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PROPOSED MARKETING STRATEGY TO ATTRACT AND EDUCATE THE MARKET OF HEALTHY PRODUCTS (CASE STUDY: TOOMAT BRAND)

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Abstract. Toomat is SME's who takes a part and participate in the healthy industry. This research aim is to identify the factors affecting customer attraction and the suitable marketing communication strategy for Toomat. Internal and external analysis are used in order to determine the cause of product's lack of demand. Internal analysis that is used are Value Proposition Canvas and Marketing Mix. While, external analysis used in this research are Five Porter's Model and Benchmarking. Based on those methods the solution of the problems is identified with TOWS Matrix. This research is using Business Model Canvas and Integrated Marketing Communication for proposed strategy. In order to formulate a proper marketing communication, this research is conducted through qualitative research by using in-depth interview with healthy communities to design marketing communication strategy. The results show that the effective communication channel is advertisement in online media. Beginning with identifying the target audience and determining the communication objectives. Toomat would prepare communication content which had strong, positive, and appealing content about healthy lifestyle. Online Marketing, Sales Promotion, and Event Marketing were chosen as proposed IMC. Proposed strategy should increase product sales and reduce the amount of loss in the future.

Keywords: Benchmarking, Business Model Canvas, Healthy Industry, Integrated Marketing Communication, SME's

INTRODUCTION

Historical Background

Culinary industry is expected to remain as the backbone sector for supporting Indonesia's manufacturing and economic growth. The important role of the food and beverage industry can be seen from its large contribution to the gross domestic product (GDP) of the country's non-oil and gas industry. The Ministry of Industry noted that the contribution of the food and beverage industry to the GDP of the non-oil and gas industry could reach 34.95% in the third quarter of 2017. This achievement increased the GDP by 4% compared to the previous year. Meanwhile, the contribution of the food and beverage This figure was up for 3.85% compared to the same period the previous year. Realizing the potential for industrial growth, the government continues to encourage food and beverage industry players to take advantage of the domestic market potential. However, most of the food sellers in Indonesia do not pay attention to health factors since they are focusing in selling meals that good in taste and easy access within the market. people have proven to link between what they consume and the quality of their lives. Where healthy lifestyle was just a calculation of fat or sugar grams, it has transformed to mean higher quality, fresh, whole food, simple and real ingredients, ethically-made, sustainably raised, by brands with a strong belief system and clear higher purpose that exceeds just selling more stuff. Essentially, quality and indulgence have found a way to co-exist. It can be concluded that opening healthy culinary business is really potential. Therefore, Toomat decides to be a part of the food and beverage industry to meet the demand from consumers that concerned about their healthy lifestyle.

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Company Profile

Figure 1. Toomat Brand

As it is known, in the culinary field of food and beverages, the market continues to compete with the food. To make a food that is tasty, most producers tend to ignore health aspects, so that their products are always mixed with chemicals that endanger the body. Toomat here to present healthy products or at least be an alternate ballast for the purpose to get those needs. The selection of this business was adapted on the current public trend about healthy lifestyle. With Toomat, healthy lifestyle will become a necessity. Moreover, the experiences that we have along with the sufficient supporting factors, we are confident to meet the needs and desires of the community

Business Issue

Toomat established in the early 2018, since this business just started there are fundamental error still needs to be fix, from the purchasing until the management system. As time goes by, undergoing this business, Toomat has difficulty in marketing its products so that the demand from customers does not develop. From simple calculation if we make a sale with a demand that does not develop, the profits are also dwindling on based on the purchase of raw materials still depends on retail suppliers or supermarkets. Therefore, Toomat stopped selling and tried to investigate further what is the basic problem of this business. This business should not be idealistic and be able to accept feedback from the market, including to learn from lecture, mentor, also colleague. Toomat needs to identify and evaluate current state of the brand effectiveness in achieving company's business objective. The research objectives focus on analyzing the business and creating brand awareness, including increasing the sales performances and business growth. This research objectives includes;

a) To identify Toomat's current position for growing the business.
b) To design the most effective Marketing Strategy for Toomat.
c) To propose an outline for Toomat's objectives.

LITERATURE REVIEW

Internal Analysis

In developing and building a right strategy, the firm should be able to integrate internal and external environment that can lead to competitive advantage and above-average earnings. External environments can create opportunities and threats for a firm but internal environmental conditions are able to transform these opportunities and threats to competitive advantage by using the organization's capabilities, unique resources and core competencies. Since this research will determine the marketing strategy of product then internal analysis will be focusing on value proposition canvas and marketing mix.

