International Journal of Research and Review
DOI: https://doi.org/10.52403/ijrr.20210936
Vol.8; Issue: 9; September 2021
Website: www.ijrrjournal.com
Research Paper E-ISSN: 2349-9788; P-ISSN: 2454-2237

Analysis of Marketing Strategy of PT. ERP as a Modern Smartphone Retailer

Izzati Aqmarina[1], Arif Imam Suroso[1], Joko Ratono[1]

[1]IPB University, School of Business, Jl. Raya Pajajaran Bogor, Indonesia

Corresponding Author: Izzati Aqmarina

ABSTRACT

In the last five years, smartphone sales have increased by an average of 2% annually. This increase is supported by the era of globalization and technology that makes smartphones become one of the needs at this time. At the level of competition between modern retail players who are very competitive, directly causing PT. ERP should carry out a strategy to increase its sales. PT. ERP as one of the retail players needs to recognize the strengths and weaknesses of the company in competition against competitors and need to recognize the opportunities and threats that exist in the market. Considering this background, the objectives of this study are: (1) Analyzing the market share of PT sales. ERP and sales volume growth rate (2) analyze internal strengths and weaknesses pt. ERP and opportunities and threats to PT. ERP (3) formulate and effective marketing strategy for PT. ERP to increase sales. This study employed the descriptive with guided group discussion, in-depth interviews and using BCG matrix anaylze and so SWOT analysis. The result showed that, PT ERP should focus on strengthening marketing materials related to the officiality of the product, as well as vigorously conducting exchange promos for outlets located in the Mall, WO strategy that can be applied is cooperation with brands related to sales training, as well as ST Strategy is to open outlets outside the Mall, while the WT strategy that can be done is strengthening the price strategy and the implementation of scheduled promotions.

Keywords: BCG, PT. ERP, Retail, Smartphone, SWOT

INTRODUCTION

In the last five years, smartphone sales have increased by an average increase of 2% annually (GfK Indonesia, 2019). This increase is supported by the era of globalization and technology that makes smartphones one of the needs at this time. In the smartphone industry in Indonesia, the number of retail players makes it easier for consumers to choose the desired product. This has an impact on competition between smartphone product retailers and makes retailers race to provide diverse products, ranging from features, price choices, and satisfactory services for their consumers. Nevertheless, the smartphone market in Indonesia has its own uniqueness that is different when compared to the market in Southeast Asia. Indonesia is one of the countries in Southeast Asia with greater dominance of traditional market channels compared to its modern market channels. Data on the distribution of smartphone sales channels in several Southeast Asian countries is as follows:

Table 1 Percentage of smartphone sales channel distribution in 7 Southeast Asian countries in 2018

Country	Smartphone sales on modern channels (%)	Smartphone sales on traditional channels (%)
Indonesian	13	87
Vietnamese	79	21
Thailand	67	33
Singapore	78	22
Malaysia	28	72
Cambodia	4	96
Myanmar	56	44

Source: GfK Indonesia, 2019.

The table shows that some countries such as Indonesia, Malaysia and Cambodia are dominant against traditional sales channels. This is a challenge for modern smartphone retailers in Indonesia to increase sales and achieve business potential in both modern and traditional channels. Smartphone sales growth in Indonesia on modern channels is 14%, as well as 3% on traditional channels (GfK Indonesia, 2019). The growth rate on modern channels is quite significantly increasing allowing modern retailers to expand market share. Coupled with the potential consumer demand for smartphones, it shows that the potential of retail players in modern channels for the smartphone industry can still grow. PT. ERP is a retail actor in smartphone equipment and gadgets with modern types of retail channels in Indonesia. At the level of competition between modern retail players who are very competitive, directly causing PT. ERP must carry out strategies to increase its sales.

The demand for smartphones continues to increase along with technological developments. The smartphone industry is a potentially large industry. Smartphone products are one of the supports of the entire total electronic product industry in Indonesia (GfK Indonesia, 2019). Considering the nature of ownership of smartphones is a self-owned item, and has a life-cycle that is relatively shorter compared to other electronic products. According to Ercan et al. (2016), smartphones used with average use have a life-cycle for three years. This encourages the wearer to make an average purchase of smartphone products every three years. In the market in Indonesia, the dominance of the traditional market for smartphones still has a much higher share compared to the modern smartphone market. This is a challenge for modern smartphone retailers in carrying out their business. This sales channel must have a product marketing strategy that can support the players in it to expand its market share. On similar sales channels with PT. ERP, PT. ERP is still relatively below its competitors.

