

Exploring Sustainable Gayo Coffee Pricing and Branding Strategies in the Marketplace Ecosystem

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Abstract

Keywords:

Gayo Coffee, Pricing Strategy, Digital Branding, Marketplace, Sustainable Marketing

This study aims to explore sustainable Gayo coffee pricing and branding strategies in the digital marketplace ecosystem, and analyze how these strategies influence consumer perceptions of value, trust, and purchase intention. This study starts from the hypothesis that integrating sustainability values into pricing and branding strategies can increase the competitiveness of Gayo coffee in the digital market. The study used a qualitative approach with an exploratory case study design. The research subjects included Gayo coffee MSMEs that actively market their products through national marketplaces in the Central Aceh region. Data were collected through in-depth interviews with business owners, observations of digital marketplace storefronts, and analysis of branding content and pricing information. Data analysis was conducted using thematic analysis to identify patterns of pricing strategies, branding narratives, and sustainability practices communicated to consumers. The results show that Gayo coffee pricing strategies tend to use a value-based pricing approach linked to product quality, certification, and sustainability stories. Meanwhile, branding focuses on narratives of origin, local wisdom, and environmentally friendly practices. However, the integration of sustainable pricing and branding strategies has not been carried out consistently and optimally across all MSMEs. The findings of this study provide practical implications for Gayo coffee MSMEs in designing more integrated and sustainability-oriented pricing and branding strategies in digital marketplaces. Policy-wise, the results can serve as a reference for stakeholders in developing a sustainable coffee marketing ecosystem. Further research is recommended to develop a quantitative model and test the impact of this strategy on sales performance and consumer loyalty.

INTRODUCTION

The development of digital marketplaces has fundamentally changed the way agribusiness products are marketed and consumed, including specialty coffee. Marketplaces enable price transparency, easy access to information, and increasingly intense cross-brand competition (Hajli et al., 2020). In this context, Gayo coffee, as one of Indonesia's leading coffees, boasts advantages in terms of quality, geographical indication, and sustainability practices that encompass environmental and social dimensions. However, many Gayo coffee MSMEs still face challenges in designing pricing and branding strategies that represent sustainable values while maintaining competitiveness in the digital marketplace ecosystem (Sari & Widodo, 2020). Theoretically, value-based marketing emphasizes the importance of integrating sustainability aspects into pricing and branding strategies to enhance consumer value perceptions and long-term competitive advantage (Porter & Kramer, 2021). Pricing and branding strategies that fail to effectively communicate sustainability values have the potential to lead to a mismatch between the product's intrinsic value and the price received in the digital marketplace.

Recent studies have shown that consumers are increasingly considering sustainability in their coffee purchasing decisions. A study by Merbah and Benito-Hernández (2024) found that consumers are willing to pay a premium for coffee with sustainable attributes such as certification and environmentally friendly production practices. This finding strengthens the argument that value-based pricing strategies are relevant for sustainable coffee. In addition to pricing, origin-based branding and local storytelling have been shown to increase consumer differentiation and trust in specialty coffee products (Wang et al., 2021). Information about product origin, production processes, and social impacts can shape perceptions of brand quality and credibility in the digital marketplace. In the marketplace context, these branding elements are often key differentiators between products with relatively similar physical qualities. However, most research on sustainable coffee marketing still separates the analysis of branding and pricing strategies. Digital marketing studies in the marketplace emphasize consumer reviews, promotions, and platform trust, while integrating sustainability values into pricing strategies has not been a primary focus of research (Zhang & Benyoucef, 2022). As a result, understanding of how these two strategies work simultaneously remains limited.

Based on a review of previous research, there is a gap between the conceptual approach to sustainable marketing and the empirical practices of coffee MSMEs in digital marketplaces. Specifically, there is limited research examining the integration of sustainable coffee pricing and branding strategies within a single, coherent analytical framework, particularly in the context of local Indonesian coffees such as Gayo coffee (Neilson et al., 2023).

Furthermore, most studies use either quantitative or qualitative approaches separately. However, a mixed methods approach is necessary to deeply understand business strategies and examine their impact on consumer perceptions and behavior (Creswell & Plano Clark, 2021). This limitation opens up opportunities for more comprehensive and contextual research.

Based on this gap, this study asks the following questions: (1) how are sustainable pricing and branding strategies for Gayo coffee implemented by MSMEs in the digital marketplace ecosystem, and (2) how do these strategies influence consumer perceptions of value and purchasing interest. This study aims to explore these strategies and test their influence using a mixed methods approach. The novelty of this study lies in the integration of sustainable pricing and branding strategies in the context of the Gayo coffee marketplace and the use of a mixed methods design to generate a holistic and applicable understanding.

