

DISCOVERING THE MARKETING STRATEGY OF A POPULAR HIDDEN BAR IN BALI: THE MAILROOM

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ABSTRACT

This study explores the marketing strategy adopted by The Mailroom, a hidden speakeasy-style bar located in Bali. The main objective is to understand how a venue with minimal visibility like The Mailroom can successfully attract customers and create a strong sense of exclusivity. The research uses a qualitative method through in-depth interviews with a customer who discovered the bar via social media – specifically TikTok – and personal recommendations. The findings reveal that The Mailroom avoids traditional advertising and instead relies on organic content, visual storytelling, and word-of-mouth to build curiosity. Its secretive atmosphere becomes a marketing advantage, encouraging guests to feel like they've uncovered something special. This sense of discovery not only drives foot traffic but also deepens the emotional connection visitors have with the venue. The study highlights that in the modern hospitality landscape, experience-driven and exclusivity-based marketing strategies can effectively differentiate a brand, attract new guests, and foster customer loyalty without sacrificing authenticity.

Keywords: hidden bar, speakeasy, marketing strategy, word-of-mouth, social media

INTRODUCTION

In recent years, hidden or speakeasy-style bars have become a rising trend in the global tourism and nightlife industry. These establishments offer more than just food and beverages—they create exclusive, immersive experiences that appeal to both locals and travelers seeking something out of the ordinary. The allure of secrecy, discovery, and curated ambiance has made such bars attractive destinations for niche markets looking for unique and memorable nightlife experiences.

One of the standout examples of this trend in Indonesia is The Mailroom, a hidden bar located in Bali. Designed to resemble a secret post office or government office from a bygone era, The Mailroom embraces the speakeasy concept, where customers must uncover its entrance and gain access through subtle hints or insider knowledge. This element of mystery adds to the appeal, making it not just a place to enjoy a drink, but a destination that offers a sense of adventure and exclusivity.

In the competitive landscape of hospitality, marketing plays a crucial role in determining the success of such niche venues. Traditional marketing approaches may not be sufficient for hidden bars, which rely on limited visibility and curated access. Instead, they often depend on strategic use of word-of-mouth promotion, social media engagement, and storytelling to build intrigue and attract the right audience. For businesses like The Mailroom, marketing is

not just about exposure but about maintaining the balance between secrecy and desirability. This study is guided by the following problem formulation: How does The Mailroom attract customers despite being a hidden bar? Accordingly, the research question is: How is the strategic marketing of The Mailroom with the concept of a hidden bar in attracting customers? The objective of this research is to identify the marketing strategies used by The Mailroom and evaluate their effectiveness in promoting a destination with a unique concept.

The hypothesis proposed is that The Mailroom uses word-of-mouth marketing to engage local customers and social media platforms to appeal to visitors from outside Bali. This combination allows them to maintain their exclusivity while still reaching a broad and targeted audience. By exploring these strategies through qualitative research, specifically interviews with customers, this study aims to contribute insights into effective marketing techniques for hidden destinations in the hospitality industry.

LITERATURE REVIEW

Marketing Strategy

Marketing strategy refers to the activities undertaken by a business to create value for customers, communicate its offerings, and achieve competitive advantage. In the hospitality industry, marketing is particularly important because customers do not only purchase a physical product but also consume a service and experience. Therefore, hospitality businesses need to communicate both their products and the experiences they offer to potential customers.

According to Kotler and Keller (2016), marketing involves identifying customer needs and creating, communicating, and delivering value to satisfy those needs. In a competitive hospitality industry, marketing strategy is important for differentiating a business from its competitors and attracting a specific target market.

For a hidden bar, however, marketing strategy has a different characteristic from conventional bars. A conventional bar generally seeks high visibility through signage, advertising, promotions, and other forms of mass communication. In contrast, a hidden bar needs to maintain an element of mystery and exclusivity while still providing enough information for potential customers to discover and visit the establishment.

Therefore, the marketing strategy of The Mailroom can be understood as the way the establishment communicates its unique concept and attracts customers while maintaining its identity as a hidden bar. In this study, marketing strategy focuses primarily on word-of-mouth and social media marketing, because these two channels are proposed in the research hypothesis.