Based on the description, the author is interested in conducting research, among others (1) How the growth rate and market share (market share) of PT. ERP (2) What are the company's internal strengths and weaknesses as well as opportunities and threats to PT. ERP (3) What marketing strategies can the company use. ERP to increase sales of Smartphone products.

LITERATURE REVIEW

Theoretical Framework

According to Vardarajan and Clark (1994), marketing strategy is still the most significant thing in the strategic management component. Marketing elements complement new value for an organization, especially for an organization or company that is in a developing stage. Marketing is one of the main activities carried out by entrepreneurs in maintaining their survival to grow and earn profits. Marketing activities, originally known as distribution activities from sales, are now widespread and include the way producers attract profits. Coverage is not enough just to produce a good product, but also how to market the product. Marketing efforts that support the success of the company are based on the right marketing concepts to determine the market strategy and marketing strategy that leads to the intended target.

Marketing Mix

According to Kotler (2000) the fusion of four basic elements that includes a company's marketing program is called the marketing mix. A marketing mix is a set of marketing tools that a company uses to achieve its marketing goals. Each company must be able to combine and coordinate the various elements of the marketing mix to implement all four components effectively. Four marketing mixes according to Kotler (2000) can be explained as follows:

1. **Product (Product)**
   These products can be objects, services, activities, people, places or ideas. In this case by making the product in such a

way, so that the product can attract the attention of consumers.

2. **Price (Price)**
   Price is one of the marketing mix that plays an important role in the progress and development of the company. In setting a price for a product, a company must consider several factors that affect the magnitude of the price, namely economic conditions, supply demand, competitors, and costs.
3. **Promotion (Promotion)**
   Promotion is a communication activity carried out by companies to disseminate product information with the intention of persuading prospective buyers, to use or consume products offered by consumers.
4. **Distribution (Place)**
   The function of distribution in the marketing mix is to bring the product to the target market. Bringing products to market requires a series of activities, the important thing of which is the sale (delivery of goods) from the manufacturer to the final comment.

Market Segmentation

According to Kotler and Armstrong (2006) the notion of market segmentation is the division of several different groups of buyers. The purpose of market grouping is to divide heterogeneous markets into homogeneous market groups. According to Sumarwan (2001) from the point of view of the manufacturer, the market is often interpreted as a portrait of consumers who will potentially and real become buyers or users of products offered by the company. Companies may view other companies that become consumers as industrial markets, while the general public becomes a market. According to Sumarwan (2011) marketers can gain views in terms of consumer attitudes by separating consumer data into smaller. Grouping is done with customers with more or less the same characteristics.

Relative market share and market growth rate

According to Sumarwan (2011) relative market share is constructed as a market share of a PT. ERPtaupun a company with the largest competitor market share. Calculated based on unit sales or total revenue. It can be interpreted that relative market share is calculated with the aim to get comparative market power.

Marketing Strategy

Tjiptono (2002) explains that marketing strategy is a fundamental tool that is planned to achieve the company by developing a continuous competitive advantage through entered markets and marketing programs used to serve that target market. According to De Wit and Meyer (2007), marketing strategies are based on several stages, namely problem identification, environmental diagnostics, internal organizational negotiations, selection of appropriate strategies, and realization of strategies. Management in each function contributes to the preparation of strategies at different levels, marketing has the most scope of contact with the external environment. Marketing is also a component that has an important role in business development. According to Kotler (2000) marketing strategy is a marketing mindset that will be used to achieve its marketing goals. A marketing strategy contains strategies specific to the target market, positioning, marketing mix and the magnitude of marketing expenditures.

