

## **J.CO Coffee & Donuts Marketing Strategy**

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### **ABSTRACT**

J. CO Donuts & Coffee is a franchise of café restaurant chains that sell donuts, coffee and frozen yogurt. The company is owned by Johnny Andean Group. Since 2005, J.CO Donuts & Coffee becomes the fastest growing donut & coffee chain in Indonesia. They have successfully penetrated into the local market in Indonesia against Krispy Kreme and Dunkin Donuts. They also have been rapidly expanding their store chains throughout South East Asia countries such as Malaysia, Singapore, Philippines, and Hong Kong. Analysis of J.CO Donuts & Coffee will be done to know more on the position of the company in the market. SWOT analysis is needed to know JCO Donuts & Coffee marketing situation.

### **INTRODUCTION**

J.CO Donuts & Coffee is café restaurant from Indonesia was founded by Johnny Andean which specializes in donuts, coffee, burger and frozen yogurt. In short period J.CO Donuts & Coffee has been grown to more than 30 outlets in Asia. Since 2003 Johnny Andean started actively developing J.CO. During 3 years his team studied the business management, improve the recipe through market research and sampling. Within a year he had 16 pieces J.CO outlets with 450 employees for outlets. Since 2008 J.CO is going to expand its markets to other Asian countries which are Malaysia, Singapore, Australia and China. Otherwise, through the survey it shows that consumers are more prefer J.CO than other competitors. Even the newly-arrived donuts producer from the US, the Krispy Kreme, has still been unable to resist the achievement of J.CO. J.CO has established itself as most popular doughnut makers in Indonesia. J.CO's donut flavors are either named using playfully word plays such as puns. Some complementary products they are selling such as J.CRONUT croissant donuts, J.POPS mini bite-size donuts, J.CLUB donut sandwiches, J.COOL frozen yogurt and J.COFFEE line which are a various type of coffee beverages from the classics to iced blends. J.CO usually launches new products every two months depends on the consumer trends and the seasons. J.CO always pursuing a strategy of product differentiation, service differentiation and differentiation personnel which lead J.CO as a market leader. Differentiation of services id J.CO prioritizes quality of service to its customer and its donuts are very soft, thinner, smaller and has a distinctive flavor that is not owned by competitors. In the first year of operation, J.CO Donuts & Coffee was awarded 'Marketing Award' as the brand with the best product innovation. At the end of 2006 (ref) J.CO won 'Best Donuts 2006' by FREE Magazine and 'The Intergrated Marketing Strategy Champion 2008' by SWA business magazine and MarkPlus Co. Since its establishment. J.CO Donut & Coffee using experts who have knowledge in this field especially donuts therefore j.co can make a variety of unique products, delicious but can be obtained at an affordable price. Most of the ingredient are imported directly from USA and several countries. J.CO Donuts & Coffee also

offers a cozy atmosphere with a fabric interior so that consumers will feel comfortable to enjoy the dishes they buy in stores J.CO Donuts & Coffee. J.CO donuts are using machines to mix the ingredients, cooking and making donuts topping. Human labor is only involved at the time of printing donuts. All machines are imported from the USA and the basic materials imported from abroad. For example, chocolates imported from Belgium, milk from New Zealand, coffee powder imported from Italy and Costa Rica.