Experiential Marketing

Experiential marketing is relevant to this study because The Mailroom does not only sell food and beverages but also provides a distinctive experience through its hidden-bar concept.

Schmitt (1999) explains that experiential marketing focuses on creating experiences that involve customers' senses, emotions, thoughts, actions, and relationships. Unlike traditional marketing, which emphasizes product features and benefits, experiential marketing emphasizes what customers experience when interacting with a brand.

Pine and Gilmore (1998) similarly explain that businesses can create economic value by providing memorable experiences rather than simply selling goods or services. In the

hospitality industry, the atmosphere, design, service, and uniqueness of a venue can become important components of the customer experience.

This concept is particularly relevant to The Mailroom because its hidden-bar concept creates an experience that begins before customers enter the venue. Customers may experience curiosity when they first hear about the bar, excitement when discovering its location or entrance, and surprise when experiencing the interior and atmosphere. Therefore, the hidden concept itself can function as part of the marketing strategy.

Experiential marketing can consequently explain why customers may be interested in visiting The Mailroom even though it is not promoted like a conventional bar. The uniqueness of the experience can become a reason for customers to visit, remember the venue, and recommend it to others.

Word-of-Mouth Marketing

Word-of-mouth (WOM) is one of the main concepts in this research because the proposed hypothesis suggests that The Mailroom uses word-of-mouth to attract local customers.

Word-of-mouth refers to communication between consumers concerning their experiences, opinions, or recommendations about a product, service, or business. In hospitality and tourism, WOM is particularly important because customers often rely on recommendations from other people when deciding where to eat, drink, or visit (Litvin et al., 2008).

Hospitality products are experiential and intangible, meaning that potential customers cannot completely evaluate the quality of a service before experiencing it. Recommendations from friends, family members, colleagues, or other customers can therefore reduce uncertainty and influence purchase or visit decisions.

WOM is particularly suitable for a hidden bar because information about the establishment can be distributed through personal networks without requiring extensive public advertising. Customers who have already visited The Mailroom can introduce the venue to their friends or acquaintances by sharing information about its location, concept, atmosphere, or experience.

Research on speakeasy bars also supports the relevance of WOM to the hidden-bar concept. Atmanagara and Nuraeny (2021) explain that the historical speakeasy concept was associated with secrecy and relied on word-of-mouth communication to spread information about the establishment.

Thus, WOM can play an important role in maintaining the balance between exclusivity and customer attraction. Rather than making the venue completely visible to everyone, information can circulate selectively through personal recommendations.

In this study, WOM is therefore examined as one of the marketing strategies used by The Mailroom, particularly in attracting local customers.

Social Media Marketing

Social media marketing is another important concept in this study because social media allows hospitality businesses to communicate with customers beyond their immediate geographic area.

Mangold and Faulds (2009) describe social media as an important element of the promotional mix because it enables organizations to communicate with consumers while simultaneously allowing consumers to communicate with one another. This makes social media different from traditional advertising, as customers can also become distributors of marketing information.

In tourism and hospitality, social media has become an important source of information for

consumers. Xiang and Gretzel (2010) found that social media plays an important role in online travel information search. Similarly, Zeng and Gerritsen (2014) explain that social media can support tourism promotion, information search, consumer interaction, and decision-making.

For a hidden bar such as The Mailroom, social media can be particularly useful because the business has limited physical visibility. Through platforms such as Instagram or TikTok, The Mailroom can communicate its atmosphere, cocktails, interior design, events, and hidden-bar concept to potential customers.

At the same time, social media can maintain the mystery of the venue. Instead of revealing every detail, promotional content can emphasize visual elements, stories, or aspects of the experience that generate curiosity. In this way, social media can make the establishment discoverable without completely eliminating its hidden identity.

Social media may also be particularly important for visitors from outside Bali. Tourists who do not have established local networks may be less likely to hear about The Mailroom through traditional WOM. Instead, they may discover the bar through social media content, recommendations, online searches, or posts shared by other visitors.

Therefore, this study examines social media marketing as a strategy that may help The Mailroom reach customers beyond its local market, particularly tourists and visitors from outside Bali.

