiring entrepreneurs should utilize digital marketing strategies to connect with customers, sell products, and promote offerings. Students should use this as a reference to gain more knowledge to study the effectiveness of these strategies, while future researchers should conduct similar studies in different locations and use this study as a guide, reference, or related literature.

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