

Conference Paper

Application of 'KISS' Principle on Marketing Mix Strategy (Firmax3 Product through Network Marketing in Indonesia): Case Study

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Abstract

The *KISS Principle* was first applied by the US Navy Organization in 1960. Now a days, the principle is also applied in various business organizations. The KISS (Keep It Simple Stupid) principle states that most systems work best if they are kept simple rather than made complicated; therefore, simplicity should be a key goal in design, and unnecessary complexity should be avoided. This study used descriptive qualitative methods, and the type of data in this study is divided into two parts: (1) Primary data that is obtained from the respondents through questionnaires, focus groups and panels, or data from interviews with researchers. (2) Secondary data is RF3 World, where it supports the research in the form of financial statement, profile and history of the company, and the structure of the organization. RF3 World applied KISS Principle and showed initial success through Network Marketing of FIRMAX3. The KISS Principle is applied to Marketing Mix Strategy, that is, *Simple and Unique Product, Place Simple to Find Through Duplication, Simple and Low Promotion Cost Through Testimonial, Simple Price Strategy and Stupid People*, all the strategy adopted by company is a customer-centric strategy.

Keywords: Kiss Principle, marketing mix, network marketing, customer-centric strategy

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1. Introduction

Many businessmen and marketers succeeded in applying the principle of 'KISS' (Keep It Simple, Stupid) which originally applied in U.S. NAVY organization. **KISS** is an acronym for '**Keep it simple, stupid**' as a design principle noted by the U.S. Navy in 1960. The KISS principle states that most systems work best if they are kept simple rather than made complicated; therefore simplicity should be a key goal in design and unnecessary complexity should be avoided. The phrase has been associated with aircraft

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engineer Kelly Johnson (1910–1990). The term ‘KISS principle’ was in popular use by 1970.

The acronym was reportedly coined by Kelly Johnson, lead engineer at the Lockheed Skunk Works (creators of the Lockheed U-2 and SR-71 Blackbird spy planes, among many others). While popular usage has transcribed it for decades as ‘Keep it simple, stupid’, Johnson transcribed it as ‘Keep it simple stupid’ (no comma), and this reading is still used by many authors. There was no implicit meaning that an engineer was stupid; just the opposite.

Main idea of ‘KISS’ principle asserts that all systems will work best if they are kept simple rather than made complicated. A simple approach will always provide the best solution and generate optimal result. Therefore simplicity always becomes the purpose in a design or planning whereas complexity should be avoided.

Nowadays, marketing has an important role in a company in which there has been a change in a business environment that drives the company should always adapt the strategy. This strategy is used in order that the condition of a company will be better in meeting the customer satisfaction. Every marketing requires a program or marketing plan to carry out its activities in order to achieve goals determined by the company. The marketing program consists of amount of decisions about the mixed marketing tool and better known as the marketing mix. Marketing mix is also a policy used in the company to be able to market its products and achieve profits, this journal will describe ‘*How marketing strategy is applied by using KISS principles*’.

Firmax3 is a product originally launched in Malaysia using the on line marketing system. The owner then turned the sales strategy to network marketing system in line with the widespread market of Firmax3 in Malaysia. FIRMAL3 which had been previously marketed in several ASEAN countries, such as: Malaysia, Singapore, Brunei, Thailand and India with a vision of Become the Biggest Networking Company in Asia Pacific.

Firmax3 was founded through the company RF3World by its founder, Nazeri Omar, a man with the great vision and simple thought. Firmax3 has proven tremendous sales figures for Indonesian market by applying the principle of ‘KISS’ over its marketing strategy with network marketing and customer-centric strategy, means that all the marketing activities should refer to Customer Convenience.

Following is the Firmax3 sales data in Indonesia in 2016.

