

MARKETING STRATEGY OF BUSINESS TO BUSINESS FOR ZEIN PRODUCT

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Abstract

Muslim fashion demand in Indonesia has increased from 2010 to 2015. As one Muslim brand Zein Product focus to meet the demand of Muslim men. The number of competitors from other Muslim brand makes Zein has sales are still low. For that Zein need to create a new strategy to be able to increase its sales. On the one hand, Zein has the demand for uniform Muslims from offices and schools. Muslim uniform became one Zein opportunities to increase sales of the company sales. This study aims to find out the characteristics and make recommendations that focus on marketing strategies to gain market business to business uniform for Muslims in offices and schools. By knowing the character and needs of the target market will be in getting the right strategy to be able to get into the business to business market. The method used to obtain information and market needs is to do an interview for the 10 respondents companies and schools in Jakarta and Bandung. The resulting analysis concluded that characteristics of Muslim-style uniform B2B market is that every year companies and schools require uniforms Muslim. Making uniform did earlier in the year for the company and for the mid-year school, the person who makes the decision making uniform is head of a company or manager of the company. MOU and the feedback is very important to cooperate in production. Marketing strategy recommendations that must be done to get a Muslim-style uniform B2B market is servise, quality, and price. To servise start from the proposal deals, good communication during the production process, and after service production. For product quality, the vendor must have the qualities product control division to check the manufacture of uniforms to order. Prices should be made as low as possible due to the school uniform will be resold to students. and they will compare with other vendors. and for the company's production rates are not issues that are important quality of goods and servise.

Keywords: Characteristics, Recommendation marketing strategy, Business to Business, Muslim-style uniform, Company and School.

Introduction

Now, fashion is one of important to every people. Not only for women but also for a man. Development man fashion is same with women are fastest and changes every time. These changes due to growing needs for man activity like working and daily life. Both working and daily activities men fashion need to support appearance looks good. There

are more than 1000 fashion brands in the world (Based on Fashion United, 2016). The brands deliver to be more fun and edgy without leaving the elegant concept of men suits. In 2016 Global apparel market fashion is valued at 3 trillion dollar or 2% of World's Gross Domestic Product (Based on data Fashion United, 2016)

Indonesian has estimated population of over 249,9 million people (based on data Badan Pusat Statistik 2015) and is the world's fourth most populous country. The man population more than women population with ratio 101:100. The man population 128, 1 million people. Developing e-commerce in Indonesia make customers easier to buying fashion with the marketplace online. It makes customers faster to get and buying new fashion.

In the most Muslim population in the world (qran.org, 2016), Indonesia has a new target market from fashion. There is Muslim fashion. Different with another fashion Muslim fashion has a diverse motif, style, and function. The motif usually plain or has a border and the style is simple, natural, and religious. The function is not only to support daily life or working but also to praying.

Man Muslim fashion in Indonesia is growing with fast and changes every time. There is because Muslim fashion not only uses in a religious day but also in daily life. Usually fashion Muslim uses in Friday at school, office, and government. Based on government conducted Muslim fashion must be used in Friday at Muslim glory day.

However, an event with high needs of Man Muslim fashion product there are still problems being faced by people who needs it. Now the Muslim man fashion product still very little. The brand very limited and people hard to choose the good product from many options. The design and model relative same.

Some people said that good quality of Muslim menswear are expensive, and cheap product usually have a bad material. They are usually rough or east rip apart. On another hand, Muslim Menswear with nice, good material are often expensive and are way over-budget for people with low to a middle-class income. The challenge now is how to make a good quality Muslim Menswear with affordable price, and also easy to create a multi – purpose men Muslim fashion. The Company and School Muslim use uniform to working activity. Based on Data Pusat Statistik in Jakarta and Bandung have 990 Company and Islamic School uses uniform Muslim. For that, the opportunity of B2B Muslim market is a big and not many competitor who running in this market. It can be the opportunity of Zein Product to raise B2B Muslim Mark

Zein is product fashion that focuses on making Muslim Menswear. Established in November 2015 with two founder Tasiun and Muhammad Supriyanto Zein focus to deliver good quality product, simple and modern Menswear with affordable prices. The customers of Zein product is an individual customer (employee office) and Company & School (Business to Business Market) who uses Muslim Menswear in working day (Toserba Slamet, Toserba Alfath, Islamic School,) Difference with another brand Zein does not use screen printing and many borders on a shirt. The pricing of the product is one hundred thousand rupiah until two hundred fifty thousand rupiahs. The pricing focus to raise middle to low customers.