## Product

J. CO Donuts & Coffee is a cafe restaurant that selling donuts, coffee, burger and frozen yogurt. There are many different types of donuts, coffee, burger and frozen yogurt. JCO Donuts & Coffee mainly in selling donuts and coffee. There are 26 types of donuts from vanilla, coffee, chocolate and so on. There are difference types of name for the donuts such as berry spears, avocado dicaprio, black jack, blue berry more and so on. There are made by different ingredients and are made in different flavour. The price for one donut is about RM 2 and above. Besides, the coffee is very famous and popular among people. There are Americano, café latte, espresso, hazelnut latte and others. The price for coffee is about RM8 and above. Plus, there are various types of burger and frozen yogurt. There are burger such as chicken salami, egg mayonnaise, katsu, omelette and others. Various types of frozen yogurt such as blueberry yogurt frappe, strawberry yogurt frappe, white chocolate frappe and more. However, J.CO still facing some problems which are consistent long line when ordering prevents the customers from buying. It will make the customers passed off due to they are wasting their time to buy the donuts and make the customer's dissatisfaction about the product as well as to the J.CO. Otherwise, J.CO also lack of promotion and activity to develop more loyalty customers especially in aboard country. Then it is hard to attract the customers to try the J.CO' s products and become loyalty customers. Furthermore, nowadays many organizations are focuses on promoting healthy lifestyle with launching campaign in order to create awareness on the negative impact of taking too much sugar. It will influence the sales of J.CO which anti by some group which are starting to take less sugar in their lifestyle.

J.CO also offers several complementary products including J.CRONUT (croissant donuts), J.POPS (mini bite size donuts), J.CLUB (donut sandwiches), J.COOL (frozen yogurt), and choices of cakes, sandwiches, and salad. Besides donuts, J.CO also provides coffee drinks that use coffee beans originating from Brazil, Colombia, Costa Rica, Guatemala and Indonesia. J.COFFEE serves a variety of coffee drinks from classic mixes to ice.



### **Market opportunity analysis**

The market opportunity analysis by using four key elements which include the customer, technology, company and competition. First, analysis for the customer environment. It is must to identity the needs of the customers. As we know the product of JCO company include donuts, coffee, burger and frozen yogurt. Donut and coffee are popular and well known among south east and middle east countries. These products are halal, safe to consume and accepted by the public. So, people will be willing to spend their money to buy JCO product. The price is reasonable and accepted by the public. People can afford the price and get quality of product. In addition, JCO company must look for the product to suit the taste of local. It is essential to investigate the taste of countries. For example, people in Hong Kong do not prefer sweet things, so JCO need to adjust the taste to attract the local. Also, target customer will be different classes of people no matter young and old. JCO company need to investigate the taste of them which suit them.

Second, analysis for technology is crucial to produce a best quality product. JCO company need to always improve the quality of the donut and create more new products. It is important because JCO company need to be innovative and creative in doing their business. The customers will get attracted by the quality product. So, the customers will feel they are worth to buy the product with the price. For example, JCO company use quality equipment and machine to bake their donuts and make coffee. By this way, the donuts and coffee will be prepared on time and faster. Customers no need to wait and queue for long time. JCO company need to update and upgrade themselves by producing more delicious donuts and coffee. This will enhance the effective and efficiency in producing products.

Third, the company environment includes the product, price, promotion and place. For the product, JCO sells various types of donuts, coffee, burger and frozen yogurt. It is crucial to attract the customers because there are many different choices for customers. The products are also made by different ingredients, taste and flavour. The products made in high and good quality. For the price, JCO should be selling products by reasonable and affordable price. This is crucial to ensure the price is same with the quality of the products. For the promotion, JCO company need to promote their products through social media. As we know nowadays social media have a big impact to the living of people today. Lack of promotion will affect the growth of business. So, the social media such as Facebook is the way to convey the message to the public and it is easier to let more people know about JCO product. For the place, it is strategic because JCO company have lots of branches not just in Indonesia but in south east countries like Indonesia, Malaysia, Singapore, Filipina and Hong Kong and also middle east countries like Saudi Arabia. Plus, JCO company also have their café inside the shopping mall and it is strategic because people nowadays more prefer going to shopping mall.

The last one, the competition environment shows there are competitors which is Dunkin Donut and Big Apple Donut and coffee. It is unavoidable that have same company almost selling the same product with each other. The competitors probably be the threat for JCO company. The competition environment is caused by the product, price, market, and so on. So, JCO company need to produce product that are unique and special compared to Dunkin Donut and Big Apple Donut and coffee. JCO company need to compare itself with the Dunkin Donut and Big Apple to look for the advantages and disadvantages of each other. The price of the product also needs to be reasonable

and affordable. For example, Dunkin Donuts sell lower price than the competitor. So, JCO company need to produce a quality product with reasonable price. This is important to attract customers to buy JCO product rather than others.

