

## **Proposed Social-Media Marketing Strategy to Improve Customer Engagement on Instagram (Case Study: The Hidden Heaven)**

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### **Abstract**

The growing consumer demand for specialty coffee and the rise of home-brewing culture in Indonesia have created new market opportunities for coffee roasteries in the B2C market. However, *The Hidden Heaven*, a roastery based in Surakarta, remains highly dependent on B2B clients, exposing the business to sales instability. To seize these emerging opportunities, *The Hidden Heaven* needs to strengthen its efforts in the B2C market to attract and retain individual consumers. Specifically, this research addresses a strategic gap in the company's use of Instagram for customer engagement. The objective is to develop a targeted social media marketing strategy that enhances customer engagement. Using a mixed-method approach, the study combines qualitative interviews with the company's management and quantitative survey data from 354 Instagram-active consumers aged 18–35. Data were analyzed using SEM-PLS to test the effects of social media influencers (SMI), user-generated content (UGC), and carousel post formats on customer engagement. The results show that only content in the carousel post format has a significant impact. This study contributes to digital marketing practices by developing an evidence-based Instagram strategy tailored for the specialty coffee industry.

**Keywords:** Customer Engagement; Instagram; Carousel Content Type; Specialty Coffee; Social Media Marketing

## INTRODUCTION

The coffee industry in Indonesia has experienced significant growth over the past decade, driven by rising domestic consumption and the emergence of a new lifestyle that embraces coffee drinking as part of one's social identity. Previous studies (e.g., Suwandi, 2022) reveals that approximately 79% of Indonesians are active coffee consumers, with a substantial portion coming from young, urban populations. This phenomenon aligns with global trends that show a shift in coffee consumption from mass commodity products to value-added ones, such as specialty coffee. Within this context, the culture of home brewing has also seen a rapid rise, signaling a transformation in consumer preferences—from simply purchasing ready-to-drink beverages to exploring coffee as a personal experience and a form of lifestyle expression.

The shift in coffee consumption compels coffee industry players, especially local roasteries, to develop more adaptive marketing strategies that focus on the B2C market. One of the most relevant platforms is social media, particularly Instagram, due to its visual, interactive nature and broad reach among the productive age group (Binti Md Nujid & Ain Tholibon, 2021; Rahyadi, Fransiska, Hardjantini, Lay, & Onasie, 2023; Xu et al., 2023). Instagram serves as more than just a communication channel—it functions as a strategic arena for building customer engagement, creating an authentic brand image, and driving conversions from interest to purchase (Feehan, 2023; Fitriati & Madu Siwi, 2023; Liu, Choi, & Kim, 2024). In a competitive landscape like the coffee industry, the level of digital engagement often becomes a key differentiator between brands that endure and those that fade away.

However, not all businesses are able to optimize the use of Instagram. The Hidden Heaven, a Surakarta-based coffee roastery, exemplifies a business entity facing challenges in its digital transformation efforts. Despite having competitive product quality and a strong operational base in the B2B segment, the company has become increasingly dependent on volatile corporate clients, as evidenced by a significant drop in sales since mid-2024 (Boiko, 2023; Titov, 2024; Vasoya, Dudhagara, & Khanna, 2023). Efforts to expand into the B2C market through Instagram have been made, yet data shows that the engagement rate of their account remains at 5.39%—a relatively low figure for an account with fewer than 10,000 followers (Feehan, 2023). This indicates a gap between the content strategies being implemented and the expectations and digital behavior of the target consumers.

Previous studies offer valuable insights into how content strategies can influence customer engagement on social media. Kumar (2020) demonstrated that employing social media influencers can enhance brand credibility and relevance, while fostering emotional connections between customers and the brand. Research by Bahtar, Muda, & Abd. Razak (2021) confirmed that user-generated content (UGC) not only increases product trust but also cultivates a sense of community ownership, which ultimately strengthens customer loyalty. Meanwhile, findings from Cuevas-Molano, Matosas-Lopez, & Bernal-Bravo (2021) showed that the carousel format—content with multiple visual slides—is more effective at capturing user attention, extending interaction time, and encouraging actions such as saving, sharing, or visiting the product page. Nonetheless, most of these studies focus on large brands or were conducted in non-Indonesian contexts, raising questions about their applicability to local SME roasteries.

