

PROPOSED MARKETING STRATEGY FOR NEBULAE CYMBALS

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BACKGROUND

After a long history that began around 5.000 B.C., nowadays cymbal is one of the most important equipment for drummers. Nebulae, a local cymbal brand, is one of the known brands in Indonesia. It is a family owned SME, which was established in 1998. However, from 2010 the company had been suffering from a gradually decreasing sale. At the first 20 years, the company had produced only brass cymbals which targeted entry-level drummers and music studio rentals. Starting 2018, the company had been producing B20 cymbals which targeted medium to professional level drummers, which expected to support the sales increase. However, by the end of 2018, the sales record shows no significant increase. Therefore, this research focuses on Nebulae B20 cymbals as the research object.

COMPANY

Nebulae Cymbals, a family business, was established in 1998 in Bandung. Thus, it has been more than 20 years. At first, the intention in producing cymbals was to meet the needs of their own music studio rental. Without any intention in doing business on cymbals, they already owned the equipment needed in order to produce cymbals. To well maintain their music studio rental, the old cymbals need to be replaced into a new one, and it is economically more profitable for them to produce their own cymbals in compare to buy new cymbals. Thus, they start the production. From there, they start to sell their cymbals to other music studio rentals. That is how their business starts and grows.

After several years, Nebulae Cymbals distribute their product to offline and online retailers and directly to the end users. Currently, the offline retailers that are selling Nebulae Cymbals are located in Java, Sumatera, Kalimantan, and Bali for the brass cymbals; and Bandung and Jakarta for the B20 cymbals. Moreover, after 20 years of crafting cymbals based on brass material, Nebulae Cymbals' gone through a quiet time-consuming research on crafting cymbals with the latest material that other worldwide cymbals producers are also using, which is B20 material. Cymbals which are made based on B20 material are generally intended for middle to professional level drummers. Nebulae Cymbals is the first cymbals maker in South East Asia that produces cymbals from this material. Thus, this condition is a history in the Indonesian cymbal producing.

BUSINESS ISSUE

Since it has been formed in 1998, Nebulae Cymbals have gone through several conditions that have led them to explore on new strategies and new innovations in order to survive on the market. These are the business issues that Nebulae Cymbals is facing:

- The significant decrease of sales record has started from 2010. It was alleged that the decline in sales was due to the competition with other affordable cymbals brands. Moreover, the trend of music producing/performing was also thought to have decreased around the year 2010, which led also to a decrease on music studio rentals number. Therefore, also affected the sales on Nebulae Cymbals.
- For about 20 years Nebulae Cymbals has been known to produce entry-level cymbals. In 2018, Nebulae Cymbals has launched high-end level cymbals. There is a challenge related to consumer perception.

CONSUMER ANALYSIS

In order to increase their sales, the company either need to increase the price or increase the quantity, if we refer to the formula of: $\text{Sales} = \text{Price} \times \text{Quantity}$. To increase the quantity of sold items, firstly it is necessary to identify who are the consumers. There are two possibilities of consumers: medium to professional level drummers who currently own Nebulae Cymbals product, and medium to professional level drummers who currently do not own Nebulae Cymbals product. In this research, non-Nebulae Cymbals owners are being the subject of analysis.

Market Share

The large part of the cymbals market is dominated by Zildjian, Meinl, Sabian, Paiste, and Stagg, by 83,6%. And the rest 10% is

divided among the Turkish-made cymbals, and other boutique cymbals. While, Nebulae is having a market share of 6,4%. All mentioned competitors are all also producing high-end level cymbals, and some of them also produce entry-level cymbals. In cymbals products, the main difference of each brands is the sound colour. Moreover, even though two or more brands are having the same sound colour, still the sound that each brand produce have their own characteristics.

Awareness

To understand Nebulae Cymbal's position in the market, it is necessary to identify how aware are the non-Nebulae Cymbals owners with the brand. The chart shows that Nebulae Cymbals brand is a well-known brand in the cymbals industry. Ninety-nine percent of the middle to professional level drummers are aware of Nebulae, with 5 9% of them having unaided awareness. Moreover, 61% of the aware consumers are also aware of the Nebulae's B20 products.

