

PROPOSED BUSINESS STRATEGY IMPROVEMENT IN THE NEW NORMAL

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Abstract

The impact of the COVID-19 outbreak on the socio-economic sector is predicted to increase Indonesia's average poverty rate by the end of 2020. This pandemic outbreak also has an impact on the economic sector, including to White Grass. White Grass is an online store that focuses on selling handmade and crafted goods for home decoration. This study aimed to thoroughly understand the underlying reason cause White Grass sales is very volatile and find insights of the right business strategy for White Grass in the New Normal. This study was quantitative and qualitative method. The data was collected by primary and secondary data through interview and questionnaire. The data was analysed by internal, external, and SWOT analysis. To promote their products, White Grass had some innovations. White Grass changed the name of its product variations to make it easier to remember and give the impression of a signature of White Grass even though the product is an imported product. White Grass currently has two online distribution channel through its Shopee Official Account & TikTok Shop. The promotion conducted by White Grass is through the social media sponsorship and endorsement to selected influencer. White Grass also apply special offer or bundles program during during pay day week where people got their salary and launch the product unique twin-date like 8.8, 9.9, 10.10.

Keywords: business strategy; marketing mix; pestel; internal and external analysis; covid-19

Introduction

White Grass established on December 2017, coming from zero little online stores that aim to bring happiness and positivity over the customer's soul through its beautiful natural hand made products both for toiletries and crafted goods or accessories. White Grass have successfully approached Morocco, India, Turkey, China, Egypt, Canada, Japan, Malaysia and Mexico to brought various products from those countries to Indonesian and were sold in a matter of minutes. The company departing from customers problem namely difficulties in purchasing crafted goods from overseas such as language barriers, different payment methods applied in different sellers, and online frauds since there are many sites that has a really good reputation but not trusted (Birou & Fawcett, 1993), so the company provide an easy shopping solution with speciality in

crafted goods. In order to achieve it, the company creates a genuine connection by exploring the potential market opportunities and serving crafted goods product orders and sales through a provision of supply.

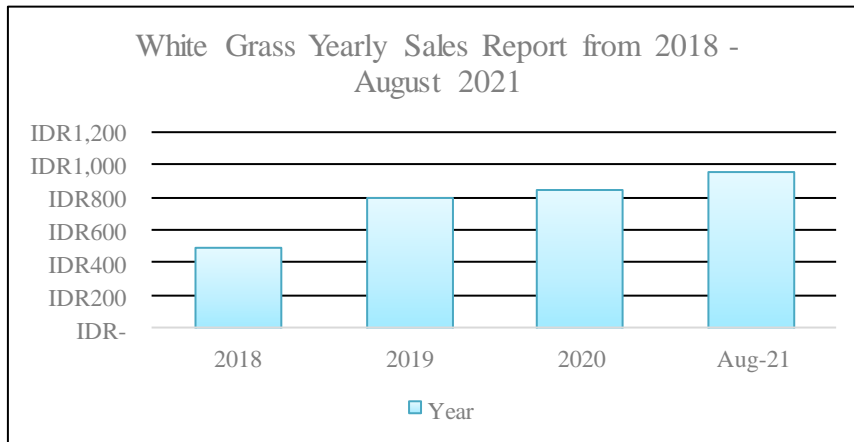


Figure 1
White Grass Yearly Sales from 2018 – August 2021
Source: Company Internal Data, 2021

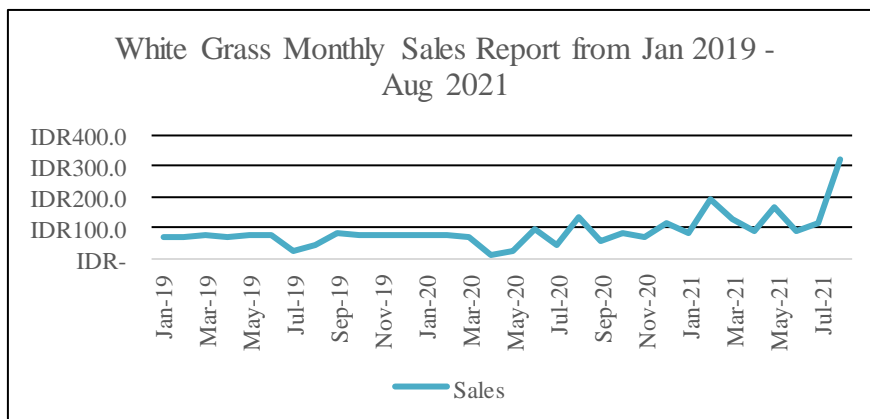


Figure 2
White Grass Monthly Sales from January 2019 – August 2021
Source: Company Internal Data, 2021

Business competition in today’s industrial competition increasing rapidly especially during pandemic. The company must work harder to be able to face the competition and still be able to meet the needs of the community while the condition of people who become unemployed causes the economy to decline. (Schmidt, Benke, & Pané-Farré, 2021) defines the call to carry out PSBB (Pembatasan Sosial Berskala Besar) and other physical distancing appeals made the wheels of the economy stop which led to the depressed purchasing power of consumers during the pandemic is the main factor that causes retail can perform to very volatile. This issue can be proved in Figure 1 that there is no significant differences in yearly sales from 2019-2021 in White Grass, but the gap

is very visible in monthly sales during 2020 until August 2021 as it can be seen in Figure 2.