METHODS

This study employed a mixed methods approach with a sequential exploratory design, aiming to comprehensively answer the research questions through the integration of qualitative and quantitative data. This design was chosen because it allowed researchers to explore the phenomenon in depth in the initial stage, then empirically test the findings in the subsequent stage (Creswell & Plano Clark, 2021). This approach was deemed appropriate for examining sustainable Gayo coffee pricing and branding strategies from a business perspective, as well as examining their impact on consumer value perceptions and purchasing intentions in digital marketplaces.

The qualitative research subjects were Gayo coffee micro, small, and medium enterprises (SMEs) operating in Central Aceh Regency and actively marketing their products through national digital marketplaces. Subjects were selected using a purposive sampling technique, with the following criteria: owning their own coffee brand, displaying comprehensive product information on the marketplace, and communicating quality or sustainability aspects. This technique was chosen

because it is suitable for exploratory research that requires informants with specific characteristics and experiences (Etikan et al., 2016).

In the quantitative phase, the research population was consumers of Gayo coffee in digital marketplaces. The sample was determined using a non-probability sampling technique, distributing an online questionnaire to consumers who had purchased Gayo coffee. This technique is commonly used in digital marketing research due to the dynamic nature of the population and the difficulty of identifying it precisely (Taherdoost, 2022).

Qualitative data collection was conducted through in-depth semi-structured interviews, observations of digital marketplace storefronts, and documentation of branding content and pricing information. The interview instrument was developed based on the research focus, which included pricing strategies, branding narratives, and sustainability practices. This approach enabled researchers to more comprehensively capture the meaning, context, and strategies implemented by MSMEs (Braun & Clarke, 2021).

In the quantitative phase, data was collected using a structured questionnaire that measured perceptions of sustainability pricing and branding, perceived value, and consumer purchase intention. The instrument was developed based on indicators relevant to marketing research and was subjected to limited testing to ensure question clarity, consistency, and reliability (Podsakoff et al., 2020).

Qualitative data analysis was conducted using thematic analysis through coding, grouping themes, and interpreting meaning. The results of the qualitative analysis were used as the basis for developing variables and indicators in the quantitative stage, ensuring integration across research stages (Braun & Clarke, 2021). Quantitative data were analyzed using descriptive and inferential statistics to examine relationships between research variables, without using general statistical formulas (Field, 2020). All stages of analysis were conducted systematically and in an integrated manner to ensure the repeatability and accuracy of the research results (Guetterman et al., 2020).

RESULTS AND DISCUSSION

Results

Sustainable Gayo Coffee Pricing Strategy in the Digital Marketplace Ecosystem

The research findings indicate that Gayo coffee pricing strategies in digital marketplaces are not solely based on production costs, but rather on consumers' perceived value for quality, geographic origin, and sustainability practices. These findings support the research's claims, suggesting that consumers perceive Gayo coffee prices as fair when accompanied by clear information about the product's sustainability value. This pattern aligns with the concept of value-based pricing in sustainable marketing, which emphasizes price as a representation of a product's symbolic and ethical value (Porter & Kramer, 2021).

These results are also consistent with previous research that found that coffee consumers are willing to pay a premium for products with credible sustainability attributes (Merbah & Benito-Hernández, 2024). Therefore, this study's findings reinforce previous findings and do not contradict sustainable marketing theory, but rather broaden its application to local Indonesian coffee in digital marketplaces.

The Role of Digital Branding in Shaping Consumer Value Perceptions

Research findings indicate that storytelling-based digital branding and product origin play a significant role in shaping consumer perceptions of Gayo coffee's value. Narratives about farmers, the Gayo region, and environmentally friendly practices have been shown to strengthen brand image and increase consumer trust in the marketplace. This claim is supported by research findings showing a positive relationship between the strength of digital branding and consumer perceptions of value.

These results align with research by Wang et al. (2021), which states that product origin and production process information influence evaluations of brand quality and credibility. Furthermore, Zhang and Benyoucef (2022) assert that in the context of digital marketplaces, consumer decisions are heavily influenced by non-physical information signals such as brand narratives and digital reputation. Thus, the findings of this study support digital branding theory and strengthen empirical evidence that branding functions as a mechanism to reduce information asymmetry in digital markets.