Importance-Performance Analysis

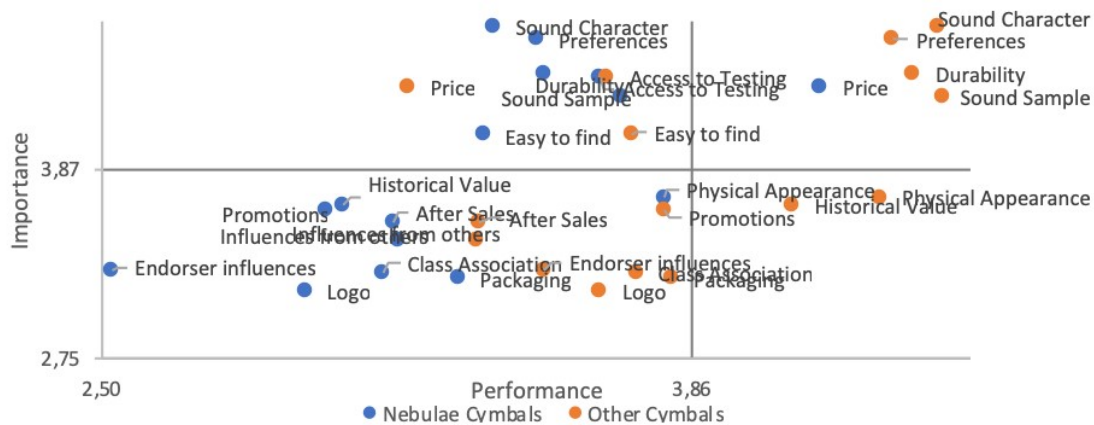


Figure 1 Importance-Performance Analysis on Nebulae Cymbals and Other Cymbals Brands by Non-Nebulae Cymbals Owners (Analysis, 2019)

Attributes of sound characters, preferences (i.e. set-up, genre), access to cymbals testing (before purchasing), durability, availability of sound sample (video and audio), and ease to find are located in the Quadrant II, which means Nebulae needs to concentrate on these attributes. Moreover, it is also shown that Nebulae Cymbals perform better on price in compare to other cymbals brands, which means the non-Nebulae Cymbals owners believe Nebulae Cymbals as having a relatively cheaper price in compare to other cymbals brands. It is located in the Quadrant I, which means Nebulae needs to maintain the current pricing in relative to other cymbal brands. Furthermore, for "access to testing before purchasing", Nebulae Cymbals performance has been believed as to have the same score as other cymbal brands. Thus, there is a high opportunity for Nebulae Cymbals to perform better on this attribute in compare to other cymbal brands.

Perceptions

Consumer perception plays a vital role in a company's ability to attract new consumers and to retain existing consumers. This perception directly impacts the attraction of new consumers and the capacity to maintain good relationships with current consumers. The list of words obtained through FGD. In the FGD, the new launched product was shown and tried by the participants. The list of perception is then included in the questionnaire and been distributed.

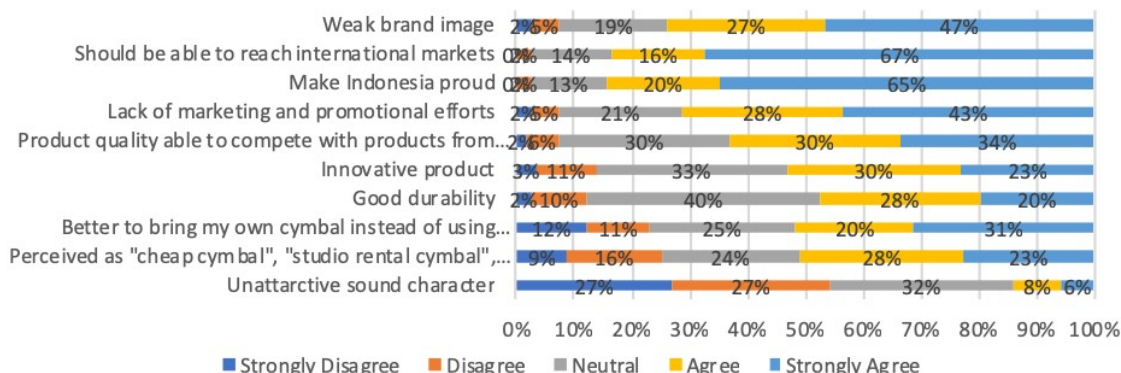


Figure 2 Perception Towards Nebulae by Non-Nebulae Cymbals Owners (Analysis, 2019)

