

Analysis of PT. XYZ Mask Business Development Strategy during the COVID-19 Pandemic

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Abstract : *PT.XYZ is a household electronic product marketing company that diversifies into medical device products, one of which is a medical mask product which is the object of this research. The purpose of this research is to analyse production challenges, marketing strategies, and marketing challenges. The research method used is descriptive qualitative with interview techniques to 5 PT.XYZ employees and 3 PT.XYZ mask users, which are processed using SWOT Analysis, STP, and Marketing Mix. The results of this study stated that PT. XYZ focuses on digital marketing to be able to increase brand awareness of its medical mask products, but the results of this study state that digital marketing is not effective and Word of Mouth is found to be effective in building company brand awareness.*

1 INTRODUCTION

At the end of 2019, the World Health Organization (WHO) received information that a new case of pneumonia occurred in the city of Wuhan, Hubei Province (Jaya, 2020). The new pneumonia case is a COVID-19 virus infection. The existence of the COVID-19 virus has caused market conditions in various industries in countries to decline, as well as all export-import activities being hampered. In March, 2020 Mr. Joko Widodo as the President of Indonesia announced the first case of the COVID-19 virus in Indonesia. Two Indonesian citizens were confirmed positive for COVID-19 (CNN Indonesia, 2020).

Because of the COVID-19 virus that spreads in Indonesia, President Joko Widodo was forced to impose new policy during the pandemic, i.e., PP No. 21 of 2020 concerning Large-Scale Social Restrictions with the aim and purpose of limiting the movement of people and requiring people not to leave their homes if there is no urgent need. This policy makes the Indonesian economy has experienced a very drastic decline in 2020, this was caused by the COVID-19 pandemic which made all industrial sectors in Indonesia be unable to operate optimally.

PT. XYZ is one of the companies that have experienced the impact of the economic downturn during the COVID-19 pandemic. Sales of goods in the electronics industry also experienced a significant decline. Finally, the company took action to do a diversification because of the high demand of the health mask caused by the COVID-19 virus. PT. XYZ, which initially marketed products in the household electronics industry, then reorganized its business strategy and diversified selling medical equipment such as medical masks, air purifiers, to sterilizer boxes. At the beginning, the price marketed by PT. XYZ was still competitive against other brand medical masks. But over time, many medical masks are sold at cheaper prices, both in pharmacy and e-commerce stores. The price of the PT.XYZ's mask is relatively expensive in the market because it is put under single packaging and the materials used are premium and certified, resulting in big issues for PT. XYZ due to many people still don't pay attention and care about the quality of masks, coupled with the number of fake masks circulated in the market at this time.

To do the diversification, PT. XYZ needs to prepare the strategy in marketing for its new product, the marketing strategy becomes the focus and is important to research in this study because the SWOT, STP and Marketing Mix program

play an important role for companies in carrying out product marketing activities (Han & Kang, 2020). The marketing strategy is evaluated from two factors, namely external and internal factors of the company. Besides, digital technology can also be a way for companies to market their products and adapt to the pandemic situation.

However, as this research progresses, on Tuesday 17 May 2022 at a press conference at the Bogor Palace Mr. Joko Widodo as the President of the Republic of Indonesia announced several easing of regulations related to the COVID-19 pandemic in Indonesia, one of them is the easing of the policy related to the use of masks. Therefore, to be able to compete in the health industry and maintain its health product business after the COVID-19 pandemic, PT. XYZ must design the most feasible marketing strategy by considering the changing demand after the pandemic or post pandemic time.

In conclusion, this study was conducted with the following objectives:

1. To find out the internal condition of PT. XYZ when facing the COVID-19 pandemic.
2. To know the external conditions of PT. XYZ when facing the COVID-19 pandemic.
3. To provide the right recommendation strategy for the implementation of the marketing strategy of PT. XYZ on medical mask products.
4. To analyze the challenges faced by PT. XYZ in marketing medical mask products.

2 LITERATURE REVIEW

Marketing Strategy

According to Kotler (2012), a marketing strategy lays out target markets and the value proposition that will be offered based on an analysis of the best market opportunities, which is built on segmentation, targeting, and positioning. Market segmentation involves dividing a market into distinct groups of buyers who have different needs, characteristics, or behaviours and who might require separate marketing strategies or mixes. The company identifies different ways to segment the market and develops profiles of the resulting market segments. Market targeting (or targeting) consists of evaluating each market segment's attractiveness and selecting one or more market segments to enter. In the final two steps, the company decides on a value proposition—how it will create value for target customers. Differentiation involves actually differentiating the firm's market offering to create superior customer value. Positioning consists of arranging for a market offering to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers. As a comparison, Aaker (2005) defined marketing strategy as an over-riding directional concept that sets out the planned path. Another important note from Cacciolatti (2016), marketing strategy leverages the combination of resources and capabilities within an organization to achieve a competitive advantage and thus enhances firm performance.