SWOT analysis

According to David (2008) the entire organization has strengths and weaknesses in the functional areas of the business. No company is equally strong or weak in all areas of business. SWOT analysis is based on logic that can maximize strengths and opportunities, but can simultaneously minimize weaknesses and threats. The strategic decision-making process is always concerned with the development of the company's mission, objectives, strategies, and policies. Thus strategic planning should analyze the strategic factors of the company (strengths, weaknesses, opportunities and threats) under current conditions, this is called situation analysis. The most popular model for situation analysis is SWOT analysis.

According to David (2008) SWOT matrix is an important analytical tool to help managers develop four types of strategies, namely so (strengths-opportunities), WO strategy (weaknesses-opportunities), ST strategy (strengths-threats) and WT strategy (weaknesses-threats). Combining internal and external key factors is the hardest part of developing a SWOT matrix and requires proper judgment.

SWOT analysis gives an organization or company a clear view of its strengths, enabling the company to achieve business goals. Highlight weaknesses and allow the company to see opportunities from its business. However, according to David (2008) SWOT analysis has several disadvantages, namely SWOT does not show a way to achieve competitive advantage. The SWOT matrix is created as the beginning of a strategic planning, not a decision-making tool. SWOT also tends to be static, so in a competitive dynamics environment it may not be applicable. SWOT analysis provided to company leaders will also emphasize a single internal or external factor in strategy formulation. So there is a possibility of no disclosure of reciprocal relationships between external internal factors that may be important in the strategy formulation stage.

According to David (2008) SWOT analysis is an analytical tool to systematically identify factors to formulate a company strategy. This analysis is based on logic that can maximize strengths and opportunities, but can simultaneously minimize weaknesses and threats. SWOT analysis is used in order to analyze the internal strengths and weaknesses of PT. ERP, as well as opportunities and threats from external enterprises. The data in swot analysis is obtained from the results of interviews with several parties related to business regulations of PT. ERP from both internal and external companies. Internal factors in question are for example the strengths and weaknesses related to competent human resources, good marketing capabilities, good distribution capabilities, and technological support that helps sustain the running of sales operations from PT. ERP. Meanwhile, external factors in question are smartphone industry trends, government regulations and policies, technological developments, and people's culture.

Data collection is done using questionnaires. Questionnaire filling is done through discussion of respondents and the respondents are asked to fill in the factors of strengths, weaknesses, opportunities (oportunities), and threats (threats) that exist in PT. ERP. SWOT analysis compares internal factors (strengths and weaknesses) with external factors (opportunities and threats). According to David (2008) SWOT matrix is an important analytical tool to help managers develop four types of strategies, namely start-so (strengths-opportunities), WO strategies (weaknesses-opportunities), ST strategies (strengths-threats) and WT strategies (weaknesses-threats). Combining internal and external key factors is the hardest part of developing a SWOT matrix and requires proper judgment.

Furthermore, the determination of the rating on SWOT, i.e. rating is an analysis conducted on the possibilities that will occur in the short term, such as for the next year. The rating value for the Strength Variable is assigned a value of 1 through 4. Given a value of 1 if the possibility of the indicator's performance decreases compared to the main competitors. Given a value of 2 if the indicator performs the same as the main competitor. While given a value of 3 or 4, if the indicator is better than the main competitors. The higher the value means that the performance of the indicator next year will be better than the main competitors. Weakness variable rating values are assigned values 1 to 4. Given a value of 1 if the indicator is more weakness than the main competitors. Conversely, it is given a value of 4 if the weakness of the indicator decreases compared to the main competitors in the next year. This means that the provision of rating values for weakness variables or threat variables is opposite to the provision of rating values for strength variables and opportunity variables. The score value is obtained based on the result of the weight value multiplied by the rating value.

SWOT matrix consists of nine cells. Four strategic cells named SO, WO, ST, and WT, developed after completing four key factor cells, are named S (Strength), W (Weaknesses), O (Opportunity), and T (Threat). The steps in creating a SWOT matrix are as follows:

1. Write down the company's key internal strengths.
2. Write down key internal weaknesses of the company.
3. Write down key external opportunities of the company.
4. Write down key external threats to the company.