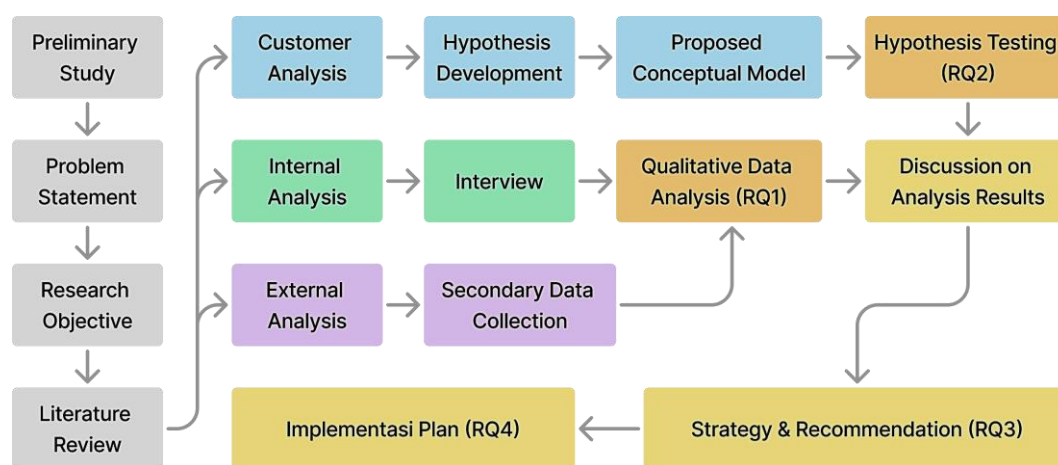
There is a need for contextual research that not only examines the quantitative impact of content strategies but also integrates a qualitative understanding of the internal business dynamics and consumer characteristics. Therefore, this study stipulated three research

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questions: first, how are the current internal and external conditions of The Hidden Heaven Roastery? Second, what factors that could increase customer engagement? And third, what social media marketing strategies that could improve customer engagement? The findings are expected to provide practical insights for local coffee industry players seeking to expand their B2C market penetration in a sustainable manner.

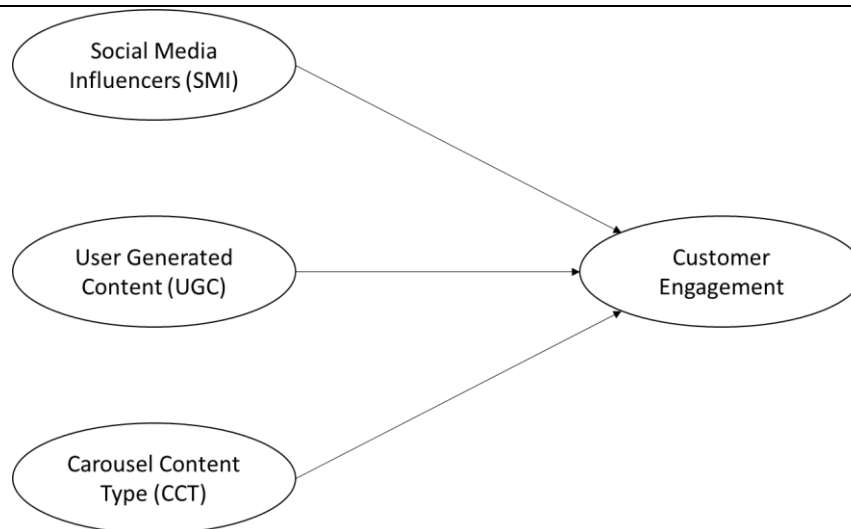
## METHOD

This study employed a mixed-method approach to address strategic issues in developing *The Hidden Heaven*'s social media marketing, particularly in enhancing customer engagement on Instagram. This approach was appropriate, as it integrated qualitative insights from the company's internal perspective with quantitative evidence from consumers—the primary target in the business's shift from B2B to B2C.



**Fig 1.** Research Design

The methodological structure of this study is illustrated through the research design shown in Figure 1. The process begins with a preliminary study and the identification of business issues, followed by the formulation of research objectives and a literature review, which serves as the foundation for developing the conceptual model. The study then proceeds along two main paths: internal and external analyses. The internal analysis is conducted through in-depth interviews with the business owner to explore market segmentation, marketing mix strategies, and the company's competitive advantages—utilizing STP analysis(Thomas & George, 2021), the marketing mix framework(Hadi, Sari, & Khairi, 2023), and the VRIO model(Castro & Giraldi, 2018). The external analysis covers broader industry-related factors, including customer analysis, PEST analysis(P. Wu, Zhao, & Li, 2022), competitor analysis (Hatzijordanou, Bohn, & Terzidis, 2019; Ram & Zhang, 2021), and Porter's Five Forces (Pawski, Powell, & Golab, 2022; Yiannakopoulos, Magoutas, & Chountalas, 2017). The qualitative data obtained from interviews is analyzed using thematic coding to address Research Question 1 (RQ1). These findings are then integrated with secondary data to strengthen contextual understanding. Based on these results, the researcher develops hypotheses and an initial conceptual model illustrating the relationships between three Instagram content elements and customer engagement.



**Fig 2.** Proposed Conceptual Model

The proposed conceptual model developed in this study is presented in Figure 2, which positions three independent variables—Social Media Influencers (SMI) (Joshi, Lim, Jagani, & Kumar, 2023), User-Generated Content (UGC)(Xu et al., 2023), and Carousel Content Type (CCT) (Rahyadi et al., 2023) as factors influencing the dependent variable, Customer Engagement. This model is constructed based on both literature findings and serves as the primary foundation for hypothesis testing in the quantitative phase of the research. To test the hypotheses, the researcher distributed questionnaires to 354 respondents who are active Instagram users aged 18–35 and have an interest in coffee products. The questionnaire employed a five-point Likert scale and adopted validated indicators from previous studies. Respondents were selected using a purposive sampling technique to target potential consumers that align with The Hidden Heaven’s B2C market segment.

