Telkom University

Fakultas Rekayasa Industri
School of Industrial Engineering
Telkom University

TEKMI LABORATORY

MODULE 2B
MARKET ASPECT

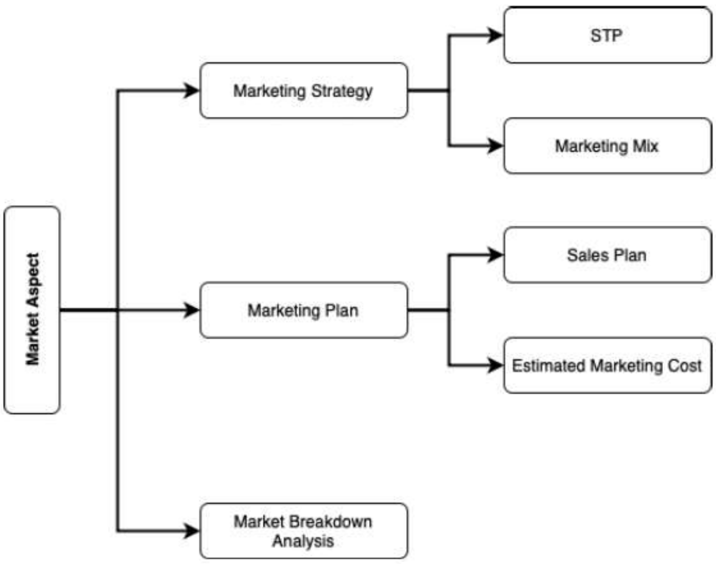
MODULE 2B

MARKET ASPECT

LABWORK OBJECTIVES

1. Students are able to make a marketing strategy
2. Students are able to develop a marketing plan.
3. Students are able to calculate sales plan
4. Students are able to calculate marketing estimation costs

PRACTICUM OUTLINE



THEORETICAL EXPLANATION

1.1. Marketing Strategy

1.1.1. STP (Segmenting, Targeting, Positioning)

The following is an explanation of segmenting, targeting, and positioning:

1. Segmenting

   According to Kotler (2017) segmentation is dividing a market into distinct groups of buyers who have different needs, characteristics, or behaviors and who might require separate marketing strategies or mixes. In segmentation, there are two market groups, namely the consumer market (B2C) and the Business Market (B2B) (Ginting, 2011).

   a) Differences in B2B and B2C

      1) Business to Business (B2B)

         A business transaction that is carried out electronically or physically and occurs between one business entity to another. B2B is the sale of products or services provided by one business and is intended for other businesses, not to consumers. Example: CV. Techno Economy sells machine-making materials and CV. Techno Economy makes sales to existing machinery.

      2) Business to Consumers (B2C)

         Businesses that carry out the service or sale of goods to individual consumers or groups directly. This type of business deals directly with consumers, not companies or other businesses. Example: CV. Techno Economy sells merchandise. When CV. Techno Economy sells goods to individual consumers, it means that CV. Techno Economy business is included in B2C.

   b) Consumer Market Segmentation (B2C)

      1) Geographical

         Divides the market into different geographical units, such as countries, regions, states, counties, cities, or even the environment. A company may decide to operate in one or several geographical areas or operate in all areas but pay attention to geographical differences in needs and wants. Example: Residents who live in coastal areas sell fresh fish because it is close to the beach and tourist areas.

2) Demographics

Divides the market into segments based on variables such as age, lifecycle stage, gender, income, employment, education, religion, race, generation, and nationality. Demographic factors are the most popular basis for segmenting customer groups. One reason is that consumer needs, wants, and usage levels vary greatly with demographic variables. Example: Iphones are produced for the middle- and upper-class income.

3) Psychographics

Divides buyers into different segments based on lifestyle, or personality characteristics. People in the same demographic group can have very different psychographic characteristics. Example: IPhone are sold for people with a luxurious lifestyle.