Value Preposition Canvas

The Value Proposition Canvas provides a tool to investigate the interests of customers and value creation further. It is a logical extension of the Customer Segment and Value Propositions elements of the Business Model Canvas. VP Canvas makes the way or idea of how you are going to create value for your costumer explicitly. It helps the company design products and services that their customers want.

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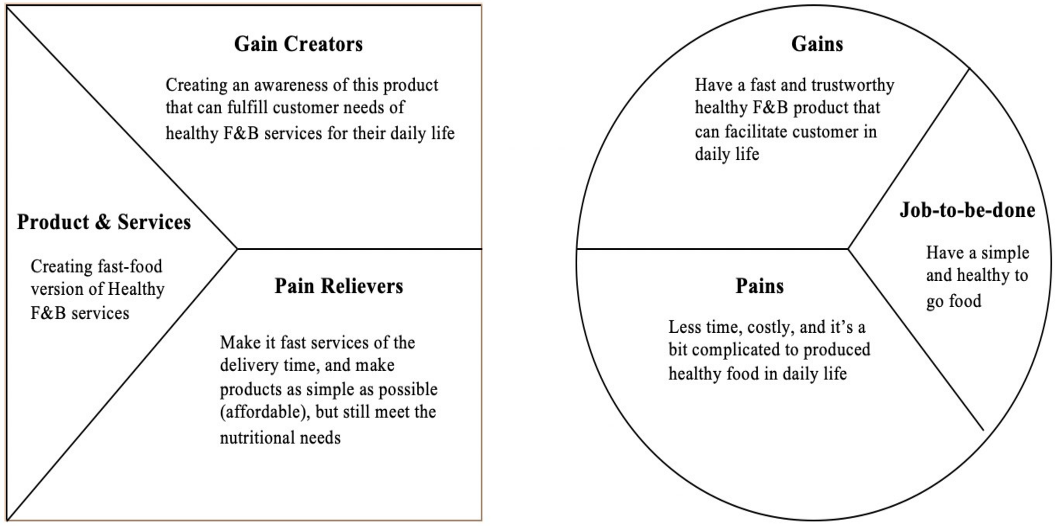

Figure 2. Value Proposition for Toomat

Toomat, are trying to have a market fit product through creating a value proposition canvas. As seen in the figure above, on the Customer Profile, people need food that healthy and simple but still affordable. Likewise, the brand needs to have an attention or fame that can be trusted by customer. Since then, on the Value Map, Toomat is explaining that this business is in the early stages of the food and beverage area because Toomat is tailored to the needs of healthy people with reasonable prices compared to the value given. In the end, it shows that Toomat have a problem solution and market fit, as well as proposed Business Model. After elaborating the value preposition canvas, Toomat uses Problem Solution Fit tool for solving complex problems in way that fits the customer. Moreover, this tool helps sharpen the communication and marketing strategy with the right triggers and message. It also delivers understanding the existing situation in order to improve Toomat's target audience. Toomat's vision is producing and selling the healthy, fresh, natural, and high quality food & beverages in Indonesia. From all the pain and gain of the product through customer, Toomat intended to fit the product into the market. According to Marc Andreessen, Product/market fit means being in a good market with a product that can satisfy that market. Toomat differentiate with other businesses through personalization, this business is based on online selling. Therefore, this business is flexible and will not charge any additional charges for the delivery. Moreover, this business is cheaper than other healthy products in town, but still have the same quality of the food and beverages. Our product started with variances of cold-pressed juice, and it already tested through sample that is given to. Toomat has also prepared more products on the menus, and it will be sampled throughout the year. From this attempt, Toomat collecting all the feedbacks and try to improve and give the best out of it. Therefore, customer tends to become loyal and bring this healthy awareness more spread out.

Marketing Mix

Jerome McCarthy classified various marketing activities into marketing-mix tools of four broad kinds which called the Four Ps of marketing: product, place, and promotion. Marketing mix is the set of controllable variables that the firm can use to influence the buyer's response. These variables help company develop unique selling point as well as a brand image. Product, is defined as an item that is built or produced, tangible or intangible, to satisfy the needs of a certain group of people. In marketing mix theory, product helps marketer to develop an ultimate product. This term includes; product variety, quality, design, features, brand name, packaging, sizes, services, warranties, and returns. Price, is basically the amount that a customer pays to enjoy it. Pricing strategy would be so important to determines a firm's profit. This term includes; list prices, discounts, allowances, payment period, and credit terms. Place, is how the product will distribute to the customer. Placement strategy will help assess the most suited channel to a product. This term includes; coverage, assortments, locations, inventory, and transport.