#### **Political environment**

The political environment shows the policy and regulation of countries. JCO company is an Indonesia-based company that selling donuts, coffee, burger and frozen yogurt. It is important that JCO show their halal logo because it operates not only in south east but middle east. The importance of the absence of halal logo so that everyone can enjoy the product and it is safe to consume. JCO company shows the absence of a halal logo which according to Muslim law. Based on Muslim law, Halal means "permissible" without meat such as pork. Thus, when it shows the word of halal, Muslim will be able to consume the foods and drinks safety. This is same with the culture in Middle East countries like Saudi Arabia because they have lots of Muslim and the same culture which is similar with Indonesia. It shows there are no differences to sell the donuts and coffee to the local because it is halal and safe to consume.

#### **Economic environment**

The economic environment shows the growth of economy and profit to the JCO company. As we know, JCO expand their business to the south east countries and also middle east countries. In south east countries, there are lots of branches in Indonesia, Malaysia, Filipina, Singapore and Hong Kong. In middle east countries, JCO able to attract the local to buy the product of JCO because the taste of JCO product is similar to middle east countries. The quality of the products will help the growth of economy and profit for JCO company. In addition, the price of product also reasonable and be accepted by the citizens. However, there are competitors who selling almost the same product like JCO company. The competitors are Dunkin Donut and Big Apple as they sell donut and coffee as their main product. In addition, the competitor also bring threat to JCO because customers used to compare among those company. So, this may affect the sales of JCO company because customers have lots of choice to select the most favourite donut and coffee. For example, Dunkin Donut sell lower price compared to competitor. JCO company need to upgrade themselves in the market.

#### **Social and technology environment**

The social and technology environment shows the culture and lifestyles of the countries. It plays an important role to ensure that JCO product can fit taste of everyone. JCO in middle east countries like Saudi Arabia is similar to Indonesia, they are mostly Muslim customers. Thus, it will be an advantage as the similar of culture, belief and habits. It is halal for customers in south east and middle east countries. According to J.CO, they found that in Hong Kong, people are very stress on and concern about health, so JCO adjust the local taste because they know the local do not like very sweet things. JCO company able to lesser the sugar in order to take care of the health of people in Hong Kong. Besides, the high technology is essential and necessary for JCO company as it saves time and produce more quality product. They used the machine and equipment to bake donuts and make coffee. It will enhance the effective of the work so satisfaction of customer will increase and no need to wait.

## **RESULTS AND DISCUSSION**

J. CO Donuts & Coffee is a franchise of café restaurant chains that sell donuts, coffee and frozen yogurt and they have been rapidly expanding their store chains throughout South East Asia countries such as Malaysia, Singapore, Philippines, and Hong Kong.

They also target the market of Middle East countries and they already have store in Saudi Arabia. The Middle East is a transcontinental region centered on Western Asia, Turkey, and Egypt. Saudi Arabia is geographically the largest Middle Eastern nation while Bahrain is the smallest. The corresponding adjective is Middle Eastern and the derived noun is Middle Easterner. Other groups of people who call Middle Eastern countries home include Zazas, Assyrians, Jews, Lurs, Shabaks, Balochs, Druze, Berbers, Samaritans, Copts, and Mandeans. These eleven groups of people are actually considered minorities in the Middle East. The ethnic groups that make up most of the population include Kurds, Turks, Azeris, Persians, and Arabs.

J. CO Donuts & Coffee use franchising strategy to enter the local market. Franchising is a continuing relationship in which a franchisor provides a licensed privilege to the franchisee to do business and offers assistance in organizing, training, merchandising, marketing and managing in return for a monetary consideration. Franchising is a form of business by which the owner (franchisor) of a product, service or method obtains distribution through affiliated dealers (franchisees). Franchising can be a low-cost, low-risk entry mode that allows for rapid geographic expansion.

