

Conference Paper

Service Marketing Mix Strategy Analysis for CV Ebenhaezer Berkat Langgeng

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Abstract

CV Ebenhaezer Berkat Langgeng (CV EBL) is a trading company and a formulator of a water-based adhesive that is used for woodworking, paper, and several other fields. CV EBL was established by Ir Purjono Wibisono in 2001. There was a decline in CV EBL's profits due to the decline in economic conditions in Indonesia. Therefore, the researchers conducted this study to analyze the service marketing mix for CV EBL. This research used qualitative methods including in-depth interviews and information documentation. Every aspect of the marketing mix service had an important role in the trading company, but not all aspects of the 7P in-depth were effectively and efficiently implemented.

Keywords: Marketing Strategy, Service Marketing Strategy, 7P, Trading, Formulator, Surabaya Indonesia

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1. Introduction

In 2018, there were quite a lot of unexpected and various events in Indonesia. Government policies shook the economy in Indonesia quite a lot. However, policy is not a factor in Indonesia's unstable economic condition. This is also influenced by the rapidly increasing global economic conditions. Although according to the government the Indonesian economy is improving, the current field conditions for business people and market conditions are declining. This is proven based on the company's sales conditions and is supported by the opinions of customers.

The high USD value and volatile changes in the dollar exchange rate have contributed to weakening purchasing power in Indonesia. This has led to price competition as a major factor in the pricing marketing mix. CV. EBL is used as the object of research. CV. EBL is a trading company engaged in water based adhesives or white glue. CV. Ebenhaezer Berkat Langgeng company established by Ir. Purjono Wibisono in 2001, and has a market area coverage from East Java to East Indonesia. Researchers use CV.

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EBL is a research reference for the reason that CV. EBL experienced a decline in sales in 2018, and 2019 by 35% compared to 2017, based on the company's internal data source.

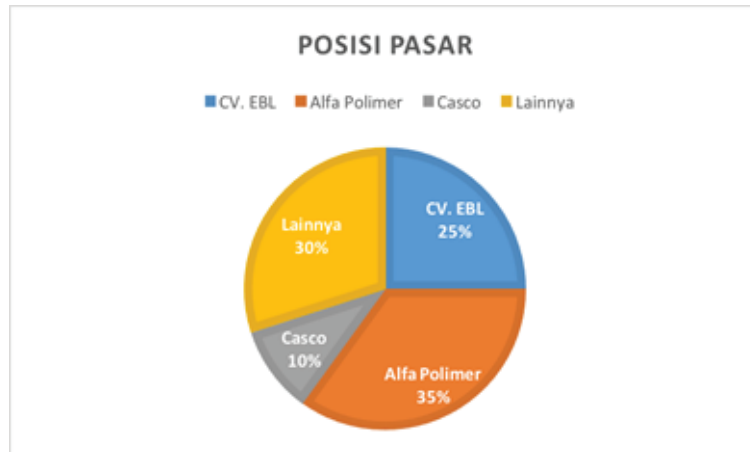


Figure 1: CV Market Position. EBL and Competitors (Source: Internal data company)

In the Graph 1 of market position above, explains the market position of CV. EBL in East Java. CV. EBL Position, according to the company's internal data, is still far from its competitors, namely Alfa polymer. This industry is like promoting a strategy with a war on prices to get and keep customers, because the fact is that many customers prioritize price over service. Based on this problem, the researcher conducted a study entitled "SERVICE MARKETING MIX STRATEGY ANALYSIS FOR CV. EBENHAEZER BERK LANGGENG".

2. Literature Riview

2.1. Marketing

The concept covers a wide range of activities which are all included in the marketing marketing system. It is very important to release the growth boost. The purpose of marketing and its processes is to meet consumer needs and wants. Marketing is an important component in creating and building a business. Due to the more competitive nature of the market business environment, it has evolved from a sales market to a buyer's market. The world is not limited to business in any way, and relationships between individuals or between humans either by itself or the process of action itself (Kotler, 2012). Kevin Weed and said that meeting him, I saw human needs and about identity and social development. One is about defining the shorter itself as meeting the needs of success. "(Kotler, 2012).

According to Andrew Whaley, marketing promotion and advertising are often mistaken for flashy terms. And it is more than that. In this absurd sense, advertising and promotion is the most basic way for humans to deal with it. Writes Andrew Whaley, which by itself has three tiers would result in a higher order. First, that's it. This is not a job in itself. But here's how to make a business. There is a process by which the company wants to sell, what, when and how it does it. The second step is a marketing strategy. The second layer is about market segmentation, defining and defining your target customers for suggestions in related letters, and room names.

Third, with regard to the acting itself which occurs almost every day, from the work itself. This process includes controlling the marketing mix and creating a company that will help the company's products and services deliver customers (Whalley, 2012).