The quantitative data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with the aid of SmartPLS software(Behl, Gaur, Pereira, Yadav, & Laker, 2022; Odugbesan, Aghazadeh, Al Qaralleh, & Sogeke, 2023). This method is suitable due to its ability to accommodate non-normal data distributions and exploratory models with multiple latent constructs. Construct validity was assessed through convergent and discriminant validity analyses, while hypothesis testing was conducted by evaluating path coefficients and their significance levels. The results from this phase address Research Question 2 and serve as the basis for formulating strategic and business recommendations (Research Question 3).

## RESULTS

This section presents the key findings from both the qualitative and quantitative research approaches used to sequentially address the research questions. The results are organized into several subsections based on the methodological flow and the research objectives.

### Qualitative Findings: Understanding Internal Strategy and External Environment (RQ1)

#### 1. Internal Analysis

The internal analysis was conducted to understand The Hidden Heaven’s strategic position in facing the challenges of transitioning from a B2B to a B2C market. Three analytical tools

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were employed in this study: STP (Segmentation, Targeting, and Positioning), the Marketing Mix (4Ps), and a resource and capability assessment using the VRIO framework. The results of this analysis were used to evaluate the company's internal competitive advantages and its readiness to implement a social media-based digital marketing strategy.

**Table 1. STP Analysis**

| Category              | Primary Target                                    | Secondary Target                                                    |
|-----------------------|---------------------------------------------------|---------------------------------------------------------------------|
| <b>Demographics</b>   | - Young professionals (24–35 years old)           | - Emerging coffee enthusiasts (18–23 and 36–45 years old)           |
|                       | - Middle to upper-middle class income             | - Located in secondary cities                                       |
|                       | - Located in urban areas                          |                                                                     |
| <b>Psychographics</b> | - Value premium experiences                       | - Interested in exploring specialty coffee                          |
|                       | - Interested in sustainability and ethical brands | - Focus on affordable premium options                               |
|                       | - Seek authentic coffee experiences               |                                                                     |
| <b>Behavioral</b>     | - Regular coffee drinkers, prefer home brewing    | - Occasional buyers, prefer convenience                             |
|                       | - Frequent online buyers, active on social media  | - Likely to try new products like drip bags or ready-to-brew blends |
|                       | - High repeat-purchase potential                  |                                                                     |

The STP analysis reveals that The Hidden Heaven has developed its market segmentation based on two primary categories: specialty coffee enthusiasts and budget-conscious coffee buyers. The target market is directed toward consumers aged 18–35 who are active Instagram users, interested in high-quality coffee, and prefer home brewing. In terms of positioning, the company presents itself not only as a coffee provider but also as a source of education and experience, offering content such as brewing guides and basic coffee knowledge. This strategy creates opportunities for The Hidden Heaven to foster strong emotional engagement with its consumers.

**Table 2. Marketing Mix (4P) Analysis**

| Element        | Strategy                                      | Details                                 | Purpose                                                                         |
|----------------|-----------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------|
| <b>Product</b> | Two-tier product line: Specialty & Commercial | - 7 specialty blends for connoisseurs   | To serve both high-end and casual consumers                                     |
|                |                                               | - 4 commercial blends for budget buyers | while enhancing customer experience and loyalty                                 |
|                |                                               | - Focus on home-brewing experience      |                                                                                 |
|                |                                               | - Educational content & brewing guides  |                                                                                 |
| <b>Price</b>   | Tiered pricing strategy                       | - Specialty: IDR 110,000–130,000        | To balance exclusivity and accessibility; attract a wide range of B2C consumers |
|                |                                               | - Commercial: Starting from IDR 39,000  |                                                                                 |
|                |                                               | - Incentives for bulk purchases         |                                                                                 |

| Element   | Strategy                               | Details                                 | Purpose                                                                           |
|-----------|----------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------------|
| Place     | Multi-channel distribution             | - Flagship store in Surakarta           | To ensure accessibility, blend offline presence with scalable online reach        |
|           |                                        | - E-commerce platforms: Tokopedia       |                                                                                   |
|           |                                        | - Active Instagram storefront           |                                                                                   |
| Promotion | Instagram-centered engagement strategy | - Content: Reels, Stories, UGC          | To build emotional connection, encourage engagement, and strengthen brand loyalty |
|           |                                        | - Activities: Polls, Q&A, contests      |                                                                                   |
|           |                                        | - Seasonal campaigns & limited editions |                                                                                   |

The marketing mix analysis reinforces the STP findings by detailing the company's approach to product, pricing, distribution, and promotion:

- **Product:** The company offers seven specialty blend variants targeted at experienced coffee drinkers, as well as four commercial blend variants for more price-sensitive consumers.
- **Price:** Pricing is competitive and flexible, allowing adjustments based on the targeted market segments.
- **Place:** Sales are conducted directly through social media channels and e-commerce platforms.
- **Promotion:** Educational content such as brewing guides and interactive activities (polls, quizzes, contests) are used as part of the promotional strategy to enhance engagement.