J. CO Donuts & Coffee aims to enter the Middle East countries and we are now target to enter the Turkey country. Turkey is situated at the crossroads of Caucasus, Middle East, Balkans, and eastern Mediterranean. It is among the larger countries of the region in terms of territory and population, and its land area is greater than that of any European state. Nearly all of the country is in Asia, comprising the oblong peninsula of Asia Minor—also known as Anatolia (Anadolu)—and, in the east, part of a mountainous region sometimes known as the Armenian Highland. The remainder—Turkish Thrace (Trakya)—lies in the extreme southeastern part of Europe, a tiny remnant of an empire that once extended over much of the Balkans. Turkey is famous for their desserts. In Turkey, dessert is often a social ritual, a course meant to be shared. At any time of day or night, friends can be found congregating to sip Turkish coffee or tea from dainty glasses, and should you care to accompany that beverage with a roll, pastry, or snack, there's much to choose from. J. CO Donuts & Coffee own the target market that love coffee and snacks, Turkey will be their best choice since Turkish love snacks. To attract customer attention and interest, J. CO Donuts & Coffee needs to maintain and ensure their food are in high quality that give satisfaction to their customers. Raw materials are important, J. CO Donuts & Coffee need to ensure their raw materials is high quality. J. CO Donuts & Coffee need to give a great and fast services to their customers. J. CO Donuts & Coffee has to built in urban environment, this can help to increase the sales and customer rate.

J. CO Donuts & Coffee has to put more effort on advertising due to they are not advertise their product through medium such as television, radio or printed media. J. CO Donuts & Coffee only have their official website, Facebook, Instagram and Twitter. People still will come to J. CO Donuts & Coffee because of their great services and food but J. CO Donuts & Coffee can do some advertisement to build the trust on their brand. Advertisement will let people straight go to J. CO Donuts & Coffee when they want a coffee or donuts.

A SWOT analysis is a compilation of the company's strengths, weaknesses, opportunities and threats. The primary objective of a SWOT analysis is to help organizations develop a full awareness of all the factors involved in making a business decision. Perform a SWOT analysis before commit to any sort of company action, whether the company are exploring new initiatives, revamping internal policies, considering opportunities to pivot or altering a plan midway through its execution. The

strength of J. CO Donuts & Coffee is they sell quality donuts. J. CO Donuts & Coffee only use the best ingredients from all around the world such as Belgium Chocolates, California Almonds, Japanese Matcha Green Tea, and Italian Roasted Coffee use in their products. J. CO Donuts & Coffee positioned itself as “Elegant donut with a medium price”. J. CO Donuts & Coffee serves the market to be satisfied with a high quality donut. J. CO Donuts & Coffee also make innovation of their product line to let their customers have more choices to donuts. J. CO Donuts & Coffee also create a lifestyle cafe environment concept that is vibrant and energetic, stylish yet interactive, customer friendly and more to family concept, their customers can relax with friends and family.

The weakness of J. CO Donuts & Coffee is the company is lack of promotion and activities that can attract more customers. Promotion is a useful advertising tool to attract more customers and develop more loyal customers as well as retain the customers too. J. CO Donuts & Coffee is lack of using advertisement in newspaper, magazine and television. People like promotion, a promotion event will instantly attract many potential customers to come. Besides that, J. CO Donuts & Coffee is lack of online ordering, the website only show out the pictures of the food but does not show out the price. People like easiest way such as online ordering and delivery service to their house. For the delivery service, the packaging is very important since the coffee is easy to split and the shape of the donuts maybe will break. Before considering this delivery service, J. CO Donuts & Coffee need to have a very careful design of the take away packageing. The other weakness of J. CO Donuts & Coffee is the donuts actually are some high calories food. Nowadays people are more considering their own health problem, the percentage of people having obesity and diabetes are increasing. People will start to avoid some high calories food to maintain own health.