2.2. The 7P marketing mix

The 7P marketing mix is a combination of seven elements or parts, which is called the 7P and a modification of the 4P marketing mix. The 7P Marketing Mix consists of product, place, price, promotion, people, process, and physical evidence. Each company has the option to add, subtract, or modify to create a marketing strategy (Londre, 2017). The following is a marketing implementation written by Kotler, which is expected to produce a better marketing strategy, and not only enable long-term financial performance, but also environmental improvements (Warrink, 2015).

1. Product

Product can be defined as to satisfied necessity and need, include physical goods, service good, idea, products, organization, and information. (Greg, Mark, 2011).

2. Place

Ketler and Armstrong said that place is activities that companies produce products for target consumers (Kotler, Armstrong, 2012).

3. Price

Price is everything that must be paid by consumer in exchange for products (Grewal, Levy, 2011).

4. Promotion

Promotion is the design and dissemination of persuasive communication about a product to attract consumers (Tjiptono, 2015).

5. Process

The process of service is the way in which the service is delivered to the end customer (Shah, 2012)

6. People

People are becoming an important factor in the service industry because the people who activating interaction service processes (Shah, 2012)

7. Physical Evidence

Oesman said, the physical evidence is an environment where the service is delivered and the place where companies and customers interact and physical components, performance and communication facilities (Oesman, 2010).

2.3. Effective and Efficient

According to Peter F. Drucker, the meaning of effective is doing the job properly and the understanding of being efficient is doing the job right. The definition of effective is the achievement of predetermined targets on time by using the allocated resources for the benefit of carrying out certain activities. Effectiveness can be concluded that the activities carried out by an organization for the implementation of activities are carried out in the organization so that the implementation of activities can be realized based on predetermined conditions so as to get good results. (Sule & Saefullah, 2010).

3. Research Methods

3.1. Research Design

This research uses a quasi qualitative method. Qualitative research is very effective in obtaining culturally specific information about the values, opinions, behavior and social context of a particular populations. The strength of qualitative research is its ability to provide complex textual descriptions of how people experience a given research issue. It provides information about the human side of an issue (Edward, Holland, 2013).

The main reason why researchers use qualitative methods with interviews is to obtain deeper and more detailed about the company's issue like detailed about marketing and service marketing mix strategy in company.

3.2. Research Object and Research Subjects

The research group is a member of the community, or at least not all of the studies that will study this case (Sekaran, Uma et al., 2013). Several research variables contradict the research and conclusions (Sugiyono, 2013).

Topics in this study, and what they are Table 1 Divided into several topics. The first type is the owner of a trading company, the client varies according to the type of clothing. EBL Surabaya in the third set for Marketing Experts.

With reference to the selection criteria described in Table 1 In all respects this criterion must be of utmost importance.

TABLE 1: Resources Criteria

	Criteria
Trading company owner	The company has been established for more than 10 years. As a company of PT / CV Companies in Surabaya
Customer	Wood working or paper based companies Become a customer of CV. EBL more than 5 years Lower middle class to upper middle class Companies in Surabaya
Marketing Expert	Expert in marketing. Or has experience in marketing over 15 years and already has own company.

Source: Processed Data

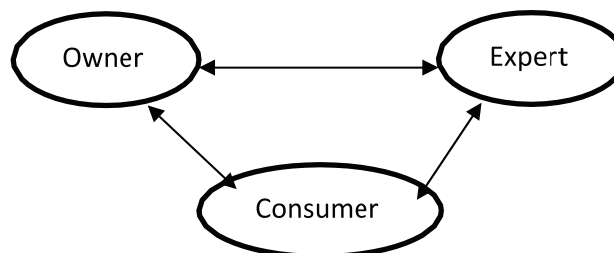


Figure 2: Triangulation of Sources (Source: Sugiyono (2010))

3.3. Data Collection Method

This research is using two data collection methods, which are face to face interview and documentation as secondary data. Face to face interview has a distinct advantage of enabling the researcher to establish rapport with potential participants and gain their cooperation. This interview yield highest response rates in survey research. They also allow the researcher to clarify ambiguous answer and when appropriate, seek follow up information. Disadvantages include impractical when large samples are involved,

time consuming, expensive in terms of training the interviewer to minimize bias, and geographical limitations.

In this research, the researcher would use interview as the primary data and documentation as the secondary data. This research is using semi structural interview. This type of interview has advantage because semi structural interview is recommended when the researcher has developed enough of an understanding of a setting and the topic of interest to have a clear agenda for the discussion.