The increase in sales of White Grass looks quite significant in 2018 to 2019 which is around IDR 304 million but starting from 2019 to August 2021, the increase in annual sales is not too significant. In 2018, White Grass has made sales of IDR 502 million increased to IDR 806 million in 2019 with the number of sales per month being relatively stable. It seems to have decreased in July 2019 because the volume of the quantity of goods sold is not as much as per usual. In early 2020 it was still relatively stable but decreased significantly in April 2020 and has experienced quite sensitive volatility since then. It can be seen from accumulated yearly sales in Figure 1.1, there is an increase every year from 2019 to August 2021 although not too significant. However, when viewed further through monthly sales data, sales fluctuations and sales gaps between months are quite large.

1. Stp Framework

According to (Keegan & Green, 2016) STP or Segmentation-Targeting-Positioning is an approach or model used to develop messages and marketing strategies that are appropriate for segmenting a particular target audience. This marketing model is known as one of the most effective and popular to date. The segmentation stage is done by dividing customers into groups of people with the same characteristics and needs. This step is done so White Grass can adapt the approach to meet the needs of each group in a more effective way than using just one approach for all customers (Kotler, Keller, Brady, Goodman, & Hansen, 2019). Targeting is the process of evaluating segmentation and focusing marketing strategies on a country, province, or group of people who have the potential to respond. Also defined as an activity that contains and assesses and selects one or more market segments White Grass will enter (Keegan & Green, 2016). Positioning is how White Grass explains its product position to customers, what is the difference between White Grass' products and competitors and what are the advantages (Kotler et al., 2019).

2. Marketing Mix

(Kotler et al., 2019) stated that marketing mix is a set of marketing tools that a company use to pursue its corporate goals. In another words, it can be concluded that marketing mix is a device consisting of product, price, promotion and distribution, in which it will determine the level of marketing success and all of it is aimed at getting the desired response from the target market.

3. Pestel Analysis

According to Rotharmael (2016: 66), PESTEL model is an abbreviation of politics, economy, socio-culture, ecology, and legality (law) where the five factors are used to analyze external factors that affect the growth and running of your business on a macro basis. Thus, the results of this analysis are then used as a reference for compiling a SWOT analysis, especially in terms of opportunities and threats. Rotharmael (2016) stated that applying PESTEL analysis provides a new

view of the macro-environment from many points of view that businesses want to examine when developing a particular idea or plan. This analysis also provides an insight into the external factors that affect the company. The analysis itself is flexible enough that business can use it in all different situations and the results of this analysis can be used as guidance for strategic decision making for the business.

Methodology

Following prior research, this study conducted using quantitative and qualitative method. Quantitative method is type of research where author usually collect numerical data from the audience that usually used to find patterns, averages, predictions, cause-effect relationship between the variables (Park & Park, 2016). While qualitative method is seeking to understand insights about the new ways of understand phenomena and the practices are evolving in day-to-day (Garcia & Gluesing, 2013), primarily aims to seek a depth understanding of an issue within the natural setting which leads to producing a narrative or textual descriptions with interviews technique that allow the audience to give a detailed explanations (Andriopoulos & Slater, 2013).

1. Interview

In this research, the author conducted interview with White Grass customer. Each interview conducted at different time. Interviews were conducted after getting the results of the questionnaire so that the sources were taken through respondents who filled out the questionnaire to be asked for further feedback. The questions asked in the interview revolved around respondents' opinions about the products, prices, promotions, sales channels and also the services of White Grass.

Table 1
Customer Interview Summary

Customers	Product	Price	Place	Promotion
MF (Female, 21)	More ready stock product Reduce lateness or make it arrive earlier,	Good enough	No comment	More discount and special price for student who have limited budget.
SL (Female, 32)	Provide more product which have more meaning and functions. Ethnic & unique product.	No comment	Already accessible for me. But, if there is a reminder from the Shopee application when you do the restock, it will be great too.	It's hard to reach up the customer service. Sometimes they reply fast but sometimes I got no reply at all. For people like me who are not very aware, usually I don't know when the open order schedule is.