People always like to eat snacks and some sweet flavor food and donuts will be their first choice. J. CO Donuts & Coffee has this opportunities to expand more and more branches to all around the world. J. CO Donuts & Coffee already have their branch in Hong Kong, Malaysia, Indonesia, Philippines, Saudi Arabia and Singapore. This show that the expansion of J. CO Donuts & Coffee to the whole Middle East countries since donuts is a very delicious food and favored by many people from different countries. This will be an very excellent opportunities because this will help to increase the sales of J. CO Donuts & Coffee and their reputation. Besides, J. CO Donuts & Coffee owns opportunity of contain wide range of products. Their customers can have many choices and this will make J. CO Donuts & Coffee as their first place to go when they want to have some snacks with coffee. For the drinks, J. CO Donuts & Coffee also provide different types of coffee and yogurts. Even their customers don't like coffee, they still can choose the yogurts. They serve the coffee and the yogurts with a beautiful outlooks and this will attract more customers. Young people like to take some beautiful food photos and share it to their Facebook or Instagram.

For the threats, there are more and more similar coffee shop pop up in this world. This means the number of competitors of J. CO Donuts & Coffee become bigger. Coffee shops and cafés are big business in the Middle East, combining to form a US\$4 billion market in Egypt, Saudi Arabia, Israel, and the UAE. Deeply-ingrained coffee-drinking traditions have collided with investment from international brands and a growing desire among young consumers to partake in Western dining traditions, creating a thriving segment of modern coffee shops that are now battling with traditional cafés. Growth is high and competition is fierce, but unlike in most major markets, cafés and coffee shop chains are both finding impressive growth. There is a new research from Allegra World

Coffee Portal, it suggests that the Middle East branded coffee market boasts more than 9,000 outlets in 2018, while significant future growth is predicted in many of the 12 Middle Eastern countries identified.

Based on more than 70 in-depth interviews and more than 200 surveys with industry experts, along with field visits and desk research, the London-based research group said that significant outlet growth is forecast over the next five years as “Western café concepts become more popular and premiumization gains momentum.” Starbucks, Dunkin’ and Coca-Cola-owned Costa Coffee are the three largest chains throughout the Middle East market, they are the main strong competitors for J. CO Donuts & Coffee to enter the Middle East market. J. CO Donuts & Coffee need to have a very detailed planning for the market entry to Middle East. But we look in another way, this also means that people in Middle East like to have their coffee with snacks, this make the enter of J. CO Donuts & Coffee to Middle East is sensible. In conclusion, J. CO Donuts & Coffee have a bright future for their entry to Middle East since the eating habits of having snacks and coffee of people in Middle East is same with others. J. CO Donuts & Coffee just need to make some research and look into it to make their own planning.

According to the justification idea, we know that coffee culture is very famous in the Middle East, and there are many brands of coffee shops in the Middle East. It is obvious that if JCO company enters the Middle East market, it will be a huge challenge. However, due to the great influence of coffee culture in the Middle East, JCO company also has a great opportunity in the Middle East market. First of all, JCO is a coffee restaurant. It is not a traditional coffee shop. It not only sells all kinds of coffee, but also all kinds of doughnuts, hamburgers and ice cream, which can attract more potential customers.

### **Culture and Environment**

Because for people in the Middle East, they prefer to spend some time with potential customers, bosses or employees for coffee, but don't limit the idea of having coffee only to coffee, as the practice can include tea or a meal as well. However, JCO still facing some problems which are consistent long line when ordering precautions the customers from buying. JCO must rectify this problem, such as expanding the store and opening more counters to increase the sales rate, so as to increase loyal customers. Moreover, because the religions in the Middle East are very different from those in other regions. The Middle East is mainly Muslim oriented, so the food in the coffee restaurant must be mainly Halal. The detailed taste needs to be investigated through the customer's needs. For example, people in Saudi Arabia and Turkey like different tastes, so the coffee shop must be biased according to the region. To change the style and taste of food. For example, the shop assistant can ask customers to fill out a simple taste survey report, or provide a new product tasting activity, so as to summarize the taste preferences of customers in the region.