The material product uses unique design and motif. So, it's looking more simple and modern. The strength of the brand is the quality of material and many colors. That make customers have many options to choose.

The focus product is selling a shirt with option long sleeve and short sleeve. The model of the product is body fit with different size S until XXL. The product focus to deliver man employees who use Muslim uniform on Friday. Usually, the company has a requirement to uses Muslim uniform on Friday. For that, the employees must buy menswear to complete the requirement.

The strategy to selling the product is used direct marketing and online marketing. For direct marketing is to build partner company to deliver and selling the product. And for online marketing is to create Instagram, line@, and Facebook page to raise more customers in another segment. The target market of the brand is man employees who work in the company that uses Muslim shirt on Friday. And man who needs Menswear with different material, design, and simple & modern concept.

The development of the brand is good enough with positive growth. The total product selling the show in the graphic bellow The increasing of the product for December until March is maximal because the promotion of the product is clear and focus on customers. In April more decrease because the stock of the product is a limit and must to production. And then in Mei, June, July the sales of the product is increasing again because in June is the biggest Muslim day. And August is decreased because must be production and September and October more increase to selling the product. And for Business to Business market, Zein product has a ten Company and School partners who make ordering Muslim uniform every year. The Company and School partners make an order because to the employee and student requirement. And it can be increasing sales of Zein product.

Problem

The Demand of Business and Business (B2B) market Muslim in Indonesia is very much, but the brand who run in the business is still little, the segment needs a brand with a deliver good quality product and services that can deliver the good product to Company and School need. For the problem above, Zain Brands will focus deliver Muslim uniform production to Company and School with simple & modern design, good material and quality product and also affordable prices. The brand needs a recommendation strategy to raise more B2B customers and have a differentiation with another competitor.

Research Objective

The research objective of the final project is to provide increasing sales company with raise a Business to Business Muslim uniform market.

To desire the objective we need to:

1. Identify and understand our customer's characteristics of Muslim uniform market.
2. Provide recommendation strategy to raise B2B Muslim uniform market.

Research Questions

The research questions of the final project are:

1. What are a customer's characteristics of Muslim uniform market?
2. What is a recommendation strategy to raise B2B Muslim uniform market?

Research Limitation

The limitation for the research is a focus to know about the characteristics of B2B Muslim uniform market and the recommendation to raise B2B Muslim uniform market. The respondents focus in Company and School that uses Muslim uniform in Jakarta and Bandung. The research was conducted in October until December 2016.

Theoretical Foundation

Principles of Marketing

'Marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large.' (American Marketing Association, 2007)

Marketing mix

Marketing mix is originating from the single P (price) of microeconomic theory (Chong, 2003). McCarthy (1964) offered the "marketing mix", often referred to as the "4Ps", as a means of translating marketing planning into practice (Bennett, 1997). Marketing mix is not a scientific theory, but merely a conceptual framework that identifies three principal decision making managers make in configuring their offerings to suit consumers' needs. The tools can be used to develop both long-term strategies and short-term tactical programmes (Palmer, 2004).

Marketing Mix is a crucial tool that is often used to determine a target market or target demographic (potential customer). This tool is used by organizations or companies to effectively market their products or services. It consists of four Ps: product, price, promotion, place (distribution). However, the concept of 7 Ps marketing mix is expanded into seven P's to clarify some points that are missed when the relevant product is a non-physical good. The additional three are physical evidence, people, and process.

Customers buying behavior

To ensure the consumers to buy a product is a complex task as many factors can affect their buying decisions. Hence, manufacturers need to implement strategies in order to encourage consumers buying their products instead of their competitors'. (Darley, W.K, 27, 2010). There is a set process which can help us to settle that problem, though. The process is consisted of 5 steps; Problem or need recognition -> Information search -> Evaluation of options -> Purchase decision -> Post purchase. (Peter, 121, 1999)

Problem or need recognition

The buying process starts with need recognition. The buyer recognizes a problem or need. The need can be triggered by internal stimuli when one of the person's normal needs. For example, hunger or thirst—rises to a level high enough to become a drive. A need can also be triggered by external stimuli. (Kotler, 152, 2015)