These findings indicate that The Hidden Heaven has developed a tactical combination within its digital marketing mix; however, content optimization and consistent value delivery remain key challenges.

**Table 3. VRIO Analysis**

| Resource                     | Valuable                                | Rare                                    | Inimitable                              | Organized                               | Competitive Implication         |
|------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|---------------------------------|
| <b>Big Roastery Machines</b> | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> No  | <input checked="" type="checkbox"/> No  | <input checked="" type="checkbox"/> Yes | Competitive Parity              |
| <b>Roasting Experts</b>      | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes | Sustained Competitive Advantage |
| <b>Unique Coffee Blends</b>  | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes | Sustained Competitive Advantage |
| <b>Instagram Following</b>   | <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> No  | <input checked="" type="checkbox"/> No  | <input checked="" type="checkbox"/> Yes | Competitive Parity              |

The VRIO framework was employed to evaluate whether the company's resources and capabilities possess the potential to generate a sustainable competitive advantage. The analysis revealed that The Hidden Heaven holds two key strengths that meet all VRIO criteria (Valuable, Rare, Inimitable, and Organized): (1) the expert rosters who can fine-tune roasting processes contribute directly to product quality, and (2) the distinctive blends that are rare and hard to

replicate, driving sustained advantage. These two elements are categorized as sources of sustained competitive advantage, as they are not only valuable and rare but also difficult to imitate and well-organized within the company's operational processes.

Overall, the internal analysis indicates that The Hidden Heaven has a solid strategic foundation to support its transition toward the B2C market. Its segmentation and positioning are well-aligned with current coffee consumption trends, which emphasize experience value (Ilham Abu & Ridwan, 2023). The product offerings also exhibit clear differentiation, in terms of quality (BÖLÜKBAŞI, 2021). The company's main competitive edge lies in its brand narrative strength and quality control in coffee production—assets that can be further leveraged through consistent, evidence-based social media marketing strategies (Widiana, 2021). Nevertheless, the key challenge ahead is how to operationally align these strategies with digital consumer preferences to significantly enhance customer engagement.

## 2 External Analysis

The external analysis aims to understand the environmental factors influencing The Hidden Heaven's business strategy in expanding its B2C market through social media, particularly Instagram. This assessment includes a macro-environmental analysis (PEST), an industry structure analysis (Porter's Five Forces), and a competitive analysis of similar competitors in the Surakarta region.

**Table 4. PEST Analysis(P. Wu et al., 2022)**

|  Political |  Economic |  Social |  Technological |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| - Government support for MSMEs and creative industries                                        | - Unstable purchasing power in certain Surakarta regions                                     | - Urban youth embrace “third wave coffee” and home brewing                                 | - Strong reliance on Instagram for product discovery and engagement                                 |
| - Local policies to support the food & beverage sector                                        |                                                                                              | - Coffee as part of lifestyle, especially among Gen Z and millennials                      | - Availability of social media tools and Instagram analytics                                        |
|                                                                                               |                                                                                              | - Preference for authentic, relatable brands                                               | - Growth of e-commerce and mobile-based marketing                                                   |

The PEST analysis indicates that political factors provide positive support for the growth of the coffee business in the MSME sector. Both local and national governments actively promote the creative industry and food and beverage sectors through regulations and development programs. Economically, there are challenges related to uneven purchasing power across the Surakarta area, requiring the company to adjust pricing and product variations to remain relevant in the market. From a social perspective, coffee consumption culture has undergone a significant evolution, particularly among urban youth familiar with the third wave coffee movement and home brewing practices. Coffee has become a part of lifestyle especially for Millennials and Gen Z who tend to favor brands that are authentic and communicative (Kovacs, 2021). Technological factors further enhance this opportunity, as Instagram has become a key platform for product discovery and consumer interaction (Y. L. Wu

& Li, 2018). The availability of analytics tools, along with the rise of e-commerce and mobile-based marketing, provides additional incentives for businesses to adopt a more active digital approach.