Marketing Mix

Kotler (2018) defines marketing mix as the set of tactical marketing tools—product, price, place, and promotion—that the firm blends to produce the response it wants in the target market. The marketing variables under each P are shown in Figure 1.

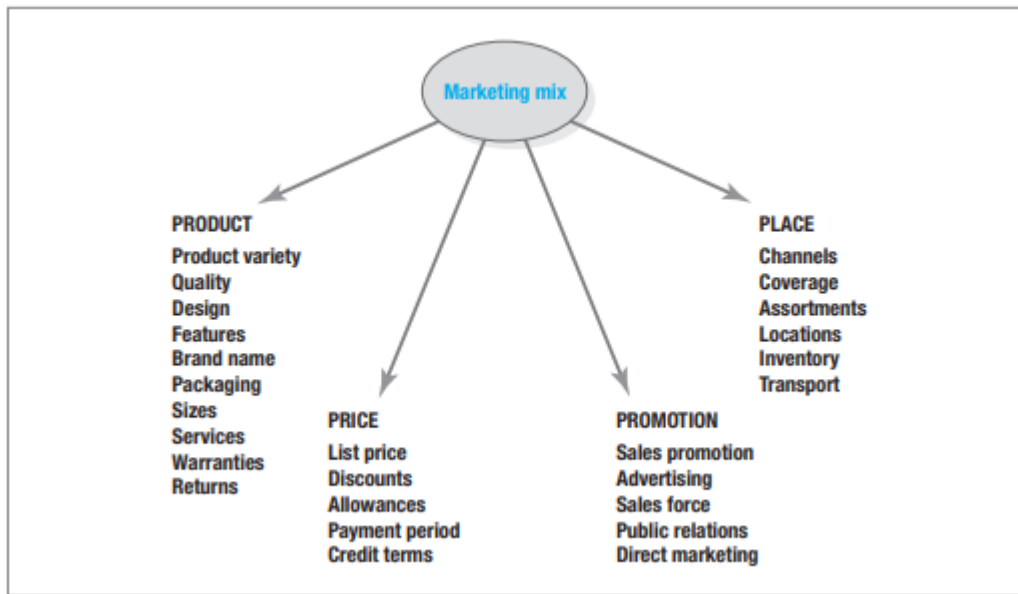


Figure 1. The Four P Components of the Marketing Mix

SWOT Analysis

According to Jackson (2003), SWOT analysis is a classical strategic planning instrument. By using the framework of strengths and weaknesses and external opportunities and threats, this instrument provides a simple way to estimate the best way to implement a strategy. This instrument helps the planners of what is usually achieved, and what things should be considered by them. Strengths include internal capabilities, resources, and positive situational factors that may help the company serve its customers and achieve its objectives. Weaknesses include internal limitations and negative situational factors that may interfere with the company's performance. Opportunities are favourable factors or trends in the external environment that the company may be able to exploit to its advantage. And, threats are unfavourable external factors or trends that may present challenges to performance.

3 RESEARCH METHOD

3.1. Research Design

In this study, researchers conducted descriptive research that can assist researchers in analysing the application of marketing strategies used by PT. XYZ on medical device products. Descriptive research is research that seeks to describe a symptom, an event that is happening now or an actual problem.

Table 1. Research Design Table

Research Purpose	Research Method	<i>Time Horizon</i>
T1	Descriptive – Study Case	<i>Cross Sectional</i>
T2	Descriptive – Study Case	<i>Cross Sectional</i>

T3	Descriptive – Study Case	<i>Cross Sectional</i>
T4	Descriptive – Study Case	<i>Cross Sectional</i>

Source: Researcher

Description:

T1 = To find out the internal condition of PT. XYZ when facing the COVID-19 pandemic

T2 = To find out the external condition of PT. XYZ when facing the COVID-19 pandemic

T3 = To provide the right recommendation strategy for implementing PT.XYZ's marketing strategy on medical mask products

T4 = To analyze the challenges faced by PT. XYZ in marketing medical mask products

3.2. Data collection techniques

Data collection techniques are the most strategic step in research. The technique used by researchers in collecting data in this study is interviews.

3.3. Interview

Interview is a meeting of two people or more that aims to exchange information through the question-and-answer method, so as to produce answers to a particular research topic. Researchers did the interview with 2 sides of the party which is related to the company, from both internal and external parties, 5 people from internal party and 3 people from external party who are the users of the PT. XYZ's mask.