Last but not least, Promotion, is marketing communication strategies. How a company advertise its product, do sales promotions, give special offers and assign a public relation are part of promotion process. It is the communication aspect of the marketing function. This term includes; advertising, sales forces, and direct marketing.

External Analysis

One of the components of strategic management process is external analysis of the company. The purpose of this analysis is to identify strategic opportunities and threats in the organization's environment that can affect its success and sustainability. There are various suggestions about how to understand those external factors in depth. Since Toomat is a new player in healthy culinary industry, this business needs to analyze other competitor or approach with Benchmarking Analysis. Another model to

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discuss and analyze the external environment is Porter's Five Force. In the end, both internal and external analysis will guide the researcher into the business analysis.

Five Porter's Model Analysis

Porter identified the highly influential five forces model, which comprise of the five basic forces; threat of new entry, power of buyer, power of substitute, power of supplier, and rivalry among competitors. The threat of new entrants, threat of substitutes products or services and rivalry among existing competitors' forces are operating in the same way within the market. Bargaining power of suppliers and bargaining power of customer's factors operates within the supply chain process. The current competitive condition and the strength a company position to enter an industry are analyzed. The more profitable an industry, the more attractive it is for new competitors to enter. However, the attractiveness of an industry encompasses based on some barriers which will determine the capability of new company to enter the market. The bigger the amount of capital need to be invested, the complexity of government regulation and the knowledge to start the business are some entry barriers for a company to enter industry.

Benchmarking Analysis

Benchmarking is a process in which one company studies the processes of another company to identify best practices. In other words, benchmarking is the continuous process of measuring products, services and practices against the toughest competitors or those companies recognized as industry leaders.

METHODOLOGY

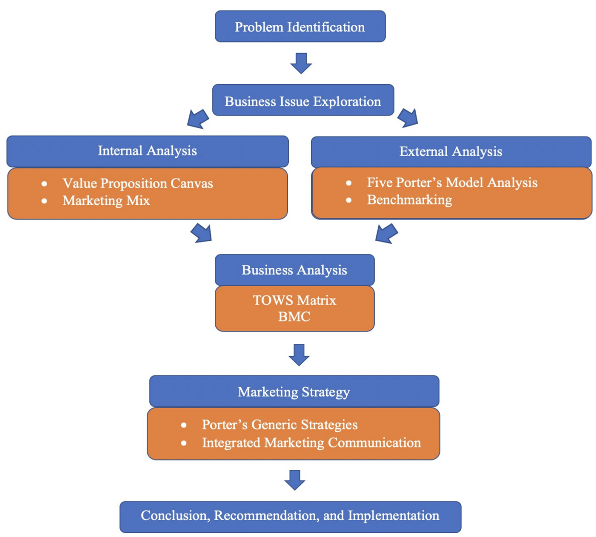

Figure 3. Research Conceptual Framework

Research Approach

A qualitative research is proposed for this study with case study approach. Qualitative research may involve repeated sampling, collection of data, and analysis of data. As the result, qualitative data analysis may start after only some of the data have been collected. Qualitative research is preferred because it is the best method for exploring and understanding the meaning of individuals or groups assign to a social or human setback. Moreover, case study approach is chosen because it is useful to employ the approach when there is a need to obtain an in-depth appreciation of an issue. Following case study strategy approach, researcher seeks to deeply explore and understand an issue about slow growth business in Toomat.

Data Collection Process

Data is collected from April until May 2019. Data collection is divided into two types, primary and secondary data. Primary data is collected by observing and interviewing the business owner. Also, this research will conduct forum group discussion to strengthen the research credibility. While the secondary data is collected by studying literatures such as business journals, publication articles, and reference books that has information related to this research. Moreover, secondary data is also gathered from company's documents e.g. pictures, videos, data, and etc. After collecting data, researcher will obtain a general sense of the information to reflect on overall meaning. Detail analysis will begin in coding process. Coding is the process of organizing the material into chunks or segments of text before bringing meaning to information. In other words, coding is the process of classifying a section in text or other data items (images, data, etc.) Finding and identifying concepts and examining

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connections between them. The coding process will be used to generate descriptions of people and categories to make descriptions. Finally, the researcher will make interpretations of all data and analyze them to formulate business solutions that are proposed as conclusions, recommendations and implementation plans for this research. In addition, the questions below are fraction of several theories that have been reviewed in the conceptual framework.