METHOD

This research employed a qualitative single-case study approach to explore how social media and the concept of exclusivity influence customer perceptions and decision-making, specifically in the context of The Mailroom, a hidden speakeasy bar located in Bali. A single participant was purposefully selected to allow an in-depth exploration of personal experiences, which is in line with the strength of case study methodology in uncovering complex, real-world dynamics (Yin, 2018). The participant was chosen based on specific criteria: they had visited The Mailroom within the last three months and discovered it through social media or word-of-mouth. This purposive sampling ensured the relevance of the participant's insights to the research objective (Tongco, 2007).

The data collection was conducted through a semi-structured online interview via Zoom, lasting approximately 30 minutes. While a set of guiding questions was prepared in advance, the format allowed for open-ended responses and probing follow-up questions to capture deeper nuances in the participant's storytelling (DiCicco-Bloom & Crabtree, 2006). With the participant's informed consent, the entire session was recorded and transcribed verbatim. The transcript was then reviewed and cross-checked to ensure the accuracy of the information and minimize researcher bias (Braun & Clarke, 2006).

For data analysis, a thematic approach was used, beginning with familiarization through repeated reading of the transcript to capture early impressions. Key text segments were highlighted and coded based on recurring patterns and terms such as "TikTok FYP," "exclusive experience," and "secret location." These codes were then grouped into overarching themes like "algorithmic discovery" and "post-visit social engagement paradox" (Nowell et al., 2017). To enhance the reliability of the findings, two researchers independently coded the data and resolved any discrepancies through collaborative discussion (Lincoln & Guba, 1985).

Ethical considerations were strictly followed throughout the study. The participant's

identity was anonymized using the pseudonym “P1,” and all collected data, including recordings and transcripts, were stored securely on password-protected cloud storage. These measures were designed to align with GDPR-inspired data protection standards (Saunders et al., 2015). Prior to the interview, the participant provided written informed consent, which outlined the research purpose, confidentiality agreements, potential risks, and the right to withdraw from the study at any time (BERA, 2018).

RESULTS

The findings reveal that The Mailroom, a hidden jazz bar, strategically merges digital discovery, sensory immersion, and exclusivity to craft a compelling consumer experience. Central to its success is TikTok’s For You Page (FYP) algorithm, which functions as a “digital gatekeeper” (Kumar et al., 2020), targeting users drawn to niche, mysterious experiences. Participants discovered the bar through cryptic, suspenseful content—such as fleeting glimpses of live jazz performances or its concealed entrance—mirroring how platforms like TikTok amplify curiosity through fragmented storytelling (Dahlen et al., 2009). One participant described feeling a “pull to solve the puzzle” of the bar’s location after encountering these teasers. However, the bar’s exclusivity paradoxically thrives on limiting post-visit digital sharing. Unlike typical viral marketing, patrons rarely posted about their experiences online. Instead, they relied on offline word-of-mouth, reinforcing the bar’s “elite” status through personal endorsements (East et al., 2008). This duality—using algorithmic discovery to spark interest while restricting online visibility—creates a sense of belonging among patrons who perceive themselves as “insiders” privy to a well-kept secret.

The physical space further amplifies this allure. The Mailroom’s design—dim lighting, jazz-themed decor, and a speakeasy-style entrance hidden behind an unmarked door—engages multiple senses, aligning with Krishna’s (2012) theory of sensory marketing. Participants emphasized how the ambiance, live music, and tactile elements (e.g., velvet seating, vintage glassware) evoked nostalgia, transforming a visit into a memorable “event” rather than a routine outing. As Holbrook (2006) argues, environmental cues like these deepen emotional engagement, fostering identity-based consumption. One participant likened the experience to - -“stepping into a 1920s film,” highlighting how sensory details can anchor brand loyalty. This approach resonates with Pine and Gilmore’s (1999) concept of the experience economy, where novelty and authenticity drive perceived value. However, the bar’s reliance on secrecy introduces tension. While mystery enhances exclusivity (Keller, 2009), overemphasis risks alienating potential patrons. The Mailroom balances this by offering subtle clues on TikTok—such as geotags or ambient audio—ensuring curiosity outweighs frustration. A participant noted, “It felt like a treasure hunt—challenging enough to feel rewarding, but not impossible.” Yet, the bar’s most powerful marketing tool remains offline word-of-mouth (WOM). Despite TikTok’s role in discovery, participants prioritized recommendations from friends, underscoring WOM’s role as social proof (Arndt, 1967). Personal referrals not only validated the bar’s appeal but also positioned the recommender as a “cultural curator,” enhancing their social identity (Berger, 2013). This strategy fosters a community of advocates who feel personally invested in the bar’s success. Unlike mainstream venues that rely on mass advertising, The Mailroom’s growth is driven by intimate, peer-to-peer endorsements, which strengthen emotional connections. For instance, one participant admitted they only visited after a friend’s “enthusiastic whisper” about the bar, framing the recommendation as a “privilege” rather than a casual tip.