**Table 5. Porter's Five Forces Analysis**

| Force                                | Level            | Explanation                                                                                                                                                   |
|--------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Threat of New Entrants</b>        | Low              | Requires high capital for roastery equipment, facilities, and operations. Economies of scale favor established brands, creating a significant entry barrier.  |
| <b>Bargaining Power of Suppliers</b> | Moderate         | Power is low during harvest season (local supply stable), but increases during off-seasons with reliance on imports. Diversification is needed to mitigate.   |
| <b>Bargaining Power of Buyers</b>    | Moderate to High | Consumers have increasing expectations for traceability, quality, and price. Brand loyalty is fragile in saturated markets, especially in B2C.                |
| <b>Threat of Substitutes</b>         | Moderate to High | Competing products like RTD and instant coffee offer convenience and affordability. Aggressive marketing by large players increases threat level.             |
| <b>Industry Rivalry</b>              | High             | Fierce local competition from Solo-based roasteries. All competitors use Instagram; thus, brand differentiation and content strategy are critical to compete. |

The structure of the specialty coffee industry was analyzed using Porter's Five Forces framework. The results indicate that the industry faces considerable competitive pressure, particularly from consumers who possess high bargaining power and have access to a wide range of product alternatives. B2C customers are increasingly selective and critical of the value offered by a brand—not only in terms of price and quality, but also in terms of the accompanying digital experience. Additionally, the threat of new entrants is substantial due to low entry barriers in the sector, especially with the support of digital platforms. Meanwhile, the bargaining power of suppliers and the threat of substitute products are moderate but still require attention, as they can impact the sustainability of raw material supply and consumer loyalty. Direct competition among local businesses is also intense, with many brands relying on strong visual content and active community engagement (Love, Valdes-Vasquez, Olbina, Cross, & Ozbek, 2022; Zhang, Hu, Guo, & Liu, 2017).

**Table 6. Competitor Analysis**

| Dimension         | The Hidden Heaven                                    | Koeslans Roastery                                   | Sekutu Coffee Roaster                          |
|-------------------|------------------------------------------------------|-----------------------------------------------------|------------------------------------------------|
| Posting Frequency | 8 posts/month – consistent and balanced              | 6 posts/month – curated but less frequent           | 7 posts/month – consistent but less aggressive |
| Content Type      | Reels-focused – high reach and dynamic               | Carousel – image-heavy, informative, but less viral | Carousel – informative and structured          |
| Use of UGC        | Daily UGC – high consistency, potential for curation | Daily UGC – customer-centric                        | Daily UGC – highly community-driven            |

| Dimension                | The Hidden Heaven                                      | Koeslans Roastery                   | Sekutu Coffee Roaster                                |
|--------------------------|--------------------------------------------------------|-------------------------------------|------------------------------------------------------|
| Influencer Collaboration | Not yet utilized – missed opportunity                  | Not utilized                        | Actively used – expands reach and trust              |
| Price Range (IDR)        | 110,000 – 130,000 (Mid-range)                          | 280,000 (Premium)                   | 90,000 – 105,000 (Value segment)                     |
| Strategic Positioning    | Accessible artisan coffee with strong Reels engagement | Exclusive, handcrafted luxury brand | Affordable and trend-driven via influencer marketing |

The competitor analysis reveals that The Hidden Heaven's main rivals have been earlier and more proactive in leveraging Instagram as a marketing tool. These competitors maintain a consistent content posting schedule, utilize interactive features such as polls and Q&A sessions, and strengthen brand narratives through influencer collaborations and customer education. Their content is generally more personal, using a tone that resonates with younger audiences and showcasing community activities such as online cupping classes. In comparison, The Hidden Heaven holds a competitive edge in product quality and educational brand storytelling but needs to improve its visual branding, content frequency, and use of social media engagement features (Rahman, Mutum, & Ghazali, 2022).

Based on the overall findings from the external analysis, it can be concluded that The Hidden Heaven operates in a highly dynamic environment with significant growth opportunities as well as intense competitive pressures. To compete effectively in the B2C market, the company must integrate its internal strengths with a digital marketing strategy that is both adaptive and aligned with current consumer behavior. The use of social media particularly Instagram should focus not only on information dissemination but also on building emotional and participatory relationships with the audience (Andrienko-Genin et al., 2023; Magnusson, 2023).

## Quantitative Analysis Results: Testing the Conceptual Model (RQ2)

### 1. Respondent Profile

To examine the proposed conceptual model in Research Question 2 (RQ2), a total of 354 valid responses were collected through an online questionnaire distributed among followers and potential customers of The Hidden Heaven. The demographic and behavioral characteristics of the respondents were analyzed to understand the target audience's background and Instagram usage behavior. The detailed profile of the respondents is presented in the following table:

**Table 7. Respondent Profile Analysis**

| Category              | Subcategory | Percentage (%) |
|-----------------------|-------------|----------------|
| Gender                | Male        | 80.5%          |
|                       | Female      | 19.5%          |
| Age Group             | 18–23 years | 0.6%           |
|                       | 24–29 years | 91.2%          |
|                       | 30–35 years | 8.2%           |
|                       | 35+ years   | ~0.6%          |
| Regional Demographics | Surakarta   | 64.4%          |
|                       | Jakarta     | 28.5%          |

| Category        | Subcategory          | Percentage (%) |
|-----------------|----------------------|----------------|
| Instagram Usage | Yogyakarta           | 3%             |
|                 | Bali                 | 1%             |
|                 | Bandung              | 1%             |
|                 | Surabaya             | 1%             |
|                 | Semarang             | <1%            |
|                 | Every day            | 67.2%          |
|                 | Several times a week | 32.5%          |
|                 | Once a week          | 0.3%           |
|                 | Rarely               | 0%             |