Business buying behavior

Business buyers are subject to many influences when they make their buying decisions. Most B-to-B marketers recognize that emotion plays an important role in business buying decisions. The Business buying behavior have a 4 process there is an Environment factor -organizational factor – organizational factor – and interpersonal factor. (Kotler, 174, 2012)

The business buyer process

Problem Recognition

The buying process begins when someone in the company recognizes a problem or need that can be met by acquiring a specific product or service. Problem recognition can result from internal or external stimuli. Internally, the company may decide to launch a new

product that requires new production equipment and materials. Or a machine may break down and need new parts. Perhaps a purchasing manager is unhappy with a current supplier's product quality, service, or prices. (Kotler, 177, 2012)

General Need Description

Having recognized a need, the buyer next prepares a general need description that describes the characteristics and quantity of the needed item. For standard items, this process presents few problems.

Product Specification

The buying organization next develops the item's technical product specifications, often with the help of a value analysis engineering team. Product value analysis is an approach to cost reduction in which components are studied carefully to determine if they can be redesigned, standardized, or made by less costly methods of production.

Supplier Search

The buyer now conducts a supplier search to find the best vendors. The buyer can compile a small list of qualified suppliers by reviewing trade directories, doing computer searches, or phoning other companies for recommendations.

Proposal Solicitation

In the proposal solicitation stage of the business buying process, the buyer invites qualified suppliers to submit proposals. In response, some suppliers will send only a catalog or a salesperson.

Supplier Selection

The members of the buying center now review the proposals and select a supplier or suppliers. During supplier selection, the buying center often will draw up a list of the desired supplier attributes and their relative importance. Such attributes include product and service quality, reputation, on-time delivery, ethical corporate behavior, honest communication, and competitive prices.

Order-Routine Specification

The buyer now prepares an order-routine specification. It includes the final order with the chosen supplier or suppliers and lists items such as technical specifications, quantity needed, expected delivery time, return policies, and warranties.

Performance Review

In this stage, the buyer reviews supplier performance. The buyer may contact users and ask them to rate their satisfaction. The performance review may lead the buyer to continue, modify, or drop the arrangement. The seller's job is to monitor the same factors used by the buyer to make sure that the seller is giving the expected satisfaction.

Macro and Micro Environment

Market environment refers to all factors that affect the relationship between consumers and a firm. There are 2 levels of the environment: macro environment and microenvironment.

Macro Environment

It is important to realise that the enterprise operates within a wider macro-environment, in which variables directly or indirectly influence the enterprise and its market environment. The enterprise cannot always control these variables and they must be continually evaluated to ensure that potential opportunities or threats are correctly identified. (Enis, Ben M. (1980)

The Macro environment is caused by a large society and affects the ability of a firm to serve its customers. Demography, economy, nature, technology, political/legal, and culture are included as the concepts of the macro environment.

Micro Environment

The micro-environment of an enterprise refers to all the activities that are executed by that enterprise. An enterprise must perform diverse activities in order to function properly and to attain the profit objectives that have been decided on. (Ferber, Robert (ed.) (1974))

The Microenvironment is the business itself, it is close to the company and affect the ability of a firm to serve its customers. It includes its suppliers, marketing intermediaries, customer markets, and public.

Industrial Market Segmentation.

Taking the Wind & Cardozo model, Bonoma & Shapiro extended this into a multi-step approach in 1984. As the application of all the criteria recommended by Wind and Cardozo and subsequent scholars who expanded upon their two-stage theory became increasingly difficult due to the complexity of modern businesses, Bonoma and Shapiro suggest that the same / similar criteria be applied in multi-process manner to allow flexibility to marketers in selecting or avoiding the criteria as suited to their businesses. "They proposed the use of the following five general segmentation criteria which they arranged in a nested hierarchy:

1. Demographics: industry, company size, customer location
2. Operating variables: company technology, product/brand use status, customer capabilities.
3. Purchasing approaches: purchasing function, power structure, nature of existing relationships, purchasing policies, purchasing criteria.
4. Situational factors: urgency of order, product application, size of order
5. Buyers' personal characteristics: buyer- seller similarity, attitude toward risk, loyalty.