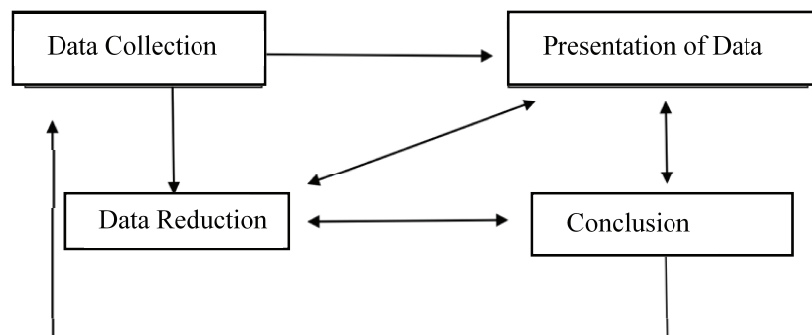


Figure 3: Data Analysis Component (Source: Miles dan Huberman (1992))

4. Data Analysis and Marketing Strategy

4.1. Data Analysis

1. Product

Purjono Wibisono as CEO of CV. EBL said that he must know what the market and customers want before determining what products to sell and the products being sold cannot be equalized because customers have different desires. Yohanes Putra as the owner of the company CV. SSK said, in the aspect of the sample product provided to customers, it must be the same and stable as the product being sold. There are two aspects that need to be considered for the products being sold, namely product quality and product stability.

2. Place

In determining the price in the trading sector, there is no fixed selling price. CV. EBL has a different selling price for each customer but still has a lower price limit or indicator. Mr Yohanes said that the strategy not to play in the price competition is to focus on the negotiation process and emotional closeness with customers. Price competition cannot be the main strategy in competition. In determining the

price, it is important to look at the customer. In this field, the selling price cannot be equated, but there must still be a selling price limit.

3. Price

The place strategy does not have a big effect on CV. EBL because customers do not take the product directly, but CV. EBL that delivers to customers. Mr Yohanes also added that the demographic location is a focus that should be considered in order to facilitate delivery. An influential place in the business, but not a business-like position that requires customers to search for.

4. Promotion

Promotion can be carried out in many ways, but Pak Purjono said it is not effective to promote through the media. Pak Yohanes revealed the strategy that was implemented into CV. SSK, namely word of mouth and company recommendations, is the most effective way. He added that he had tried promotion through social media and actors, but it was not effective in Indonesia.

In the field of trading, visual promotion is less effective to do. Promotion in the area of adhesives will be effective if done through giving gifts and a personal approach to customers.

5. People

Mr Purjono applies a family system for employees of CV. EBL, but not only kinship, but Mr Purjono also applies honesty to every employee. Mrs Elsa gave a statement which proved that Mr Purjono's strategy was applicable to employees that employees of CV. EBL has good ethics and is polite.

Mr Yohanes has the same opinion that it is important to instill loyalty, honesty and ethics to employees. However, this was obtained by Mr Yohanes after several failures in maintaining employee loyalty. Four things that must be given to human resources to achieve success in managing human resources, namely honesty, loyalty, politeness, and responsibility.

6. Process

In this business sector, the process has an important role, from the approach process, the selling process, the delivery process, to the after sales process. CV. EBL implements a process strategy into a very important strategy, which is always available to deliver products whenever needed. CV. EBL provides services in the form of regular visits if there are things you want to question in the production process. The process of running a trading business is very important starting from

the approach to prospective customers, the sales process, the delivery process, even after sale service.

7. Physical Evidence

Mr Purjono said that it is important for CV. EBL to have a good track record, because this field has related connections between business fields. Supported by Mr Yohanes who said that the product must be stable and the examples given must be the same as the product being sold, and technical data plays an important role. A good track record is a determinant of customer continue buying. In this field, customers are willing not to change suppliers even though the price is cheaper than taking unwanted risks.

4.2. Marketing Strategy

1. Product

In the water based adhesive trading industry, there are two aspects that need to be considered, namely product quality and product stability. Product quality and product stability, which are product attributes, determine the customer to buy the company's products. Products sold cannot be equalized because customers have different desires and current market conditions, customers tend to look for cheap but usable products.

2. Place

Price is everything that must be paid by consumers in exchange for a product (Grewal, Levy, 2011). The price to pay is the tool used to purchase a product or service. Determining the price, it is important to approach the customer. Internal and external factors must be taken into account in setting prices. In the field of water based adhesive, the selling price of each customer does not have to be the same, but there must be a selling price limit. In the field of trading, the selling price can be different for each customer but has a lower price limit or indicator and compares with competitors' prices. The difference in selling price depends on the negotiating strategy with the customer. Price competition cannot be the main strategy in competing even though competitors use price competition strategies in competing.