Total sales during 2016 is Rp 62.227.753.401 (*sixty two billion two hundred twenty seven million seven hundred fifty three thousand four hundred one rupiah*). Monthly average sale is about 5 billion rupiah. This sales figure is small if we compare with the

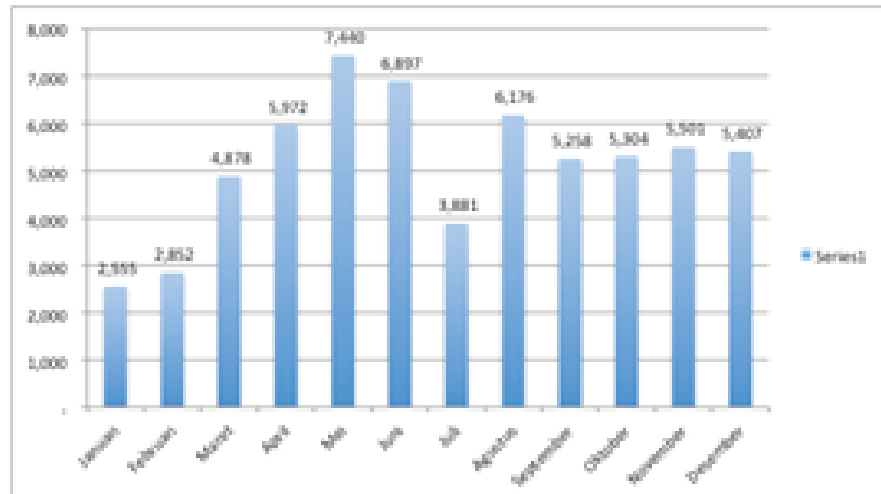


Figure 1: FIRMAX3 sales data of 2016 (in millions).

sales of other large MLM companies. However, it can be classified as an early success for the sales in the second year. Opportunities to become the largest networking company in Indonesia are still wide open.

2. Research Methodology

The researchers in this study used descriptive qualitative methods. According to Lodico, Spaulding, and Voegtler, the qualitative research, also called interpretive research or field research is a methodology borrowed from the disciplines such as sociology and anthropology then adapted into educational settings. Qualitative researchers use inductive reasoning methods and strongly believe that there are many perspectives to be expressed. Qualitative research focuses on social phenomena and on voting of the feeling and perception of participants under study. It is based on the belief that knowledge is generated from social settings and that the understanding of social knowledge is a legitimate scientific process (Emzir, 2014: 2). Where researcher will record, process, present, interpret and analyze data to provide an overview of how the 'KISS' (Keep It Simple Stupid) Implementation of the 7Ps Marketing Strategy through the Firmax3 Product Network Marketing in Indonesia.

3. Object of Research

Object of research in this study is the application of 'KISS' (*Keep It Simple, Stupid*) Principle on Marketing Mix Strategy on Firmax3 Product through Network Marketing.

4. Type of Data

Type of data in this study is divided into 2 parts, namely:

4.1. Primary data

According to Sujarweni (2014: 73-74), primary data is the data obtained from respondents through questionnaires, focus groups, and panels, or data from interviews with researchers. The obtained data from this primary data should be processed again. Data sources directly provide data to data collector. Primary data were taken from RF3World in this study.

4.2. Secondary data

According to Sujarweni (2014: 74), Secondary Data is data obtained from notes, books, and magazines in the form of financial statements of corporate publications, government reports, articles, theory books, magazines, and so on. Data obtained from this secondary data no need to be processed anymore. Data sources indirectly provide data to data collector. Model of research using secondary data is RF3World where it supports the research in the form of financial statement, profile and history of company, structure of organization.

5. Application of 'KISS' (Keep It Simple, Stupid) Principle

RF3World is optimistic to contend in the Indonesian Market by marketing its superior product, FIRMAX3, a unique health product that is quite booming in some previous ASEAN countries. Business Strategy chosen by RF3 World: 1. Always keeps off complexity and upholds simplicity by applying the principle of KISS (Keep it Simple, Stupid), a principle used by US NAVY since 1960. The KISS Principle is applied to Marketing Mix Strategy, that is, *Simple and Unique Product, Place Simple to Find Through Duplication, Simple and Low Promotion Cost through Testimonial, Simple Price Strategy, Stupid People* 2. All the strategy adopted by company is a customer-centric strategy.

5.1. Simple and unique product

According to Sumarni and Soeprihanto (2010: 274), "product is anything that can be offered in the market to get attention, demand, usage or consumption which can meet the wants or needs". Products are not only always in the form of goods but can also be service or combination of the both (goods and service).

In this case, Firmax3 Product can be called as anti-aging CREAM, Skin Lightening CREAM, CREAM For Health, Multipurpose CREAM, which works in a very unique way and provides unexpected benefits (*Magic Cream*). Firmax3 is formulated by using NANO technology which means the particle of used ingredients was manipulated into '*Supremely Small*' so that when it is applied on the skin, it directly seeps into the blood circulation and instantly provides the unexpected benefits for health and beauty. The clogged blood circulation will lead to diseases such as premature aging and other diseases, and this cream can accelerate blood circulation.