Table 1 Interview Question

VP Canvas
1. Which reason that attract you the most for opening this business? Pull or Push Strategy? 2. What are gain relievers o counter your customer pain on your products?
Marketing Mix
1. What is the specialty of your product? E.g. taste, packaging, etc. 2. What is price range of your product? Any pricing strategy? 3. What kind of promotion that you have applied on your business? 4. Is it necessary for all food industry player to have an offline store?
Five Porter's Forces Model
1. What is your opinion about those new businesses that play with small capital but have more income than your business? 2. What is your strategy to bring back customer? 3. What is your opinion of people mindset of trying through open access media, especially in cooking? 4. What is your opinion about market price instability? 5. What is your biggest fear about your business on the market these days?
Benchmarking
1. Any strategy that you use on your business for the inventory of the ingredients? 2. How much employee do you have? Does the employee welfare is important? 3. What is your specialty on the product design/packaging? 4. What is your opinion of doing business with partner?
Forum Group Discussion
1. What is your thought about Healthy Culinary Industry in Indonesia?

FINDINGS AND ARGUMENT

Porter's Generic Compettitive Strategy

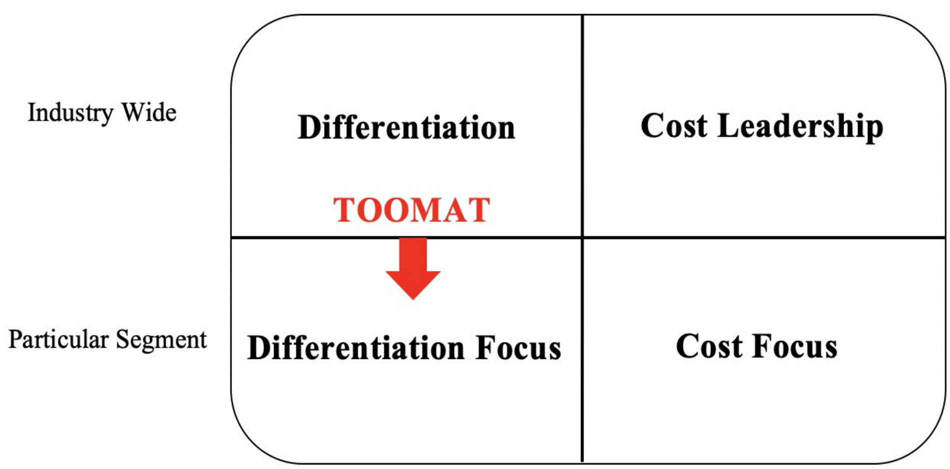

Figure 4. Toomat Generic Competitive Strategy

Toomat shall move the strategy to differentiation focus strategy. The differentiation focus concentrates on specific customer segment, product lines, or particular geographic market. One target segment must be identified, either the buyer with unusual needs or the production and distribution systems that serve a different market than other competitors.

Proposed Business Model

The existing Toomat's business model is generated using Business Model Canvas based on the interview with the expert. Based

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on the result of conducted analysis using various tools, such as SWOT analysis, TOWS matrix, and Porter's Generic Strategies, there are some blocks in the existing business model that can be enriched and leveraged. The new proposed business model is to a Toomat to be strong enough to penetrate in Food and Beverages industry. The information in yellow labels are the existing Toomat Business Model, while information in green labels are related with the new proposed and additional elements for all customer segments. The overall proposed new enhanced nine blocks in Business Model Canvas is shown below.