External Internal Environment Analysis and IE Matrix

The company must be able to conduct an internal environmental analysis by identifying the strengths and weaknesses that exist within the company. The internal environment needs to be analyzed to find outthe strengths and weaknesses that exist in the company. Resources are raw materials used to produce products or services in companies that include human resources, organizational resources and physical resources. Human resources experience (experiences), capabilities (capabilities), knowledge (knowledge), expertise (skills) and judgment (judgment) of all company employees. Organizational resources include enterprise processes and systems, including corporate strategy, structure, culture, material purchasing management, production, operations, finance, research, and development, marketing, information systems and control systems. Physical resources include factories and equipment, geographic location, access to materials, distribution networks and technology. These three resources if managed well by the company will contribute to the company in sustainable competitive advantage (sustained competitive advantage).

According to Kotler (2000) external environmental analysis is a process that strategic planners use to monitor external environmental factors in determining opportunities or threats to the company, thus the company can take advantage of opportunities in the most effective way and can handle outside threats. The external environment consists of several points of view including social, economic, political, ecological, and technological factors. In addition, the external environment is an environment that is outside the organization or company and needs to be analyzed to determine opportunities (opportunities), and threats (threats) that will face the company. There are a number of external factors that influence a company's choices about direction and action, ultimately affecting its organizational structure and internal processes. The factors that make up the external environment can be divided into three interrelated subcategories namely factors in the distant environment i.e. economic, social, political, technological and ecological, both factors in the industrial environment include the entry of new competitors, supplier strength, buyer power, availability of substitute goods, competitive competition, and operating environment that includes competitors, creditors, customers, labor, and suppliers (Pearce and Robinson 2013). The essence of the formulation of competing strategies is to connect the company with its environment (Porter 1993). The external environment is an environment outside the company that has no direct effect on the course of the company. In determining the company's competitive strategy it is necessary to conduct an analysis of the company's external environment.

According to Ireland et. Economic factors include GDP trends, interest rates, inflation rates, unemployment rates, currency markets, disposable income, and price and wage control. Technology factors, among others, are new products, telecommunication infrastructure, as well as automatization and development of new technologies. Political and Legal Factors, including tax regulations, government stability, regulations on outsourcing, foreign trade regulations, and immigration regulations. Socio-cultural factors include lifestyle changes, career expectations, life expectancies, health, birth rate, age distribution of the population, education level, and population growth rate.

Companies that have a greater ability to influence the industrial environment will strive to realize it in order to generate profits or returns above the industry average. According to David (2008) the Internal-External Matrix (IE) positions several division variations in an organization in nine cells. IE matrix is similar to BCG matrix, in both tools involved diagrams of organizational division schemes, this is the reason why both are called portfolio matrix. Some important differences between BCG matrix and IE matrix i.e. different axes and IE matrix require more information than BCG matrix.

The IE matrix is a matrix used to determine the position of a company. The IE matrix is based on the total values of the IFE Matrix weighted on the X-axis and the total values of the EFE Matrix weighted on the Y-axis (Dwiastuti, 2008). IE matrix analysis is a strategy formulation tool to summarize and evaluate key strengths and weaknesses in functional areas of the business, and is also a foundation for identifying and evaluating relationships between those areas (Raymond et al.2012). The total of the IE matrix describes the company's current position. A total IFE weighting score of 1.0 to 1.99 describes a weak internal position of the company, a score of 2.0 to 2.99 describes a medium company position and a score of 3.0 to 4.0 describes a strong corporate position.

IE matrix based on two main dimensions, namely the total weighting score of IFE (Internal Factro Evaluation) on the x-axis (x-axis) and the total weighting score OF EFE (External Factor Evaluation) on the y-axis (y-axis). The x-axis on the IE matrix describes the total weight score of IFE 1.0-1.9 describing a weak internal position, a score of 2.0-2.99 is considered average or moderate, and a score of 3.0- 4.0 is strong. The same on the y axis, the total weight score of EFE 1.0-1.99 is considered low, the score is 2.0-2.99 medium, and the score is 3.0-4.0 high

According to David (2008) there are four strategies that become a benchmark in implementing strategies that can be formulated with the SWOT Matrix tool, namely:

SO (Strengths – Opportunities) strategy, using the company's internal strengths to take opportunities in the market. Managers want their company to be in this position where the company's internal strengths can be harnessed to seize opportunities.

