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Implementation Marketing Mix Strategy for Local Minimarket Facing on National Chain Store: Case PT Noor Halal Minimarket

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The increasing business of the national minimarket companies such as local retail in Indonesia (Indomaret and Alfamart) owned by large companies at this time the conventional stores and local minimarkets decrease their competitiveness. Those largest minimarket companies have penetrated their stores in many cities in Indonesia with a modern store operating system, a complete variety of products and surely with the big capital, makes the national minimarkets accepted by the market and faster to open their new stores. This Competition makes the local minimarket have to face challenges with the national minimarket network. The local minimarket must have a strong analysis to win this competition and become the next national minimarket level. Thus, in this study we explore the concept of 4P (Product, Place, Price, Promotion) of the marketing mix, how to operate, where the business will go, and who should be involved in Noor halal Minimarket. This minimarket is a local market in Bogor, West Java with implemented a marketing strategy starts with analyzing the overall situation of the company. The Local minimarket must do a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) in the company as a whole seller. Besides SWOT, Segmenting, Positioning is also needed to classify the market to be targeted. Here, the SWOT analysis can be used to understand the business mechanism of the company to be a better condition and also be competitive for the company's strength and prevent threats.

Keywords: SWOT, STP, and Marketing Mix

1. INTRODUCTION

The potential business of the modern retail market based on data presented is still very prospective and will continue to grow [1, 2, 3]. The Market data shows the growth of the minimarket market share is higher than supermarkets and traditional stores [4]. In Indonesia, the growing middle class and increasingly busy life with proximity and convenience have become very important to consumers [5, 6]. They want to spend less time to reach stores especially in key cities where congestion is a major factor [7]. Small format stores continue to grow with Mini-markets +9% in 2017 to 2018 with contributing a third of total market sales [8]. At present, the competition of national minimarket networks namely *Indomaret* and *Alfamart* in residential areas throughout Indonesia are continues to show massive hegemony [9]. However, this competition does not mean the chance is closed due to opportunity for local minimarkets to build their business - with the true strategy [10]. Thus, in this study we examine the strategy of a local minimarket company namely Noor

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Halal minimarket, in conducting a strategy to establish a minimarket outlet that has proven competitiveness and a growing business prospect. Here, we use SWOT, STP, and Marketing Mix methods to analyze the minimarket business opportunities facing competition with the national minimarket network. The selection of minimarket locations in Islamic Education Institutions that have not been chosen by minimarket companies is taken through the collection of data using the SWOT, STP, and marketing mix analysis method. In the end, this article can be the minimarket business model to strengthen the local minimarket business strategy.

2. METHODOLOGY

A. SWOT Analysis

Strengths, Weaknesses, Opportunities, and Threats Analysis (SWOT) analysis is a methodology for analyzing a company from an internal and external perspective to generate strategies for the firm [11, 12]. We have identified the internal and external factors that will affect the company's future performance over the

minimarket business. The company’s strengths and weaknesses are the internal factors. Opportunities and threats deal with factors external to the company factors (see Table I).

Table I. SWOT over Noor Halal Minimarket business

SWOT			
Strength		Opportunity	
1	Sharia Capital	1	Government Regulation
2	Term payment credit from supplier	2	Economic growth
3	2000 items fast moving consumer goods	3	Demography
4	POS cloud base	4	Growth of Islamic education business
5	Distribution Center	5	Margin by product category
6	Culture and Norm Islamic	6	Islamic lifestyle
7	Relationship with Islam Education Association		
8	Reward to employee		
9	Direct suppliers or principles		
10	Grocery Pricing		
11	Vending machine		
Weakness		Threat	
1	High Cost distribution	1	exciting store inside School
2	New Brand Minimarket	2	Limited number of customers
3	Employee	3	Conflict interest in school management
4	Capital	4	Internet Access
5	Family Company		

B. Advance Analysis Competitive

To understanding market situation, we must learn important factors to make a starting point such as collecting data and information related potential number of market target in Islamic education institution in Indonesia (see table II).