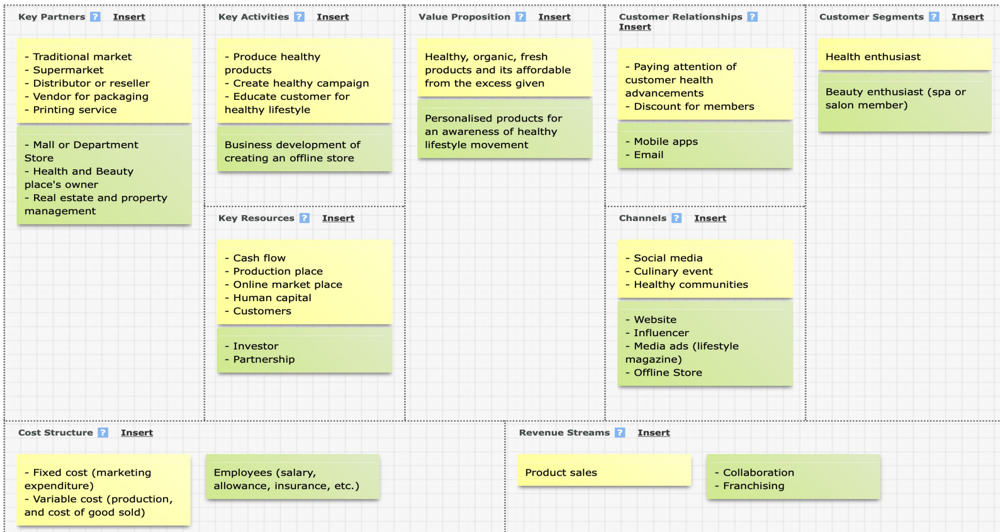

Figure 5 Toomat's Business Model Canvas

Proposed Recommended Integrated Marketing Communication Strategy

From qualitative research and alternatives strategy in earlier description, researcher proposed to use three variables of Integrated Marketing Communication. The proposed variables are;

a. Advertisement in online media, the result of the interview with the expert was directing Toomat to provide ads on social media especially on Instagram since Toomat started its business through this platform. Through this platform, it helps to spread local even broader exposure. Toomat can use display ads that offer healthy campaign, promotion and product information.
b. Sales promotion, most of the expert use sales promotion tools to draw a stronger and quicker buyer response, including short run effects such as highlighting product offers and boosting sagging sales.
c. Events marketing, as a F&B business that selling all the products through online, this strategy is the most efficient and effective way to bring up the brand awareness.

The propose IMC strategy begin with putting and ads online and designing communication content. Healthy campaign should always inside the marketing communication activities. The marketing communications content should implement in line with Toomat's vision and mission.

CONCLUSION

Table 5 Proposed Timeline

MARKETING ACTIVITIES	August '19	September '19	October '19	November '19	December '19	January '20	February '20	March '20	April '20	May '20	June '20	July '20
Design Communication Content												
Hire content creator												
Product video/photoshoot												
Endorsment												
Model												
Video blogger												
Social media marketing												
Instagram ads												
Digital marketing												
Creating website												

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The proposed timeline consists of several marketing activities such as designing the communication content, endorsement, social media marketing and digital marketing as seen in Table 4.1. In the end, Toomat needs to build more awareness by creating website for professional reason. Including the cost for maintain the domain and server as well adding some features for improving customer experience after consuming the products or any feedback or complaint regarding the products and services.

Table 6 Budget Estimation

MARKETING ACTIVITIES	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Price	QTY	Total Price	Price	QTY	Total Price	Price	QTY	Total Price	Price	QTY	Total Price
Design Communication Content												
Hire content creator	IDR 500.000	2	IDR 1.000.000	IDR 500.000	2	IDR 1.000.000	IDR 500.000	2	IDR 1.000.000	IDR 500.000	2	IDR 1.000.000
Product video/photoshoot	IDR 2.000.000	1	IDR 2.000.000	IDR 2.000.000	1	IDR 2.000.000	IDR 2.000.000	1	IDR 2.000.000	IDR 2.000.000	1	IDR 2.000.000
Endorsment												
Model	IDR 1.000.000	1	IDR 1.000.000				IDR 1.000.000	1	IDR 1.000.000			
Video blogger				IDR 1.000.000	1	IDR 1.000.000				IDR 1.000.000	1	IDR 1.000.000
Social media marketing												
Instagram ads	IDR 300.000	3	IDR 900.000	IDR 300.000	3	IDR 900.000	IDR 300.000	3	IDR 900.000	IDR 300.000	3	IDR 900.000
Digital marketing												
Creating website							IDR 2.000.000	3	IDR 6.000.000			
TOTAL			IDR 4.900.000			IDR 4.900.000			IDR 10.900.000			IDR 4.900.000
TOTAL BUDGET ESTIMATION												IDR 25.600.000

Budgeting may vary depending on the type of industry. Each of the company could choose between affordable method, percentage of sales method, competitive parity method, or objective and task method in establishing their budget. The proposed solution will help company to use marketing budget wisely. The plans are tentative and flexible depend on the available budget. The marketing activities will follow the company revenue every quarter.

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