The data reveals that the majority of respondents are male (80.5%) and predominantly within the 24–29 age group (91.2%), indicating that The Hidden Heaven's Instagram audience is largely composed of young adult males in their mid-20s to late-20s. Geographically, a significant proportion of respondents are based in Surakarta (64.4%), followed by Jakarta (28.5%), suggesting the brand's reach and influence are currently concentrated in Central and Capital regions. Regarding Instagram usage, a notable 67.2% of respondents reported using the platform every day, while 32.5% use it several times a week. This indicates a highly active user base, making Instagram a strategically viable platform for continuous customer engagement. These findings provide a contextual foundation for interpreting the results of the conceptual model testing in the following sections and support the relevance of Instagram-based marketing strategies tailored for young, male, urban-centric users (López-Lemus, Carranza, Schmitt-Revilla, & López-Lemus, 2024).

## 2. Evaluation of the Measurement Model (Outer Model)

The evaluation of the outer model was conducted to test the validity and reliability of the constructs within the research model. This assessment includes three main indicators: loading factor, Average Variance Extracted (AVE), and Composite Reliability (CR). The primary objective of outer model testing is to ensure that the indicators used accurately and consistently measure the latent constructs. In general, a recommended loading factor value is above 0.7, although values between 0.6 and 0.7 may still be acceptable during the initial exploratory phase. Meanwhile, the AVE should exceed 0.5 to confirm that the construct can explain more than 50% of the variance in its indicators. A Composite Reliability score above 0.7 is expected to demonstrate good internal consistency (Dash & Paul, 2021). The following are the results of the outer model evaluation for each construct in the conceptual model:

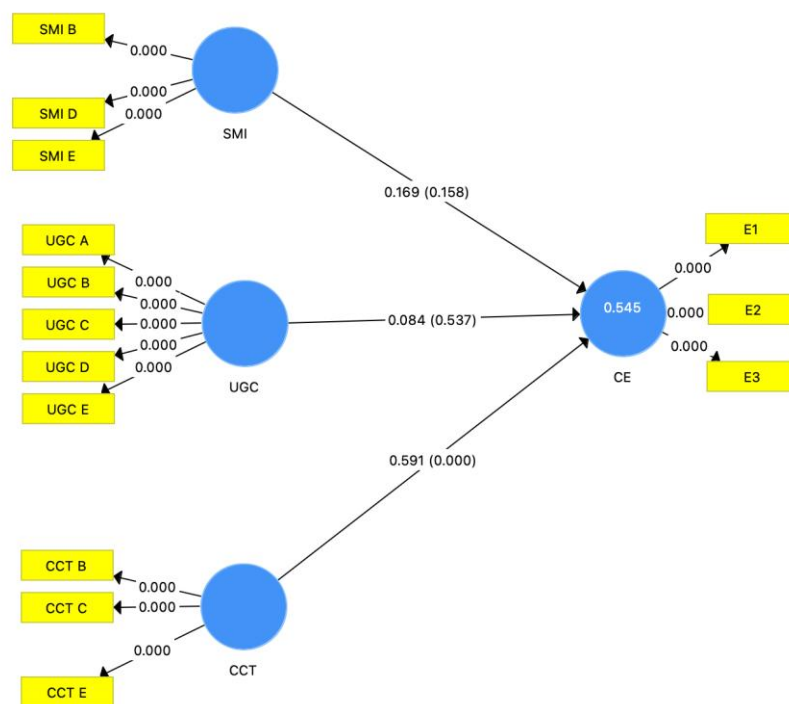
**Table 8. Outer Model Evaluation**

| Construct                     | AVE   | Cronbach's Alpha | CR    | Conclusion         |
|-------------------------------|-------|------------------|-------|--------------------|
| Social Media Influencer (SMI) | 0.893 | 0.940            | 0.961 | ☑ Valid & Reliable |
| User-Generated Content (UGC)  | 0.720 | 0.904            | 0.927 | ☑ Valid & Reliable |
| Carousel Content Type (CCT)   | 0.755 | 0.837            | 0.902 | ☑ Valid & Reliable |
| Customer Engagement (CE)      | 0.720 | 0.804            | 0.885 | ☑ Valid & Reliable |

Based on the results above, all constructs demonstrate acceptable loading factor values ( $>0.7$ ), indicating that each indicator has a strong contribution in measuring its respective latent construct. In addition, all AVE values exceed the minimum threshold of 0.5, confirming that convergent validity has been achieved. The Composite Reliability (CR) values for all constructs are also above 0.85, indicating excellent internal consistency among the indicators within each construct. Therefore, it can be concluded that all constructs in the model meet the required standards of validity and reliability and are suitable for further analysis in the structural model (inner model) testing phase.