Table II. Indonesian Islamic School data 2017

Province	Number of		Non Boarding	Number of Students
	Islam School	Boarding		
Aceh	1.177	123.872	51.380	175.252
Jawa Barat	8.343	147.379	307.008	454.387
Jawa Tengah	3.787	166.513	132.228	298.741
Jawa Timur	4.450	323.293	241.047	564.340
Banten	4.574	60.897	96.223	157.120
Total	22.331	821.954	827.886	1.649.840

Source: <https://ditpdpontren.kemenag.go.id/pdpp/statistik>

From Table II shows West Java has the largest number of Islamic education institution in Indonesia. Noor Halal minimarket business location in West Java, of course, increasingly making its business position more strategic.

3. RESULT AND DISCUSSION

The term STP marketing refers to the process of segmentation, targeting, and positioning. Marketers pursue this set of activities in formulating marketing strategies for their business. STP marketing also provides a strong foundation for the development of business. While no single approach can guarantee success in marketing, STP marketing should always be considered when consumers in a category have heterogeneous wants and needs.

A. Segmenting

By Segmenting the Market, firms can better understand their customers and target their marketing efforts efficiently and effectively. A market segment consists of a group of customers who share a similar set of needs and wants. The strategy of Noor halal minimarket based on SWOT analysis determines the selection of segmenting in the geographic, demographic, and psychographic approaches. They choose west java for penetration which is near the location of the Noor halal warehouse. Another thing is the selection of the age group of students is the high consumption of food (snacks) and beverage products that have a largest profit contribution. (see Table III)

Table III. Segmenting over Noor halal Minimarket

Segmenting	
Geographic	Islamic School in Bogor, West Java Age : 4-55 years old Gender : Male and Female Education : Kindergarten, Elementary, High School, University.
Demographic	Income : < IDR 1 Million – 20 million Profession : Student, Teacher, Housewife
Psicographic	Social class : Middle and High class Lifestyle : Modern and Healthy

B. Targeting

Market segment opportunities, it must decide how many and which ones to target. Targeting determines which groups a firm should try to serve and how to operate. The firm combining several variables to identify smaller, better-defined target groups. This targeting aims to make it easier to reach the segments you want to achieve and provide more satisfaction to consumers. From the results of segmentation analysis, the following are the target of Noor halal Minimarket. The targeting of Noor halal minimarket is focused in Islamic schools in the West Java region, especially around Bogor, which is a center for Islamic education according data from the Ministry of Religion of Indonesia. The number of Islamic schools in each region in West Java Province can be seen in Table II. There are schools affiliated with the biggest Islamic organizations in Indonesia such as NU and

Muhammadiyah and also those who join in other independent associations such as PULDAPII and JSIT. Noor halal minimarket found that the potential target market for minimarkets is male and women in the dominant age group aged 4-22 years old (students). The level of purchasing power also determines the selection of the location of Islamic schools inhabited by middle and upper economic class families. This amount will be the target of Noor halal minimarket (see Table IV)

Table IV. Targeting market over Noor halal Minimarket

Targeting				
Demographic			Psicographic	
Gender	Profession	Age	Social Class	Lifestyle
Male	Student, Teacher	4-55 years old	Middle and Top	Modern, Healthy
Female	Student, Teacher, Housewife	4-55 years old	Middle and Top	

C. Positioning

Positioning is a communication strategy to engage the windows of the consumer's brain so that products, brands, names or businesses are made using certain meanings. Positioning addresses how the firm's offering competes with others offerings in the targeted segment. We describe the positioning of Noor halal minimarket in this chapter (see Table IV)

Table V. Positioning Noor halal Minimarket

Position	Requirement
Target Market	Student (4-25 Years old). Teacher and housewife (23-58 Years old).
Influence Buyer	Teacher and parents of student
Brand Name	Noor halal minimarket
Frame Of Reference	The Halal minimarket
Point of Differentiation	The modern halal minimarket that focuses on operating in Islamic educational institutions and only selling halal, healthy and quality products <ul style="list-style-type: none"> • Has a strong relationship with Islamic educational associations
Competitive Advantage	<ul style="list-style-type: none"> • Pioneer of Modern halal minimarket in Islamic school • Selling high margin products and complete items

D. Marketing Mix B2C

Noor halal minimarket has been running a business to customers (B2C). It is selling goods or services to individual or group customers directly. In this paper, we

analyze the Noor halal minimarket in term of the marketing mix which consists of 4P (product, price, place, promotion). We do analyze 4P from elements of the marketing mix.

