

Navigating the Unexpected: How Toronto's Coffeehouses Have Attempted to Foster Brand

Loyalty During COVID-19*

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How have coffeehouses attempted to foster brand loyalty during the COVID-19 pandemic? In this study, I analyze how Toronto's coffeehouses have fostered brand loyalty during COVID-19 while experiencing significant loss of business. Using their social media posts, webpages, and news articles from March 2020 to April 2021, I find that coffeehouses have attempted to generate community engagement to maintain an engaged consumer base. This study contributes to sociological understanding of community engagement, increased technology and social media marketing, and the operation of the hospitality industry during COVID-19. As public access to physical venues of community engagement is restricted, the public may be craving a sense of community now more than ever. For coffeehouses, this was an opportunity to maintain an engaged consumer base. The independent and chain retailers that I studied attempted to build community engagement through authentic connections and creativity, albeit in different ways.

Independent retailers showed authenticity in their openness about the struggles they faced due to COVID-19. Pilot Coffee Roasters, for instance, was honest about having to lay-off 90% of their staff. Similarly, in an Instagram post, FIKA Cafe stated, "During the beginning of the pandemic we had to close shop as sales dropped more than 70%." Independent retailers, therefore, expressed a need for support from their consumer base because it threatened their existence in the local business community. They asked customers to support small, local businesses and encourage family and friends to do so as well. NEO Coffee Bar, for instance, stated, "We are asking you to join us in #takeoutday to help save local businesses and restaurants across Canada." In doing so, they extended the coffee community membership to their consumer base, establishing unity. Overall, by being open about their struggles, independent retailers built an identity of themselves as small businesses in need of loyal customers, often comparing

themselves to chain retailers. They used hashtags, such as #torontocoffeecommunity and #ThinkOutsidetheBigBox, to build community through identity markers, raising brand awareness.

Chain retailers, however, already have brand awareness. Therefore, to maintain an engaged consumer base, they focused on showing authenticity in their optimism. They did not express struggles or losses they faced, but rather posted more uplifting statements. Starbucks Canada, for instance, stated “Coffee still connects us all. Thank you to our community for continuing to be a light.” Therefore, they built human connections by attempting to be authentic about their bond with customers, showing support towards them while advertising their products. They were also optimistic in their support of front-line workers. Although independent retailers expressed gratitude towards front-line workers as well, chain retailers posted support towards them more frequently, some even supplying free food and drinks to front-line workers. This way, chain retailers attempted to build a sense of community with their consumer base by being a source of optimism.

Overall, both independent and chain retailers appealed to the emotions of their consumer base by attempting to be authentic about their engagement with, and importance within, the broader Toronto and Canadian community. Both further showcased this by posting pictures of themselves actively engaging with the community, often delivering meals or packing shipments. Considering the risk of contracting COVID-19 while working, this seems to signify that they genuinely care for their customers, potentially generating trust to foster brand loyalty. To further establish themselves as a venue for community engagement, the retailers I studied developed creative ways to accumulate sales.

All retailers adopted new methods to adapt to the COVID-19 crisis. The coffeehouses I studied focused on alternative means of serving food to customers, primarily delivery, take-out, and pick-up. As such, they maintained a presence in Toronto's coffee community. They also used rewards programs to incentivize customers to remain loyal. However, there is some disparity between chain retailers and independent retailers in their attempts to engage with the community.

Chain retailers focused on re-branding, while independent retailers diversified their offerings. Independent retailers expanded their menu beyond food and coffee to selling coffee equipment, such as coffee beans and brewing items. This is evident in Dark Horse Espresso Bar's statement: "We've been doing our best during the pandemic to diversify our offerings and find new ways to keep the ball rolling." It signifies that independent retailers attempted to connect with their consumer base by providing products to help them make their own coffee at home. To further establish community engagement, independent retailers endorsed and partnered with local businesses. This helped them develop their identity as a small business in need of support while potentially accumulating sales.

Chain retailers, on the other hand, planned to change their traditional selling venues. Starbucks, for instance, closed up to 300 stores across Canada to focus on contactless service in the light of new consumer habits. Similarly, Second Cup Coffee Co. opened its first cannabis dispensary in Toronto. By paying attention to consumer trends and developing creative ways to adapt to them, the retailers I studied actively engaged in the coffee community. This allowed them to offer support to their consumer base during the pandemic, potentially building a sense of unity.

Notably, independent and chain coffeehouses demonstrated an increased usage of social media to generate sales. However, such usage of social media has broad implications for the hospitality industry. Retailers and brands are not only confronting new consumer habits, but new customer experiences. The market is shifting online, with hospitality retailers forced to adapt to online services. In an increasingly digital world, there is competition between consumers to curate an enjoyable online-shopping experience for customers, while promoting their social media accounts. They may need to hire developers to build their web stores or hire a marketing team to promote their services on social media. This is a great challenge for small businesses that are unable to hire webpage developers and advertise through social media.

Ultimately, the pandemic has imposed several challenges for coffeehouses in Toronto, which have been struggling to maintain an engaged consumer base. To meet financial needs, they have attempted to generate brand loyalty through social media, demonstrating authenticity and creativity.