One of KISS Principles is to create a simple product although the technology in its manufacturing was very complicated. By using NANO technology from Switzerland, 12 basic ingredients consisting of vitamin B5, vitamin E, *pegagan* (*centella asiatica*), apple, vitamin B3, *tongkat ali/pasak bumi* (*eurycoma longifolia*), *manjakani* (*quercus infectoria*), vitamin A, collagen, aloe vera, wild yam (*dioscorea villosa*) and soy bean extract. Firmax3 was produced as a perfect hormone stabilizer, made in the form of cream that can stabilize metabolism, become antioxidants and accelerate blood circulation.

Consumers of Firmax3 come with various problems of health, beauty, aging, stroke, impotence, tremors, diabetes and more. One that makes this product is quite booming is testimony of the various beneficiaries on the efficacy of the product. The use of the product is quite simple that is only applied on the points of the pulse of the body 2 times a day. It is a cream so that It can used by everyone who in healthy condition, even by coma patient. Just take a little cream on your finger then apply at radial pulse.

5.2. Simple and low-cost promotion through testimonial

According Tjiptono (2008: 219), promotion is essentially a form of marketing communication. In addition, definition of marketing communication is the entire marketing activity to disseminate information, influence/persuade, and/or remind the target market about the company and its products in order to be willing to accept, buy and be devoted to the products offered by the concerned company.

According to Ziva The basis of the communication mix of companies operating on the MLM system is a direct (personal) contact with consumers compared to traditional companies, which mostly use mass communication and mass media. In the case of surveyed companies mass communication mainly represents TV commercials, print and outdoor advertising. However, this does not exclude the use of other forms of marketing communications for both types of companies and communication mix of a company, whether traditional or MLM, is derived from its objectives.

5.2.1. Testimonials

The most effective ways of free promotion is using the testimonial of the consumers themselves. Firmax3 product is a health and beauty product. Consumers who have ever got benefits of the product will happily testify because they want to share their good experience to others. Quickly these testimonials spread through the Social Media especially.

5.2.2. Word of mouth publicity

Another important thing in promotion is the excellence of product, the effectiveness of 'Word of Mouth Publicity' makes news spread quickly and captures customers doubly.

By testimonial through Duplication system, company is not required to spend a large cost because every member will actively compete to promote the product and increase the sales. Company is only required to allocate about 2-3% of monthly sales for promotion cost on average.

5.3. Place, simple to find through duplication

Philip Kotler defined distribution as: *"The various the company undertakes to make the product accessible and available to target customer"*. Place is all activities conducted by the company to make its products to be available to target consumers and easy to obtain. Distribution has a very important role to help the company to familiarize its products. It is because the purpose of the distribution is providing goods and services by which consumers need and want at the right time and place.

Firmax3 sold by network marketing as one form of Direct Selling strategy. Estonian Direct Selling Association mentioned that Direct Selling is the marketing of consumer goods and services directly to consumers on a person-to-person basis, generally in

their homes or the homes of others, at their workplace and other places away from permanent retail locations. Direct selling offers customers the opportunity to see, test and judge a product at their leisure in their own homes or among friends. All goods are delivered directly to the customer. It is especially useful for consumers in rural areas and small towns, making available goods and services not provided through outlets in the area.

With simple strategy: Recruit, Training and Develop can create the more members join in with the company and the wider distribution channel of Firmax3 product will be. There have been available more than 100 mobile stockists and 10 District Stockists and 4400 members spread all over Indonesia in 2016. Each member is also a distributor of the product directly. The head office in Jakarta serves all large orders and as well as retails.

Company does not need to invest overwhelming funds to create outlets to market Firmax3 because the district and mobile stockists open outlets by themselves with their respective ability, and number of mobile and district stockist will increase every month continuously.

Corporate networking systems can involve parties as many as possible to sell products whenever and wherever, furthermore, the existence of social medias, various communication channels, and increasingly sophisticated logistic companies has simplified the ordering and shipping of products and goods to consumers across Indonesia.