4 FINDINGS AND DISCUSSION

4.1. Practical Implications

Based on the results of interviews in this study, the practical implications of this study are:

- Preparing short-term and long-term strategies for the sale of mask products and swiftly prepare plan A and plan B if the government totally frees up the use of masks. Due to the fact that the number of cases of the COVID-19 pandemic has been sloping and the government is slowly easing policies related to the COVID-19 pandemic.
- Conducting sales promotions such as flash sales, buy 2 get 1 promos or when purchasing or also make medical masks as giveaway prizes on social media so that the 3-layer mask products can be better known to the public. To be able to increase brand awareness in the community because PT. XYZ is better known for its electronic products compared to health products.
- Conducting a specific training to achieve effective digital marketing result in the field of medical devices. The PT. XYZ digital marketing team can also re-analyze the Key Opinion Leaders (KOLs) used and adjust the target segment of the followers, to ensure that the KOLs used are in accordance with the targets mapped by PT. XYZ. PT.XYZ's digital marketing strategy is still not effective and this is proven after conducting interviews with 3 PT.XYZ medical mask users as all of them admitted that they knew PT.XYZ's medical mask products from friends' recommendations, not from ads run or KOLs.
- Re-conducting market research to understand the current consumption pattern of society. Based on the insights gathered, PT. XYZ is expected to be able to reposition its products in the market which follow the current trends and demand as consumption patterns often change according to trends in needs, fashion, etc. so that PT. XYZ can penetrate the market for its health products in the future.

4.2. Theoretical Implications

Based on the results of interviews in this study, the theoretical implications of this study are:

- a. The business development strategy used by PT. XYZ in maintaining its company during the pandemic is to use an off matrix as a measuring tool for the company when it wants to do business development and the position of PT.XYZ at that time was diversification.
- b. The marketing strategy used by PT. XYZ to market its medical mask products includes SWOT, segmentation, targeting and positioning, and marketing mix. Besides, PT. XYZ also uses digital technology which includes digital marketing to create brand awareness of its medical mask products and sales through e-commerce media in order to keep up with the times that are currently in the digital era.
- c. The researcher concludes that PT. XYZ medical mask users know PT. XYZ's medical mask products from their friends' recommendations, not from advertisements run by PT. XYZ, which indicates that the marketing strategy through digital marketing media that runs in PT.XYZ is still not effective.
- d. The results of this study state that the threat of PT. XYZ to its medical mask products is in the condition of the company's external environment. If there is a change from the government's policy regarding the release of masks later, the demand for masks will decrease.

5 CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions

From the results of the evaluation conducted at PT. XYZ, researchers can draw several conclusions, including;

- a. From the results of the interview, we found that PT. XYZ did market research on its company when facing a situation of declining sales, and it was found that there was a shift in people's consumptive patterns towards health products, seeing this PT. XYZ conducted market orientation to adapt and maintain the company and finally diversifying its products, which initially only sold household electronic products, now PT. XYZ also sells medical device products, one of which is masks.
- b. From the interviews, it was found that PT. XYZ's marketing strategy includes SWOT, segmentation, targeting and positioning, digital marketing, and marketing communication and to build brand awareness of its products, PT. XYZ focuses its marketing on digital technology.
- c. In this study it can be concluded that the digital marketing strategy implemented by PT. XYZ is still not effective. This statement is supported by the results of interviews with 3 sources who use PT. XYZ masks, all of them admitted that they knew PT. XYZ masks based on recommendations from friends (word of mouth) not the result of the impact of KOL or advertisements posted on Google or Instagram. However, the marketing done by PT. XYZ on the e-commerce platform has been effective.
- d. From the results of interviews with mask users, PT. XYZ found several challenges in marketing their products, including the presence of competitors who market products with similar quality but cheaper prices and if in the future the pandemic case decreases and the government frees the use of masks for those who use masks. the community, then this will have an impact on the volume of PT.XYZ's mask demand.

5.2. Recommendations

In this section, the researchers give recommendations to PT. XYZ, especially in the digital marketing and sales section

- a. To increase brand awareness of its current mask products, PT. XYZ researchers have several suggestions for PT. XYZ such as holding promotions on their social media (Giveaway Games), giving "Goodie Bags" at big events such as PRJ which will take place on 9 June 2022 - 17 July 2022, Sponsored several events (blood donation action events, vaccines), created a simultaneous campaign with the hashtag #SehatBersamaPolytron, #IndonesiaBebasVirus, #IndonesiaSehat #supportindonesiasehat or can make public advertisements
- b. The product specialist team will need to routinely create, report Ads and presentations to analyze market conditions and competitors.
- c. PT. XYZ can divide KOL into several sub categories based on their respective classifications in order to get a wider target coverage. For example; PT. XYZ can use Nex Carlos as food influencer, Tiara

- Pangestika and Molita Lin as beauty vloggers (for adult and kids category masks), Titan Tyra and Nanda Arsyinta as beauty and fashion influencers, & dr. Tirta and dr. Clarin Hayes as health influencers, when then spread the segment into several KOL quantities such as nano-KOL, micro-KOL, and macro-KOL.
- d. PT.XYZ can make mask products have many color variants, and the motifs to make masks as a daily lifestyle. During the post-pandemic period, the use of masks will change its benefits from health needs to become part of fashion. Then, it's also important for PT. XYZ to optimize the transition of raw materials from imported to local in order to adjust prices in order to be accepted by more people.
 - e. When the demand for PT. XYZ's mask products has decreased, PT. XYZ can make its medical mask products as a bridge for PT. XYZ to do marketing on other health products in order to create brand awareness of its health products.

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