### 3. Evaluation of the Structural Model (Inner Model) and Hypothesis Testing

After the outer model is confirmed to be valid and reliable, the next step is to evaluate the inner model to assess the relationships among constructs within the conceptual model. This evaluation involves analyzing the path coefficients and their significance (p-values), the R-squared ( $R^2$ ) values as indicators of the model's predictive power, and the f-squared values to determine the relative contribution of each construct to the dependent variable.



**Fig 3.** Path Coefficients and Significance Values

**Table 8.** Hypothesis Testing Results

| Hypothesis   | Path Coefficient | p-value | Result     |
|--------------|------------------|---------|------------|
| H1: SMI → CE | 0.169            | 0.158   | ✗ Rejected |
| H2: UGC → CE | 0.084            | 0.537   | ✗ Rejected |
| H3: CCT → CE | 0.591            | 0.000   | ☑ Accepted |

Based on the hypothesis testing results presented in Fig 3 and summarized in Table 8, it is

evident that only H3 (Carousel Post → Customer Engagement) demonstrates a statistically significant effect ( $p < 0.05$ ), with the highest path coefficient value of 0.591, indicating a strong influence on customer engagement (CE). In contrast, the effects of Social Media Influencer (SMI) and User-Generated Content (UGC) on engagement were not statistically significant.

#### **4. R-Squared and f-Squared Values**

The test results show that the R-squared ( $R^2$ ) value for the Customer Engagement (CE) construct is 0.545. This indicates that the exogenous variables in the model (SMI, UGC, and CCT) collectively explain 54.5% of the variance in customer engagement. According to the criteria by (Hair, Risher, Sarstedt, & Ringle, 2019), this is categorized as a moderate level of explanatory power.

Furthermore, the f-squared values were analyzed to determine the relative contribution of each construct to the dependent variable. The analysis reveals the following:

- CCT has a large  $f^2$  value, indicating a strong contribution to CE.
- SMI and UGC have very small  $f^2$  values, supporting the finding that these two variables do not have a statistically significant influence.

#### **5. Interpretation and Implications of the Results**

These findings indicate that among the three social media marketing strategies examined, Carousel Content (CCT) is the most dominant strategy in driving customer engagement. Carousel posts offer an interactive and educational format, enabling the brand to deliver storytelling, provide in-depth product introductions, and encourage users to spend more time on each post (Rahyadi et al., 2023). This creates a stronger emotional and cognitive engagement effect. Meanwhile, Social Media Influencers (SMI), typically regarded as key drivers in digital campaigns, were found to have no significant impact in the context of The Hidden Heaven. This may be due to inconsistent or misaligned influencer selection that fails to resonate with the brand's values, thus not fostering a strong connection with the audience. User-Generated Content (UGC) also did not show a significant influence. Although user content is available, most of it has not been well-curated and lacks interaction or validation from the brand (Bahtar et al., 2021). Without active involvement from the brand in shaping the narrative or highlighting UGC, the potential to generate meaningful engagement becomes limited.

#### **3. Strategy and Recommendations (RQ3)**

The TOWS (Threats, Opportunities, Weaknesses, Strengths) analysis is a strategic framework used to develop data-driven recommendations by considering internal (strengths and weaknesses) and external (opportunities and threats) factors. In the context of this study, the TOWS analysis was applied to formulate effective social media marketing strategies for The Hidden Heaven, particularly aimed at enhancing customer engagement on Instagram. This approach enables the identification of synergies between strengths and opportunities (S-O), mitigation of weaknesses through opportunities (W-O), leveraging of strengths to counter threats (S-T), and reduction of the impact of both threats and weaknesses (W-T). The results of the TOWS analysis will serve as the basis for recommending content strategies, positioning, and communication aligned with audience preferences and market trends.

**Table 9. TOWS Matrix**

|                                                                                                                                                                                                                                                                              | <b>Strengths (S)</b><br><b>S1: Unique specialty coffee blends</b><br><b>S2: Proficiency in roasting</b><br><b>S3: Wide range of products variety</b><br><b>S4: Strong Local Presence</b>                                         | <b>Weaknesses (W)</b><br><b>W1: No RTD product</b><br><b>W2: Dependency on traditional brewing</b><br><b>W3: Misalignment between current Reels focus and audience preference for Instagram content.</b>                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Opportunities (O)</b><br><b>O1: Coffee consumption lifestyle trend</b><br><b>O2: Home-brewing increasing demand</b><br><b>O3: E-commerce growth</b><br><b>O4: Consumer growing interest in sustainability</b><br><b>O5: Consumer preference for carousel type content</b> | <b>Strategy S-O</b><br>- S1 + O1 + O5: Promote unique blends via Instagram Carousel Content Type to align with lifestyle trends.<br><br>S3 + O3: Promote product variety through e-commerce campaigns using interactive content. | <b>Strategy W-O</b><br>- W2 + O2 + O5: Create educational carousel tutorials for home-brewing beginners.<br>- W2 + O4 : Highlight sustainability brewing practices to modernize perception.<br>- W3 + O5<br>Shift content strategy to Carousel-based campaigns aligned with e-commerce growth. |
| <b>Threats (T)</b><br><b>T1: RTD substitutes</b><br><b>T2: Intense competition</b><br><b>T3: Seasonal supply risks</b>                                                                                                                                                       | <b>Strategi S-T</b><br>- S1 + T1: Emphasize artisanal freshness to differentiate from RTD/instant coffee.<br>- S2 + T2: Address competition with the uniqueness of roasting expertise.                                           | <b>Strategi W-T</b><br>- W2 + T3: Reinforce supply consistency and build consumer trust through transparency.<br>- W3 + T2: Emphasize Instagram storytelling to improve consistency and stand out in a saturated feed.                                                                         |