Influencing Factors Towards Purchase Intention

At first, there were 26 variables which are related with consumer perceptions towards Nebulae that are included into the factor analysis, which are: unattractive sound, cheap cymbals, better to bring own cymbals than using Nebulae at music rental studio, good durability, innovative product, ability to compete with international brands, lack of marketing efforts, ability to make Indonesia proud, ability to reach the international market, weak brand image, preferences towards Nebulae, Nebulae's price, endorser influence on Nebulae, other people influence on Nebulae, sound character of Nebulae, durability of Nebulae, physical appearance of Nebulae, packaging of Nebulae, class association of Nebulae, Nebulae's logo, historical value of Nebulae, ease to find of Nebulae, promotion availability of Nebulae, after sales of Nebulae, access to testing before purchasing Nebulae, and sound sample availability of Nebulae. To locate which variables to be included in which factor/component, researcher needs to identify the largest correlation value on the Rotated Component Matrix table. Moreover, variables on the table above has been reduced from 26 into 21 variables, because the 4 variables were having value less than 0,5 on the rotated component matrix. Table 1 below show the components based on the factor analysis.

Table 1 Factor Analysis: List of Variables (Analysis, 2019)

Component		Variables
No.	Name	
1	Product and Brand	Preferences, Sound Character, Durability, Physical Appearance, Packaging, Class Association, Logo, Historical Value
2	Place and Promotion	Easy to Find, Promotion, After Sales, Access to Testing, Sound Sample
3	Go International	Indonesia Proud, International Market
4	Competitive	Innovative Products, Compete International
5	Negative Perception	Cheap Cymbal, Better Bring Own Cymbal, Weak Brand Image

During the factor analysis process, numbers shows that the only variables that are significantly contributing to the component are the variables in the component 1, because the values shown are more than 0,5. Therefore, it is important to further analyse these eight variables into regression analysis, in order to see which of these variables are significantly influencing Nebulae Cymbals purchase intention.

Based on the B value, the model is obtained as follows:

$$Y = a + b X_1 + b X_2 + b X_3$$

$$Y = -0,082 + 0,556 X_1 + 0,379 X_2$$

$$X_1 = \text{perception towards Nebulae Cymbals' sound character}$$

$$X_2 = \text{perception towards Nebulae Cymbals' physical appearance}$$

Purchase Intention

Purchase intention is explained as the willingness of a customer to buy a certain product or a certain service is known as purchase intention. In this section, researcher aim to identify non-Nebulae Cymbals owner towards Nebulae Cymbals purchase intention in the future. Non-Nebulae Cymbals owners are mostly neutral (39%) towards Nebulae purchase intention. Some are willing (17%), and strongly willing (20%) to purchase Nebulae Cymbals in the future. While, some are unwilling (14%) and strongly unwilling (10%) to purchase Nebulae Cymbals in the future. The reasons are mostly related to the factors of: sound characters, access to testing, ease to find, price, sound sample, and the negative perception of the brand and products. From the information, it can be also said that people tend to be unwilling to purchase Nebulae Cymbals because they are: not well-knowledgeable yet about the new products, the products do not meet their needs on sound characters, and having less interest because of the negative perception.

ALTERNATIVE STRATEGIES

Segmenting, Targeting, Positioning

In order to identify the cymbal market segment, researcher conduct a statistical analysis based on the middle to professional level drummer's demographic and psychographic. The statistical analysis conducted is K-Means Cluster Analysis and Crosstab Analysis. In order to better facilitate the research, researcher limit the segment identification into three segments. The segments with the largest market size are both segment 1 (47,54%) and segment 2 (30,33%), while segment 3 has 22,13% of the market size. Each segment has different sound character preferences. Moreover, sound character is the most important attribute that influence cymbals purchase. From the current new launched product, with its sound character it can be said that Nebulae is targeting the segment 3. However, segment 3 are mostly neutral and unwilling to purchase Nebulae Cymbals in the future, and most of them are strongly loyal and loyal to their current cymbal brands. While segment 1 and 2 are more tend to be neutral and willing to purchase Nebulae Cymbals in the future. Segment 2 are mostly located in Greater Bandung, which therefore are more

accessible for current Nebulae Cymbals condition. Furthermore, the attribute of price is very important for the segment 2, which Nebulae Cymbals perform better than its competitors. Furthermore, segment 2 has higher average income. Therefore, it can be said that segment 2 is more attractive and profitable for Nebulae Cymbals condition.