4) Behavior

Divides buyers into segments based on their knowledge, attitude, use, or response to a product. The main difference between behavioral and psychographic segmentation is that behavioral segmentation focuses on how consumers interact and engage with products and brands, while psychographic segmentation focuses on customer personalities and interests. Behavior segmentation is carried out by the organization based on customer buying patterns such as frequency of use, brand loyalty, benefits needed, at every opportunity, etc. Example: iPhone is made for someone who cares about their security and privacy.

2. Targeting

According to Kotler and Armstrong (2008), targeting is a technique to divide a group of buyers (buyers) who have the same needs or characteristics that are the objectives of company promotion. Meanwhile, according to Tjiptono and Chandra (2012: 162), understanding the target market is a process of evaluating and selecting one or several market segments that are considered the most attractive to be served with company-specific marketing programs. So, based on the understanding according to experts, it can be concluded that Targeting is a process or technique for grouping market segments that have the same needs or characteristics. The business-to-business market (B2B) has many differences between the consumer markets where the target market of the business market is business customers. According to Kotler (2002) there are five alternatives to choose target markets are:

a) Single Segment

   The company chooses to concentrate on one segment, with considerations such as limited resources, in that segment there are no competitors or considers this segment the most appropriate as a basis for expansion into other segments

b) Selective Specialization

   The company selects a number of attractive market segments in accordance with its objectives and resources. The advantage of this decision is the spread of risk, where if there is a decline in one segment, the company's sales will not be too affected because there is still revenue from other segments.

c) Product Specialization

   In product specialization, the company concentrates on making a specific product that will be sold to various market segments. The main risk is that there is a change in technology that can have an impact on the obsolescence of the resulting product.

d) Market Specialization

   In market specialization, the company focuses on serving the various needs of a particular customer group. The risk is if the target customer group cuts their consumption budget.

e) Full Market Coverage

   The company seeks to serve all groups of various market segments. Only large companies can implement this strategy because it requires enormous resources. The two alternative strategies are:

   1) Undifferentiated marketing, where the company ignores the differences in market segments and only offers one kind of product offering or marketing program to the overall market.
   2) Differentiated marketing, where the company tries to operate in all market segmentsand design different marketing programs for each segment.

3. Positioning

According to Kotler (2008), positioning is a plan to design offers and can be for brand awareness to get a special place in the minds of the target market. Meanwhile, according to Tjiptono and Chandra (2012), positioning is the way a company's product, brand, or organization is perceived relatively compared to a competing product, brand, or organization by current and potential customers.

So, it can be concluded that it is a plan to design perceptions of products to get a special place in the target market or the intended consumer. Looking for 'position' in the market, this step is done after determining the segmentation strategy first. In other words, positioning is an action or steps from the manufacturer to design the image of the company and offer value where the consumer within a particular segment understands and appreciates what a particular segment, understands and appreciates what a company does, compared with its competitors. The result of positioning is the creation of a customer focused proportion of values and a strong reason why the target market should buy the product (Kotler, 2008). For Example: KFC in marketing its products using the tagline "Jagonya Ayam",

1.1.2. Marketing Mix

According to Kotler and Armstrong (1997:48), the sense of marketing mix is a device of tactical marketing tools that can be controlled, product, price, distribution, and promotion combined by the company to produce the desired response in the Target Market. For marketing mix techniques can be used for a product or service. What distinguishes the marketing mix technique for products and services is the marketing mix of the products just 4P 1s:

1. Product

According to Sumarni and Soeprihanto (2010:274), "Product is anything that can be offered in the market to get attention, demand, or consumption that can fulfill your wishes or needs". Products are not only always in the form of goods but can also be a service or a combination of both (goods and services). Example: Espresso machine is a machine that can make espresso-based coffee using a portafilter.

2. Price

   According to Sumarni and Soeprihanto (2010:281), "Price is the amount of money (plus some products if possible) that is needed to get many combinations of goods and their services". Once the products are manufactured ready to be marketed, the company will determine the price of the product. Example: Espresso Machine is sold at Rp. 1.000.000,00

3. Place

   The place in the marketing mix is called the distribution channel, the channel where the product is to the consumer. The definition of Sumarni and Soeprihanto (2010:288) on the distribution channel is, "the channel used by the manufacturer to distribute the products from producers to consumer or industry users". Example: Manufacturing is located at Cimahi. CV. Techno Economy has a warehouse to store the supplies of such products in Cimahi.