The TOWS matrix provides a structured framework that aligns The Hidden Heaven Roastery's internal capabilities with external market dynamics to develop targeted strategic directions. The S-O strategies emphasize leveraging unique specialty blends and roasting expertise to align with the growing coffee lifestyle culture and preference for Instagram Carousel content, enabling stronger digital storytelling and emotional brand engagement. Meanwhile, the W-O strategies focus on overcoming internal limitations such as reliance on traditional brewing and lack of RTD offerings by utilizing educational content, promoting sustainability values, and shifting toward more preferred content formats to capture emerging opportunities and widen accessibility.

In contrast, the S-T and W-T strategies offer defensive mechanisms against rising market threats. The Hidden Heaven capitalizes on its artisanal strengths and internal expertise to stand out from commoditized RTD products and intensifying competition. Simultaneously, weaknesses such as content misalignment and product vulnerabilities are addressed through supply chain reinforcement, storytelling optimization, and platform strategy adaptation. Collectively, these integrated strategies enhance customer engagement, secure brand relevance, and ensure long-term growth in a competitive and digitally evolving market landscape.

**Table 10. Strategic Recommendations**

| Notation     | Strategy                                                                                      | Purpose                                                                                                    |
|--------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| S1 + O1 + O5 | Promote unique specialty blends via Instagram Carousel format that reflects lifestyle values. | Build emotional engagement by aligning product narratives with coffee culture and daily rituals.           |
| S3 + O3      | Promote product variety through e-commerce campaigns using interactive content.               | Strengthening online conversion by improving how product value is communicated across digital touchpoints. |
| W3 + O5      | Shift content strategy to Carousel-based campaigns.                                           | Improve engagement by matching content format to audience behavior on Instagram.                           |

The strategic recommendations derived from the TOWS matrix emphasize the importance of aligning content format with audience behavior, enhancing product communication through structured storytelling, and strengthening internal content development capabilities. The first strategy, which promotes unique specialty blends using Instagram’s carousel format (S1 + O1 + O5), is intended to build deeper emotional engagement by embedding product narratives within the context of consumers’ coffee-related lifestyle and rituals. By showcasing artisanal values and authenticity through multi-frame visual content, this approach aims to enhance perceived product value and foster stronger brand-consumer attachment, particularly among the 24–35 demographic segment that prioritizes experiential consumption.

The second strategy focuses on leveraging The Hidden Heaven’s product variety through interactive e-commerce campaigns (S3 + O3). Given the rapid growth of digital commerce in the specialty food and beverage sector, this initiative aims to increase conversion rates by communicating product differentiation more clearly and attractively across online platforms. Carousel storytelling is central to this strategy, as it allows the brand to guide consumers through bundled offerings, taste notes, and brewing methods in a sequential, visually engaging format—thereby facilitating informed purchase decisions and reinforcing value perception.

The third strategy focuses on correcting the current mismatch between The Hidden Heaven’s Instagram content format and audience preferences (W3 + O5). While Reels have dominated recent content, the target audience—especially coffee enthusiasts and home brewers—shows a stronger engagement with Carousel posts that offer deeper storytelling and product education. By shifting to a Carousel-first approach, the brand can better align with how its audience consumes content, using swipeable narratives to guide users through brewing methods, product highlights, and lifestyle moments. This alignment is expected to enhance engagement, foster stronger brand connection, and position The Hidden Heaven as a more trusted and relatable presence within its digital community.

## CONCLUSIONS

This study found that customer engagement on *The Hidden Heaven’s* Instagram is significantly driven by carousel content formats, while collaborations with social media influencers and user-generated content did not show a significant impact. The recommended

strategy focuses on consistently producing high-quality, structured carousel storytelling that resonates with the target demographic (aged 24–35) and effectively conveys the brand's product narratives. To implement this, the company should invest in building internal capabilities by hiring dedicated content creators, establishing a standardized visual identity, and providing targeted training, thereby reducing reliance on external influencers and enhancing brand distinctiveness. This approach also incorporates educational content, ethical positioning, and lifestyle alignment to address internal weaknesses and external challenges, which are vital for engaging modern coffee consumers. For future research, it would be valuable to explore how emerging interactive features on Instagram, such as reels and live sessions, influence customer engagement in the specialty coffee market, as well as to examine long-term effects of such strategies on brand loyalty and sales performance.

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