The idea was that the marketers would move from the outer nest toward the inner, using as many nests as necessary". (Kalafatis & Cheston, 1997). As a result, this model has become one of the most adapted in the market, rivalling the Wind & Cardozo model head-on. One of the problems with the nested approach "is that there is no clear-cut distinction between purchasing approaches, situational factors and demographics". Bonoma and Shapiro are aware of these overlaps and argue that the nested approach is intended to be used flexibly with a good deal of managerial judgment" (Webster, 2003).

Research Methodology

The research was conducted in order to understand the behavior of target market. It was conducted from October 17th to December 10th (eight weeks). The total participants of the research were six company and four schools in Jakarta and Bandung. With Interviews two each people every company and school. The respondents of interview is people who has responsibility to make a deal production. They is a head office and manager from company and school.

From the research, the aimed to get as many as possible information related to our product and target market. The information varies from their daily needs and uses the product, such as the uniform production type currently use; the important of uniform; the price; people who responsibility to make a deal production. How company finds the vendor, the company finding for vendor production, and the process of deal production. To get the correct question the researcher doing interview prior to the sample of one companies and schools in Bandung. The interview results will later be processed into questions to be asked about the company and the school to find out, the characteristics and the correct marketing strategy for the B2B market. The theory used in interview based on The Business Buyer behavior, The Business Buyer Process, and Marketing Mix.

Data collection method

In order to collect data, qualitative methods are applied. To collect the qualitative data, interviews were distributed to 20 employees in 10 different company and school partner. The Company located in Jakarta and Bandung. And 18 questions represent their needs and characteristic. The question are is attached at the back of this final project.

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Defining the problem

Defining problem of Zein product, Zein was running business in one year, but the product still not have a good increasing sales, and the competitor like Shafira and Elzatta have a good domination brand to deliver Muslim product to customer, for building the strongest brand Zein product need more time, costs and the result for this can be impacted to company in two until three years after. So the Zein product need different Muslim market customer to increasing sales for company

Developing an approach to the problem

Zein product has an opportunity to raise new market segment. In the Business to Business (B2B) Muslim uniform market, the other competitor like Shafia and Elzatta does not raise the B2B market. They just focus in to deliver to the customer. For that Zein product has many opportunities to raise B2B Muslim market to produce Muslim uniform with partnering with Muslim school and company. So, Zein product needs a recommendation strategy to raise B2B Muslim uniform market.

Formulating a research design

After knowing about the problem, Zein needs a recommendation strategy to raise B2B Muslim uniform production. The formulating a research design need to help easier make a research, for that Zein product need to make a Interviews for Islamic school and Company partner to know more specific B2B Muslim market need and behavior to choosing vendor production. For Interview used theory based on The Business buying

Process, The Business Buying behavior and Marketing Mix. This is the list of questions for Interview:

Data Collection

Zein product has a 10 Company and School respondent in Jakarta and Bandung to take a data collection for the research, for interviews have an 18 question. To get the correct question the researcher do interview prior to the sample of 1 companies and schools in Bandung. The interview results will later be processed into questions to be asked about the company and the school to find out, the characteristics and to make provide recommendation marketing strategy for the B2B Muslim uniform market. The collecting data conduct doing in six weeks from October until December.

Analyzing data

After the data finished to collecting, data need to make analyzing, for data collecting B2B Muslim uniform market the researcher know that the important for company and school uses Muslim uniform in working activity. The people who responsibility to make a decision producing, the factor to choosing a vendor, the process selection vendor, the quantity ordering, time producing in the company, and to get partnering company production.

Conduct conclusion and recommendation

After finishing the analyzing data the researcher make a conclusion and recommendation for the company and provide recommendation strategy to help company increasing sales and to raise B2B Muslim uniform market.

Result and Discussion

The research aims to know about characteristics of the B2B Muslim- style uniform market. The conclusion starts with the summary of chapter one until four.

Conclusion

Identify and understand B2B Muslim- style uniform market has several characteristics. Islamic schools and companies using Muslim- style uniform at least once a week. Uniform is important for schools and companies for symbol and differentiation. Using the uniform is mandatory for all employees and students in the company or school. Therefore each year they make new uniforms to meet those needs.

Schools and the Company has a time difference of uniform production. For schools produced in the June. The company produced in the new year, or close to the day of Eid. Time to create a uniform influenced by the needs of each company. For the production of school uniforms made for the needs of new students and are sold back to the students. For the company created for the branding of the company. Muslim- style uniform design of the school is always the same every year for the provision of school. And for the uniform design company may be the same or different because of the decision of the manager or head of company.