3. Price

Ketler and Armstrong said placement is an activity by which companies produce products for target consumers (Kotler, Armstrong, 2012). Placement refers to the

location where available products and services can be sold or purchased. The placement of elements also consists of physical channels and cooperation channels (Shah, 2012). Strategies in distribution at the distribution target setting stage need to be taken into account. Places are influential but not like a business that requires customers to approach the place of business but distribution channels that need to be taken into account. Demography is the main focus of the place strategy in order to facilitate distribution channels. Customers are satisfied with the fast distribution.

4. Promotion

Promotion is a variety of strategies and ideas applied by marketers to encourage end users to be aware of the brand (Shah, 2012). Promotion can be done through many things, but in the field of trading, promotion through the media will be less effective. Sales promotion that offers products intensively in order to reduce the purchases and sales that need to be done. Conducting promotions directly to customers by giving bonuses or good service can affect customer purchasing power and continue buying customers.

5. People

People become an important factor in the service industry because of the people who activate the service interaction process (Shah, 2012). Four things must be given and instilled in employees to achieve success, namely, honesty, loyalty, politeness and responsibility. Implementing a family system for employees can affect performance and employees can have a sense of belonging to the company. Ethics and employee behavior towards customers can affect customer satisfaction.

6. Process

Service process is the way in which the service is delivered to the end customer (Shah, 2012). The process of running a water based adhesive trading business is very important starting from the approach to prospective customers, the sales process, the delivery process, and to the after sales service process. Customers will feel satisfied if they are given a good service process such as regular visits, actively asking about the company's development or if there are problems.

7. Physical Evidence

Physical evidence is the last element of the marketing function for the achievement of organizational goals (Shah, 2012). Service organizations with competing service products can use physical evidence to differentiate their service products in the

market and give their service products a competitive advantage. (Balaji, 2016). A good track record is a determinant of customer continue buying. In this field, customers are willing not to change suppliers even though the price is cheaper than taking unwanted risks. Having a good track record is very important because in the water based adhesive business, connections and reputation in the marketplace are interrelated.

4.3. Managerial Implication

The managerial implication will be explained in Table 2

TABLE 2: Managerial Implication

No.		Before	After
1	Product	CV. EBL has a selling product that prioritizes quality. CV. EBL sells products from low prices to prices that have good quality.	CV. EBL must maintain the quality of the products it sells. With this research, CV. EBL can add even higher quality products to answer the needs of all customers.
2	Price	CV. EBL sometimes still follows price competition by competitors.	CV. EBL can approach negotiation strategies and provide more services, in order to avoid price competition strategies.
3	Place	CV. EBL has a strategic place. The distribution channel that is owned is very profitable in the sales area of CV. EBL.	CV. EBL needs to think about a strategic place in the future development of the company.
4	Promotion	CV. EBL does not carry out promotions other than providing services to customers.media.	In future business development, especially when CV. EBL is looking towards retail, more promotions are needed.
5	People	CV. EBL instills honesty, loyalty and responsibility for employees and has a family system.	It needs to be maintained in the success that has been achieved by CV. EBL which has been able to maintain good human resources.
6	Process	CV. EBL has a process strategy that satisfies customers. Marketing process, negotiation, to after sales service.	CV. EBL needs to maintain stability in the process, especially when it is passed down to the next generation.
7	Physical Evidence	CV. EBL has physical evidence up to product samples only.	CV. EBL needs to have more physical evidence, such as images and even websites to make it easier for customers to get CV information. EBL.

Source: Reseacher Data

5. Conclusion

5.1. Conclusion

Marketing strategy is important to run a business, in service, trading, or manufacture business. 7P which stands for product, place, price, promotion, process, people, and physical evidence, are important factors in marketing strategy. Each component of 7P is connected to each other and one component will support another component. If one of the components cannot be used to increase the sale, the companies will try to increase the sale by using other 7Ps' component. In the water based adhesive trading industry, all aspects of the service marketing mix play an important role for the company. In order to achieve the target the company has, it is necessary to adapt the service marketing mix strategies in theory to the reality of the company's conditions and the existing field. Not all strategies can be effectively and efficiently implemented in a water based adhesive trading company. Strategies for the growth of CV. EBL needs to be improved, especially in the aspects of product, promotion, people, process, and physical evidence.

5.2. Suggestion

The strategy to make a personal approach process needs to be done by CV. EBL for the sake of increasing sales. To retain customers to make repeat purchases, CV. EBL must be able to maintain the quality of products sold to customers and maintain good relationships with customers. By building good relationships with customers, purchases will still be made by customers.

Suggestions for the next researcher can do research whether the service marketing mix can be implemented in an adhesive manufacturing company and examine the service marketing mix point of view for trading companies that have different fields from water based adhesives.

6. Research Limitation

Research limitations are time and interviews with informants are limited by distance and time. Researchers have limitations in understanding the research methods which include data analysis, data sources, and data collection techniques. Researchers have limitations in the knowledge of good and correct final project writing, and have done their best.

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