Branded House Strategy and Brand Repositioning Strategy

Cymbal is considered as a high involvement product, which includes a high cognition before the consumers are able to decide their purchase. Based on the interview, reputation is also one of the factors that influence the purchase. Moreover, the skill in cymbal making is considered to be hard to duplicate. Therefore, the twenty-year existence of Nebulae in the cymbal market is important to further develop the brand. That is why branded house strategy needed to be applied. Furthermore, all brands in the cymbal market also employ this strategy.

In order to well apply the branded house strategy, it is necessary to address the issue of consumers negative perspective towards Nebulae Cymbals. Therefore, Nebulae needs to do brand repositioning strategy. Reposition is a change in the brand's promise, personality, or other association. Taglines often change to communicate the new promise. As a branded house, the new launched product line should be treated as a subsidiary brand. This happens because the previous product line (brass cymbals) has different segmentation with the new launched product line (B20 cymbals).

Marketing Mix

Product

From the previous section, it has been explained that the product itself is the most important factor that influence cymbal purchase in compare to the price. Therefore, the company should start with the improvements of sound character and durability for their products. Research and development hold a vital role in improving those criteria. The Point of Parity (POP) is as providing wide variety with middle level pricing cymbals, while the Point of Difference (POD) is to provide "best value from great drummers to great drummers" refers to Nebulae Cymbals strength and opportunity, which are directly related to the factors of access to testing before purchasing and after-sales; and indirectly related to ease to find, availability of sound sample, needs, and sound characters. These will together bring a better perception towards Nebulae.

Price

Currently the company offers a relatively one most affordable price in compare to other cymbal brands, with Stagg and Meinl which are also offering a medium price range. Moreover, the consumers perceived Nebulae to offer a relatively more affordable price in compare to competitors. Price is one of the important attributes in deciding cymbals purchase.

Place

From the questionnaire, it is known that most consumers are purchasing their cymbals at offline stores. While some of them purchasing through online shop, and less of them purchasing from their friends. Therefore, it can be concluded that Nebulae's presence is important in the offline and online channels. Moreover, the presence and ease of accessibility towards Nebulae Sound Lab will increase consumer perception, which will be the hub of interaction between the company and the consumers. As well as the presence in music instruments exhibitions.

Promotions

Consumers are doing research before a cymbal purchase are mostly through testing at stores, YouTube, discussing with others, the cymbal brand official website, discussion or review in online forum, and also less through review on magazines, brochure at stores, and inputs from shopkeepers. Moreover, it is also known that sound character is the most important attributes influencing cymbals purchase, with access to testing and availability of audio and video sound sample which communicating the sound character. Therefore, this section will explain on the promotion strategy as follows.

1. Access to cymbal testing through music events or exhibitions participation.
2. Arranging and managing YouTube channel and YouTube advertisement.
3. Arranging and managing Official Website.
4. Arranging and managing other social media.
5. Managing relationship with drummer communities and other related partners.
6. Product catalog provision both online and offline.
7. Maintain current customers satisfaction and loyalty.

CONCLUSIONS

Based on the analyses, the most influencing variables towards Nebulae purchase intention are the perception towards Nebulae's sound character and physical appearance. However, it is shown that Nebulae Cymbals performs lower in compare to other cymbal brand on both of the attributes. In the other hand, Nebulae performs higher on the attribute of 'price' in compare to other cymbal brands. Unfortunately, Nebulae has been targeting a less profitable segment. Segment 2 has been identified to be more attractive and profitable for Nebulae Cymbals condition. In order to increase their sales, Nebulae needs to improve their STP, do brand repositioning, and improve their marketing mix.

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