People who decide policy on school uniforms is the principal or head of the foundation. And for the company usually is the head office and production manager. The way they were looking for vendor production is to contact the old vendor. or by searching for a new production site. After that will be selected to choose the best production. There are some important things into consideration in the selection of the production of the first is the quality of the resulting uniform. The second is the production of uniform prices for

making the uniform number with the amount of the company's many schools tend to prefer lower prices to reduce costs in the company. and the third is the service of the production site covers ways of working and communication links and also the timeliness of production.

In the production of uniform, the MOU should be made to explain the details of cooperation and regulation uniform production. MOU prepared by companies and schools which will then be discussed by the place of production to reach a mutual agreement. For the price of one single uniform that is priced 80 thousand to 300 thousand adapted to the materials and design are made. And for the number one production of about 300 pcs up to 2000 pcs.

After uniformly finished in the production of the company and the school will provide feedback to the production site. Feedback question can be input and suggestions for further production. If there is a defect uniform then a need to replace production with new uniforms in accordance with the agreement in the MOU.

Usually, the school and the company already has vendor production that cooperate with them. They have more confidence to use the same production site because it already has a good service. If there is a new poduction who want to offer cooperation manufacture of uniforms they have to come directly to companies and schools and offers a proposal that would like to put forward. The relationship between the production site and the school /company is something that is important to note to get the cooperation of production. And get to know the person who took the decision to make the production process becomes easier cooperation.

Provide recommendation strategy to raise B2B Market. The important to B2B market is service approach, quality, and price. Service is an important factor to obtain the B2B market starting from the initial point of production should make service standards set forth in the company. Service should be focused is the manufacturing of interesting proposals as to choose a vendor company will look first from the vendor, when it comes to the company by offering proposals, communication vendor should be properly informed about production deals. During the production process vendor should be able to provide information about the production process clearly to company. And maintain good communication with the company. And also after sales after the completion of production.

In the quest of the B2B market where production will reach a production of known and worked with them in advance of the search for the others. To that place of production should come directly and introduce them to the marketplace of production to make them more known and be the one that would be recommended for production cooperation. Furthermore, by doing a good relationship with the market. Can be done in a way to communicate with the telephone or come directly to the place of production. And can establish a good relationship with the people who make decisions in manufacturing production as the principal and manager of the company. Upgrading to any feedback given by the market. And used directly in the production process.

The quality of uniforms is made very early market influenced the decision to choose the place of production. For quality product thirst vendor has a quality control division (QC) to be able to check the quality of goods in accordance with the request of the company. Where production will have to go to maintain uniform quality resulting from sample to

start the process of making the production process is completed. If the market gets a uniform quality of convenient then every year will be made in the same production.

Price determination strategy is essential to the production site. In the search market production site will compare the prices with other prices. For prices vendor must have a different strategy for schools and companies. For a school to be cheaper because the school will re-sell to new students and the profits from the sale would be a boon school. For company's prices not too important but quality product sold must comply with the request and timely. This is important because the market made uniform in significant amounts. Therefore, the lower price will be selected by the market to reduce the cost of making uniform.

Recommendation

Business to Business Market has many opportunities to focus producing uniform company and school Muslim in Bandung and Jakarta. With focus strategy in direct marketing and good service. Zein product can be increasing sales and make a sustained business ordering. Based on data analysis Company and School have a three-factor to choosing vendor production first is the quality product, second is prices and third service. And to make a good relation with Company and School partner. Zein must Implement the three factor in a business is:

1. Zein must have quality control division production to make sure a standard uniform production.
2. The different pricing strategy for school and company to raise B2B Muslim- style uniform market.
3. Service should always be repaired any time and continue to be improved. Use direct marketing approach that corresponds to the type of market and establishes communication with people who have a responsibility to do the same work as production director and manager of the company and the school.

Future Research

For future research, can be conducted should be more spesific on B2B school or B2B company. The aim of the future research is to give more effective strategy to B2B Muslim- style uniform market. Also later the future research is to make a comparison the B2B strategy with the different approach that makes a strategy more specific. So, the people who make a strategy B2B that can start from zero but can get information and learn from other previous research.

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