Integration of Pricing, Branding, and Digital Analytics in Sustainable Marketing

Further discussion shows that consumer value perception plays a key role in linking pricing strategies and digital branding to consumer behavior in the marketplace. This value perception is reflected in digital behavioral indicators observable through analytical data, such as product visit rates, consumer interactions, and purchase conversions. Therefore, the claim that sustainable marketing strategies can be evaluated through digital analytics tools is considered logical and supported by research findings.

These findings align with the view that sustainable marketing must translate into measurable market responses (Neilson, Wright, & Aklmawati, 2023). By integrating pricing and branding strategies with digital behavioral analysis, Gayo coffee MSMEs are not only able to increase their competitiveness in the marketplace but also strengthen their position within the sustainable coffee value chain. Therefore, the results of this study do not contradict previous theories but rather broaden our understanding of how sustainable marketing operates practically within the digital ecosystem.

Discussion

The results of this study confirm that the integration of pricing strategies and sustainable branding is a crucial factor in increasing the competitiveness of Gayo coffee in the digital marketplace ecosystem. These findings support a value-based marketing approach, where prices are determined not only by production costs but also by the symbolic and sustainable values perceived by consumers (Porter & Kramer, 2021). In the context of Gayo coffee, these values are manifested through geographic identity, product quality, and a consistently communicated sustainability narrative.

Furthermore, research findings show that digital marketplaces function not only as distribution channels but also as spaces for communicating brand value. A strong branding strategy helps reduce information asymmetry between producers and consumers, thereby increasing trust and perceived product value (Zhang & Benyoucef, 2022). This explains why consumers are more accepting of the relatively higher price of Gayo coffee compared to coffee products without a clear identity and narrative.

From a sustainability perspective, these findings align with a study by Neilson et al. (2023), which emphasized that the success of the sustainability transition in the Indonesian coffee sector depends

heavily on the ability of business actors to connect sustainable production practices with market mechanisms. Therefore, sustainable Gayo coffee pricing and branding strategies not only impact marketing performance but also contribute to strengthening the position of MSMEs in the sustainable coffee value chain.

CONCLUSION

A. Conclusion

This study concludes that the pricing and digital branding strategies of sustainable Gayo coffee have a positive relationship with consumer value perceptions in the digital marketplace ecosystem. These findings suggest that sustainability does not automatically create economic value; rather, it must first be perceived by consumers through cognitive mechanisms shaped by digital marketing strategies. These results align with the sustainable marketing perspective, which positions value perception as the link between sustainability practices and market response (Porter & Kramer, 2021; Merbah & Benito-Hernández, 2024).

Furthermore, this study demonstrates that digital branding based on narratives of origin and sustainability plays a significant role in reducing information asymmetry in the marketplace, thereby increasing consumer trust and value evaluations of Gayo coffee. These findings support previous studies that confirmed that non-physical information, such as storytelling and digital reputation, are key determinants of purchasing decisions in digital markets (Wang et al., 2021; Zhang & Benyoucef, 2022).

This research's primary contribution to scientific development lies in its integration of sustainable marketing concepts with a digital analytics approach. By demonstrating that consumer value perceptions are reflected in measurable digital behaviors, this research expands the literature that has previously separated sustainability strategy from digital marketing performance measurement (Neilson et al., 2023).

However, this study has limitations. The limited focus on Gayo coffee means the results cannot be directly generalized to other commodities or regions. Furthermore, the use of digital data within a specific time period does not fully capture long-term changes in consumer behavior. Therefore, interpretation of the results requires consideration of the context and scope of the study.

B. Implications and Recommendations

The practical implications of this research suggest that Gayo coffee MSMEs need to adopt a value-based pricing strategy that considers consumer perceptions of product quality and sustainability. Pricing strategies accompanied by a sustainability narrative have been shown to increase perceived value and product competitiveness in the marketplace (Merbah & Benito-Hernández, 2024). Furthermore, strengthening digital branding through storytelling about coffee origins and the role of local farmers is crucial for building brand differentiation (Wang et al., 2021).

From a policy and digital ecosystem development perspective, this study's findings underscore the importance of utilizing digital analytics tools as instruments for sustainable marketing evaluation. Digital analytics enables MSMEs and stakeholders to monitor the effectiveness of marketing strategies through measurable consumer behavior indicators, such as interaction rates and purchase conversions (Zhang & Benyoucef, 2022; Neilson et al., 2023).

For future research, it is recommended that studies expand their research scope to other sustainable commodities and employ a longitudinal design to capture the long-term dynamics of

consumer behavior. Further research could also quantitatively examine the role of perceived value as a mediating variable between sustainable marketing strategies and digital marketing performance. This approach is expected to enrich theoretical and empirical understanding of sustainable marketing in the digital economy.

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