J (Male, 22)	The packaging needs to be improved safely.	A bit expensive, if you can lower the price it will be great.	Shopee already good.	Customer don't really understand promotions.
ME (Male, 26)	The variation of mens fragrance needs to be added. Maybe 2 or 3 is good. And make a bigger size.	Good enough.	Already enough.	It's already good. The product information also good.
Y (Female, 26)	Add more variation of products but still high quality one.	Increase the quality or size but the price still the same.	It was really hard to get your product on Shopee.	More responsive Pay attention to launching order (better after payday)

2. Questionnaire

According to (Kabir, 2016), questionnaire is a data collection that is done by giving questions or written statements to respondents to be answered. Questionnaires can be regarded as research instruments consisting of a series of questions for the purpose of collecting information from respondents (Park & Park, 2016). An open-ended questionnaire is a list of questions that gives respondents the opportunity to write their opinions about the questions given by the author, so that in this case the process of getting the data can be said to require research expertise in providing questions that are easy to understand. Close-ended questionnaire is a list of questions whose alternative answers have been provided by the author. Since the population of existing customer White Grass are nationwide and due to the time concern and restricted activity because of COVID-19, the questionnaire of this research will be conducted via online to the random customer.

Results and Discussion

Figure 3 below shows the reason why White Grass have sales fluctuation during past year. From the study with the respondents and interviewee which came from White Grass' customer, the author can categorized the problem into two category which are product and people. People category was added because it is an advanced aspect of the marketing mix and in accordance with the unexpected data found, namely low performance of customer service. Because 'people' is still part of the advanced marketing mix so it will be further taken in this study.

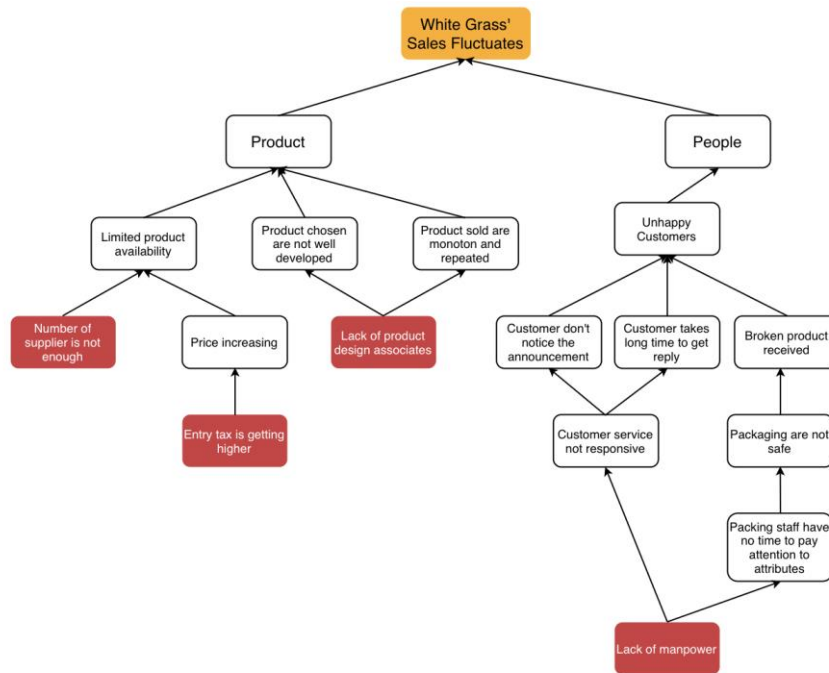


Figure 3
Current Reality Tree of Root Cause Problem
Source: Processed information, 2021

From the interview, several customer stated about product variation and comparing with the old time when White Grass launch wider variation of product. This might cause a fluctuation in sales because customers is bored with the current product available. Another insight also coming regarding the quantity of product that are available and the price offered. If White Grass can work with this issue, maybe it will attract customer interest in purchasing on White Grass.

And as seen through Table 1, White Grass need several improvement based on the interview result. Some of them are the notification of launching product, long time to response, and broken product received. Improve customer experience is the main stage to win customers' hearts. At this stage, customers not only get information and promises as it advertised, but also feel and experience their own involvement with the White Grass' products and services. After the customer feel how the quality of products and services, customers will provide good information to other customers. From the interview, it seems that customer service of White Grass are not performing well. This create an urge that White Grass should take action and improve on the customer experience.

Conclusions

In conclusion, this study shows that the major problem of White Grass is on the marketing mix, namely product and people. The result shows that the company need to work on this matter to improve their customer satisfaction level. The conclusion is, White Grass needs to (1) attend international trading fair, (2) implement supplier

database management, (3) hire an agent or shipping forwarder, (4) hire a new product design staff, (5) hire a customer service team, (6) provide access for improvement, (7) create a written SOP & KPI for customer service. The activity listed will takes very short time and very implementable for White Grass, so based on the implementation timeline, the duration of the proposed solution takes 6 months starting from January 2022 – June 2022.

Table 2
Implementation Timeline

Activity	January				February				March				April				May				June			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
PRODUCT																								
Implement supplier database management																								
Hire an agent or shipping forwarder																								
Hire a new product design staff																								
Attend international trading fair																								
PEOPLE																								
Create a written SOP & KPI for customer service																								
Hire a customer service team																								
Provide access for improvement																								

(Source: The author, 2021)

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