### **Digital market**

The key to success in the Middle East requires smart social media strategies, with young people in most Arab countries most often dealing with brands through online platforms. For example, Starbucks Middle East Facebook has 1464361 fans, Starbucks Middle East Instagram account has 375000 fans, JCO can use its own language to directly contact consumers in the Middle East and North Africa. Over the past few years, the new YouTube account has been dedicated to delivering inspiring and inspiring videos for the brand, cleverly recognizing the potential to reach consumers in

a new format. Brand promotion has even been adjusted for the region, for example: a smooth and attractive Arabic version of the iconic Starbucks logo and regional adjustment of the Saudi Arabian market have increased the brand's appeal. JCO's digital market medias include twitter, Facebook and instagram, three social software, which can reasonably use the digital market for advertising in the Middle East, such as viral advertising. Because of the development of science and technology, many people will use mobile phones, computers, tablet computers and other electronic devices. First, let people know what JCO is, and then interested people will go to the official website of JCO to learn more about it, so as to increase potential customers. JCO also establishes the same social platform as other regions, such as Facebook, Instagram and twitter, etc., which can be used to contact with customers, so that customers can provide us with better suggestions. For example, JCO can post some satisfaction questionnaires for customers to fill in, not only that, but also make some promotional activities through social platform, such as forwarding a post. You can get discount coupons and so on.

### **Company competition**

Because of the popularity of coffee culture in the Middle East, there have been many old coffee shops in the Middle East as early as a long time ago, such as Starbucks, Costa coffee, Shakespeare & Co, etc. for doughnuts, Dunkin' Donuts is also popular among people in the Middle East, so when competing with other coffee shops or doughnuts, we need to analyze each other. The advantages and disadvantages of Dunkin' s can be better learned from the advantages of other companies to increase our advantages. Dunkin' s price is lower than that of its competitors, so when setting the food price, it can't be too higher than the price of its competitors, and then it must have its own unique style in taste, and can't imitate the competitors, so as to attract customers' eyes. Because Dunkin' s donuts and Big Apple's products are actually similar to those of JCO' s, if there is no new flavor or other attractive place, they will definitely choose the coffee shop or doughnut shop they often go to. And JCO can create community participation and social promotion in the form of supporting positive social entrepreneurship. For example, JCO can allow professional skills building workshops on "employ-ability and entrepreneurship theme" for young people in a Middle East region, so that young people can acquire the skills needed for employment and education opportunities. In this way, not only the company's brand can be promoted rapidly, but also the cooperation with other famous companies can be achieved, which also lays a solid foundation for the development in the Middle East.

The coffee culture in the Middle East is very popular, thus, coffee shops and cafes are big businesses in the Middle East, with a market of 4 billion US dollars in Egypt, Saudi Arabia, Israel and the United Arab Emirates. Which means has many cafes in the Middle East, so JCO will have many competitors in the middle East, which will face a huge challenge. Hence, JCO needs to understand the innovation's importance. The advantage of JCO is that it is not only a coffee shop, but also includes donuts, yoghurt and other foods. JCO can start with donuts and make them into various good-looking styles to attract customers, because people in the Middle East like to eat snacks very much, and many sweet food and donuts will be their first choice, so that many Middle East customers can sweet donuts or enjoying sweet dessert while drinking coffee. And in the process of food production, due to the political influence of the Middle East, all the food must have the Halal logo, and only in this way can people from the middle east come to JCO.