E. Product

In the analysis of product sales to customers, we use a division of five product levels that provide more value to customers. The Five Levels are the core benefits of the product, basic products, expected products, additional products and potential products (see Figure 1).

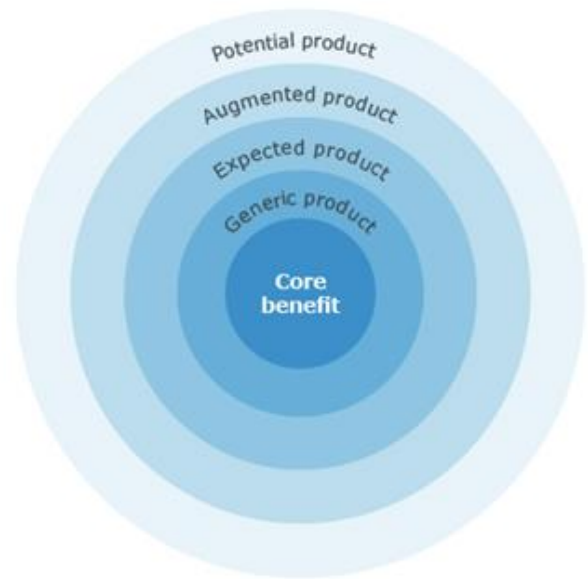


Figure 1. Five Product Levels

The five product levels of the Noor halal minimarket as follows:

- a. Core Benefit: Complete and cheap
- b. Generic Product: Halal Consumer good products
- c. Expected Product: Fast-moving brands of product
- d. Augmented Product: More product category
- e. Potential Product: New products launching regularly

A Variant product mostly are snacks and beverages. Then stationary, homecare, personal care, medicines, herbal products, and others. With the total SKU (Stock Keeping Unit) sold in Noor halal Minimarket more than 4000 types of products, the minimarket also provides services such as top-up, tokens, payment of electricity bills. Another thing is the existence of self-produced products by the Noor halal minimarket business group such as bread, snacks, soap, and shampoo which is an advantage of company.

F. Price

The company periodically compares prices on existing product categories in its competitors. Discount policies are also applied regularly for certain purchases. For example, the prices for one unit, packs, or cartons will

differ in selling prices. so that buyers can get lower prices when buying more than one unit. The amount of discount given is 10% of the unit selling price. This policy is to provide benefits for customers to increase their purchases, especially targeting the teachers and local residents. From the comparison of the purchase price of the product with the selling price in the national minimarkets, the average margin is 25% for fast-moving snacks and beverages which are the highest sales contribution at the store. From this data, the company determines the selling price by taking 20% profit.

G. Place

In this study, we choose Noor halal Minimarket as a location to get the observation data. This company located in Gandaria Cileungsi Bogor West Java 16820. It is very suitable to distribution center with adequate access to the Toll road will smoothen the distribution activities that will be carried out by the company. The location of new stores is focused on Bogor West Java, which is close to the company's distribution warehouse. West Java is also the province with the largest number of Islamic boarding schools (*pesantren*). In the *pesantren*, the minimarket chooses the most crowded location used as a gathering place for students such as near the sport field facilities.

H. Promotion

Noor halal management has made several promotional programs aimed at increasing consumer awareness and loyalty especially among students. Noor Halal Minimarket issues a membership card that will give points recorded at the cashier's POS and can be exchanged for various prices. Delivery service is also provided to make it easier for buyers to get their needs. The minimarket also rewards selected students. Every month they issue free shopping vouchers to the best students who were chosen by their teacher in each class. The minimarket provides convenience to parents for shopping for their children's needs in the school dormitory.

4. CONCLUSION

Understanding market conditions, internal and external factors are important before designing a retail store business strategy. Using SWOT as a tool to analyze strengths and weaknesses and see opportunities and threats that exist, the goal is that the strategy has a clear direction. STP for market classification is an important thing to get the target market share and product positioning. The marketing mix is also needed to discuss in detail the 4 factors involved in it. In this case, Noor halal minimarket has utilized the tools mentioned above to operate a modern minimarket business concept that has capability advantages, competitive and profitable. Thus, the Noor halal minimarket business model is expected to be a solution for local retail stores to be able to utilize the tools so that their business can grow.

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