5.4. Simple price strategy: Healthy is priceless

Healthy is Priceless, Firmax3 was produced as a perfect hormone stabilizer, made in the form of cream that can stabilize metabolism, become antioxidants and accelerate blood circulation. Firmax3 can prevent and also cure various problems of health, beauty, aging, stroke, impotence, tremors, diabetes and more. When compared with the various treatments and medicines of diseases caused by hormones and blood circulation, Rp. 750.000,- for each product considered inexpensive.

There are 2 difference price for the product: 1. For retail (non-member) is Rp. 750.000,- and 2. For member is Rp. 500.000,- this scheme stimulate consumer to join become member.

5.5. Stupid people

According to Philip Kottler, *People are the process of selection, training, and motivating employees who can later be empowered as a company differentiation in meeting customer satisfaction*. Management of RF3 opens opportunities for anyone to join the company. No special requirement to join the company, the only one requirement is 'Being Stupid'. Stupid here does not mean foolish, dumb, or brainless. Stupid here is a formula which is needed so that every member who becomes a marketer can change, evolve, and transform to be a creative and innovative future marketer. Stupid Marketer is a person who continuously wants to learn, developing, and not easily satisfied because of assuming himself as a fool (Sandi Wahyudi, et al.: 2014).

The company's continuity with network marketing system is highly dependent on all leaders and members as they are the marketers who spearhead the company. Here is the formula of Stupid Marketer applied by the company to the Marketers.

TABLE 1: The difference between conventional and stupid marketer.

Conventional Marketer	Stupid Marketer
Exclusive and Quickly Satisfied: always busy in making the marketing strategies without paying attention to current needs	Inclusive and continuously learning: well understood that the change of trend and technology is happening so fast that it keeps learning new things.
Managerial: work based on SOP, fear to make a breakthrough	Entrepreneurial: put innovation forward in every way.
Exploitative: focus on increasing profits by lowering marketing costs	Explorative: look for market opportunities that have not been explored so far, no fear to risk.
Transactional: focus on increasing turnover	Relational: the main purpose is not to sell but establish long-term relationships with consumers

Table 1 is the difference between conventional marketer and stupid marketer (Sandi Wahyudi, et al.: 2014). Formula of the stupid marketer is always applied in all training held by the leaders. Firmax3 is a health and beauty product that requires relationship among sellers, where long-term relationships with consumers should be maintained as marketers should monitor results or progress after using the product and able to provide explanations with detail.

For training, company always holds the training every week where the speakers are leaders and doctors who explain how Firmax3 works against various health complaints and also about marketing strategies to become a successful marketer.

Supported by an existing system at the company, anyone can become a successful marketer, as evidenced by the appearance of new leaders from various backgrounds even with low levels of education. Employees who support to operate the business of the company are also not recruited with certain educational requirements except for financial section. Mostly the employees are only high school graduates but recruitment focuses on the characteristics and attitudes of learning that are in each employee.

6. Conclusion

The term 'KISS principle' was in popular use by 1970. Kiss Principle states that all systems will work best if they are kept simple rather than made complicated. A simple approach will always provide the best solution and generate optimal result.

Firmax3 as the featured product of RF3 World has proven tremendous sales figures for Indonesian market by applying the principle of 'KISS' over its marketing strategy with network marketing and customer-centric strategy, means that all the marketing activities should refer to Customer Convenience.

RF3World always keeps off complexity and upholds simplicity by applying the principle of KISS (Keep it Simple, Stupid), to Marketing Mix Strategy, that is, Product, Place, Promotion, Price and People.

Simple and Unique Product, Firmax3 was produced as a perfect hormone stabilizer, made in the form of cream that can stabilize metabolism, become antioxidants and accelerate blood circulation. It can used by everyone who in healthy condition, even by coma patient. Just take a little cream on your finger then apply at radial pulse.

Firmax3 is very simple to find, to make customer convenience, the product sold through Network Marketing so that customer can get the product anywhere and any-time from the members, through duplication the members are growing fast and they become distributor for Firmax3. Simple and Low Promotion Cost through Testimonial means company doesn't spend high budget on Promotion because word of mouth message of testimonial spreads quickly.

Almost people realizes that health is priceless, the medicine or treatment mostly more expensive especially for diseases caused by abnormal hormones and blood circulation. Firmax3 product proposed lower budget to maintain health.

Management of RF3 opens opportunities for anyone to join the company. No special requirement to join the company, the only one requirement is '*Being Stupid*'. Stupid here is a formula which is needed so that every member who becomes a marketer can change, evolve, and transform to be a creative and innovative future marketer.

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