To stand out from so many competitors, there must be a marketing strategy, which needs to be implemented in the network and reality. First of all, on the Internet, JCO has Facebook pages, Instagram and twitter in central and Southeast Asia, but there are not many followers of web page updates and less communication application using. It can be seen that JCO doesn't pay much attention to network strategy in Southeast Asia. In the Middle East, JCO needs to improve this disadvantage. The rational use of social media can increase more potential customers, for example Starbucks frequently makes with the network strategy, JCO can release some promotions, such as 20% discount for the third cup of two cups of coffee, etc., and establish a committee that can make customers give feedback, so as to collect customers' comments and collect customers' hobbies to change JCO's tastes. The network strategy does not only refer to this aspect. JCO should open online shopping in the Middle East, because there are more hot times in the Middle East, so open online shopping can increase more potential customers, but also reduce the number of customers in the store, so it will not make cafes crowded or long queues. Then there's the real strategy. JCO can do more promotions when it opens shop in the Middle East, so that the brand of JCO can make an impression on people in the Middle East, and then more and more people will know about JCO.

In addition to social media, there is another important strategy is advertising, which can make faster, easier and more convenient to introduce to potential customers. With advertising, it will get many people's attention, and advertising can be through newspapers, TV, posters and so on. JCO can create a community participation and social promotion by supporting positive social entrepreneurship. For example, JCO can hold professional skills building workshops on "employability and entrepreneurship theme" for young people in the Middle East, so that young people can acquire the skills needed for employment and education opportunities. This kind of public welfare activity can not only rapidly promote the company's brand, but also realize Now we are cooperating with other famous enterprises to lay a solid foundation for the development of the Middle East.

JCO donuts and coffee enter the Middle east market also can through franchise strategy. Which is a kind of continuous relationship, in which the franchisor provides franchising right to the franchisee, and provides assistance in organization, training, sales, marketing and management, in exchange for monetary reward. Franchising refers to a business form in which the owner (franchisor) of products, services or methods obtains distribution through the associated distributors (franchisor). Franchising can be a low-cost, low-risk entry mode, allowing rapid regional expansion. which will make more and more JCO coffee shops in the Middle East and lay a good foundation in the Middle East.

On the other hand, JCO has a risk of this idea. Due to the rising obesity rate and diabetes symptoms in the Middle East, and JCO mainly deals in sweets related foods. Then many people will think that JCO will make them obese or make them have diabetes at that time. According to this problem, JCO can develop a another way to replace white sugar with other things, such as oligosaccharide Fructose, because oligofructose cannot be directly digested and absorbed by human body, can only be absorbed and utilized by intestinal bacteria, so its calorific value is low, which will not lead to obesity, and it is also a good sweetener for diabetic patients. It is possible to replace normal sugar by extracting oligofructose, which may solve this problem. There is also a big risk that there are too many competitors. They will only go to the coffee shop they often go to and may not pay attention to the new coffee shop.

## **CONCLUSIONS**

With all its dynamism, marketing in the Middle East has a gap that companies can exploit. To launch an effective marketing strategy, companies need to have a strong information base about the market and update what needed to be anticipated. Consumer understanding cannot be done separately through statistical data or by conducting surveys, but must go through intensive research to get the right business analysis.

As a company that wants to expand into the Middle East, J.CO Coffee & Donuts can not only fulfill the factors that form the basis of product development, but also need to be improved when carrying and introducing company brands.

It is important to know Arabs who carry out promotional campaigns more than those who communicate with the product itself. They will have a higher awareness about the advertising part of the product name. It's possible, J.CO can organize an effective campaign and run a strong message.

J.CO needs to maximize the use of data insights, and create an organic acquisition channel with your SEO and Social Media to reduce the company's advertising needs. In addition, marketing using influencers might be the key to success in this region. To review the market, J.CO Coffee & Donuts can use a number of strategies that can strengthen its brand equity in the Middle East, such as introducing brands to the community, working with translation companies or local communication service providers to provide services, raise awareness and build good public awareness and adjusting the strategy to the habits and cultivation of the local community.

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