4. Promotion

   According to Tjiptono (2008:219), promotion is a form of marketing communication. Marketing communication is a marketing activity that seeks to disseminate information, influence/persuade, and/or remind the target market of the company and its products to be willing to receive, purchase, and be loyal to the products Offered by the company. Examples: Promotions made are sales that offer products directly to consumers, as well as create advertisements on the Web services of CV. Techno Economy.

Based on the above theories, it can be concluded that Marketing Mix is a component of marketing that intertwines with each other, intending to meet customer's needs and satisfaction and achieve the objectives of the company. For service companies, there are 4 components similar to the marketing mix product but that distinguishes the marketing mix on the service is to have 3 other components to complement it, among others:

1. Process

   All actual procedures, mechanisms, and activity streams are used to deliver the services. The element of this process means something to deliver the service. The process in service is a major factor in the marketing mix of services such as service customers will be pleased to feel the service delivery system as part of the service itself. Example: The process that is done can be in the form of ordering products online on the Web CV. Techno Economy that can facilitate consumers to buy our products.

2. People

All actors who play an important role in presenting services so that they can affect the perception of buyers. Elements of people are corporate employees, consumers and other consumers. All employee attitudes and actions, how employees dress up and employee appearances influence the successful delivery of services. Example: A patient who has reliable and good communication can fill the Customer Service position because it will be directly related to the customer and will affect the response from the customer.

3. Physical Evidence

The real thing that also affects the consumer's decision to buy and use the products or services offered. Elements included in physical means include the environment or physical buildings, equipment, fixtures, logos, colors, and other goods. Examples: Espresso Machine should be given maximum functionality to attractive colors and logos so that they can influence the consumer's decision to buy and use Espresso Machine.

1.2. Marketing Plan

Marketing plan is an operational document that outlines an advertising strategy that an organization will implement to generate leads and reach the target market. The marketing plan contains tactical guidance for marketing programs and financial allocations throughout the planning period (Kotler, 2012).

1.2.1. Sales Plan

This section contains sales targets at each period within the planning time range. This section will determine how many markets will be served by the company, whether smaller or larger than the current production capacity. If the sales target is greater than the current production capacity, it is necessary to estimate the additional investment required or doing the outsourcing process.

1.2.2. Estimated Marketing Cost

According to Mulyadi (2005: 13), marketing costs are the costs incurred to execute marketing activities, for example advertising costs, promotional costs, etc. In a narrow meaning, it means the cost of sales, that is the costs incurred to sell products to the market. While in a broad meaning, marketing costs include all costs that are incurred until the product is completed and stored in the warehouse until the product is converted back in cash (Mulyadi, 2005: 487).

1.3. Market Breakdown Analysis

The market is an association of all actual and potential buyers of a product (Kotler & Armstrong, 2008). Several market criteria must be measured to facilitate the determination of the target market (Kotler, 2012):

1. A potential market is a number of consumers (individuals, companies, organizations) in a particular market that has an interest in some product.
2. Available Market is an association of consumers who have an interest, income, and access to a particular market offer.
3. Target Market is a part of the available market that will be the object of the market by a company.
4. Level of competition, including the size of the market share to be captured and the competitor's market share.

REFERENCES

Alma, B. (2005). Manajemen Pemasaran dan Pemasaran Jasa. Bandung: Alfabeta.

Armstrong, G., & Kotler, P. (2008). Principles of Marketing. United Kingdom: Pearson. Armstrong, G., & Kotler, P. (2017). Principles of Marketing. United Kingdom: Pearson.

Sumarni, M., & Soeprihanto., J. (2010). Pengantar Bisnis. (Dasar-dasar Ekonomi. Yogyakarta: Liberty Yogyakarta.

Tjiptono, F. (2008). Strategi Pemasaran Edisi ke 3. Yogyakarta: Andi.

Wijoyo, H. (n.d.). Monograf Analisis Strategi Pemasaran Stasiun Radio. Insan Cendikia