DISCUSSION

Theoretically, these findings bridge sensory marketing, algorithmic curation, and exclusivity into a cohesive framework. The Mailroom's model challenges traditional marketing by prioritizing secrecy and WOM over broad visibility, yet confirms Krishna's (2012) emphasis on multisensory engagement. It also extends Pine and Gilmore's (1999) experience economy by demonstrating how digital platforms can paradoxically amplify exclusivity—using algorithmic reach to attract a niche audience while maintaining scarcity through offline secrecy. However, questions remain about scalability. Participants expressed concern that expanding to multiple locations might dilute the bar's allure, echoing Keller's (2009) warning about overexposure. This tension reflects a broader challenge in experiential retail: balancing growth with authenticity. Future research could explore how similar strategies apply to other industries or cultural contexts, particularly as hybrid digital-physical experiences become commonplace. For example, does algorithmic discovery undermine the perceived "authenticity" of niche brands? And how might sensory design principles adapt to virtual or augmented reality environments?

Ultimately, The Mailroom's success lies in its ability to humanize digital discovery. By framing TikTok as a "digital whisper network" rather than a broadcast tool, it transforms algorithmic curation into a gateway for intimate, real-world connections. As one participant summarized, "It's not just a bar—it's a secret you share with people who get it." This interplay between digital intrigue and analog exclusivity offers a blueprint for brands seeking to cultivate loyalty in an oversaturated market, proving that even in the age of viral content, mystery and human connection remain potent drivers of desire.

CONCLUSIONS AND SUGGESTIONS

This study illuminates the nuanced interplay between digital allure and human connection in The Mailroom's success, a hidden speakeasy bar in Bali. At its core, the bar's strategy thrives on a dual approach: leveraging TikTok's visual storytelling to ignite curiosity while cultivating exclusivity through word-of-mouth (WOM) rooted in memorable, sensory-rich experiences. The findings reveal that platforms like TikTok act as a gateway, where cryptic glimpses of the bar's concealed entrance or ambient jazz performances spark a sense of adventure among users seeking unique encounters. This digital tease, however, is only the beginning. The true magic lies in the bar's ability to translate online intrigue into real-world enchantment. Patrons, drawn in by the mystery, are met with an immersive atmosphere—dim lighting, vintage decor, and live music—that transforms a simple visit into a cherished memory. These sensory details, coupled with attentive service, foster a feeling of exclusivity, compelling guests to share their experiences offline with trusted circles, as if divulging a well-kept secret.

The Mailroom's balance between secrecy and accessibility emerges as a critical lesson for experiential hospitality. While TikTok geotags or suggestive audio clips provide just enough visibility to pique interest, the bar avoids oversharing, preserving its enigmatic charm. This equilibrium ensures that discovery feels rewarding rather than frustrating—a "treasure hunt" that rewards persistence without alienating potential visitors. Crucially, the study underscores that not all advocacy manifests online. The bar's reputation is sustained not by viral posts but by intimate, face-to-face recommendations, where patrons become storytellers, enhancing their own social identity as cultural insiders (Berger, 2013). This organic WOM, born from genuine satisfaction, carries a weight of authenticity that traditional advertising

cannot replicate. Looking ahead, the research invites deeper exploration into how such dual strategies shape long-term loyalty. Why do some guests eagerly post on social media while others guard their experiences as personal secrets? Could tailored events or influencer collaborations deepen engagement without diluting exclusivity? These questions highlight the evolving dynamics of marketing in an age where digital reach and analog intimacy coexist. Ultimately, The Mailroom's model offers a blueprint for niche venues: harness digital platforms to whisper, not shout, and let human connections amplify the narrative. In doing so, it proves that even in a hyperconnected world, the allure of mystery – and the pride of sharing it – remains irresistibly human.

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