WO (Weaknesses – Opportunities) strategy, directs to the improvement of internal weaknesses by taking advantage of internal weaknesses that can prevent the release of existing opportunities.

St. Strategy (Strengths – Threats), using the company's internal forces to avoid or reduce the influence of threats from outside the company. This does not mean that a strong company should always encounter threats in the outside environment.

WT (Weaknesses – Threats) strategy, a tactic of defending directly on reducing internal weaknesses and avoiding outside threats. Companies face many outside threats and internal weaknesses may be at a disadvantage. In reality, companies that are in such a position must fight to be able to survive, merge, reduction, announcement of damage or liquidation.

Matrix Internal Factor Evaluation (IFE) is used to determine the internal factors of a company related to strengths and weaknesses that are considered important. Analysis of internal factors both strengths (S) and weaknesses (W) of the company are done by creating an attribute framework in evaluating any strengths or weaknesses of the company that are or have occurred. The results of internal factor evaluation can be summarized into the IFAS (Internal Strategic Factors Analysis Summary) table.

IE matrix based on two main dimensions, namely the total weighting score of IFE (Internal Factor Evaluation) on the x-axis (x-axis) and the total weighting score EFE (External Factor Evaluation) on the y-axis axis. The x-axis on the IE matrix describes the total weight score of IFE 1.0 – 1.9 describing a weak internal position, a score of 2.0 – 2.99 is considered average or moderate, and a score of 3.0- 4.0 is strong. The same on the y axis, the total weight score of EFE 1.0 – 1.99 is considered low, the score is 2.0 – 2.99 medium, and the score is 3.0 – 4.0 high.

The working stages of the IFE matrix can be sorted in the following stages:

Formulate critical success factors for aspects of the company's internal strengths and weaknesses

Determining the weighted weight of the critical success factor at point 1 with a scale ranging from 1.00 (most important) to 0.00 (not important) based on these factors to the position of the company's strategy, the total amount of weights must be 1.00

Determine the rating (value) between 1 to 4 for each factor that has a value:

a) Major weaknesses
b) Minor weaknesses
c) Small power
d) Main force

Rating refers to the condition of PT. ERP and weight refers to the smartphone industry in general. Multiply the weights and ratings of each factor to determine the score value. Sum up all factors to get the internal total score from PT. ERP. The External Factor Evaluation (EFE) matrix is used to evaluate external factors of PT. ERP. External data is used to analyze economic, socio-cultural, environmental, regulatory, political, governmental, legal, technological, competition in the industrial markets in which the company is located, as well as other external data. Analysis of Opportunities (O) and Threats (T) from outside the company is done by creating an attribute framework in evaluating every possibility that occurs through discussion through interview activities with respondents. Threat attributes consist of the competitor side, government policy, politics, social etc., while opportunities in the market are efforts that can still be made by a company in order to expand the market and opportunities in penetrating segments that can still be penetrated by the company through development strategies. The results of internal factor evaluation can be summarized into the EFAS (External Strategic Factors Analysis Summary) table. Efe's working stages are as follows:

Make a list of critical success factors (the main factors that have an important impact on business success or failure), for external aspects that include opportunities (opportunities) and threats (threats) for PT. ERP.

Determining the weighted weight of critical success factor point 1 with a higher scale for the most expected or most important and vice versa, the total weight of 1.0. Weight values are searched and calculated based on industry averages.

Determine the rating of each critical success factor between values 1 - 4:

a) Below average
b) Average
c) Above average
d) Very strong

Multiply the weight value by its rating value to score all critical success factors. Summing up the entire score to get a total score for the company being assessed, the total score shows the strength of response to the opportunities that exist and avoid threats in the industrial market, while the lower the total score shows the company does not take advantage of existing opportunities and does not avoid external threats. Matric IE has three different strategic implications:

1. Companies that are in cells I, II or IV can be described as grow and build. Strategies that are suitable for companies are intensive strategies such as market penetration, market development and product development.
2. Companies located in cells III, V or VII are best controlled with a hold and hold strategy. Commonly used strategies are market penetration and product development strategies.
3. Companies located in cells VI, VIII and IX can use the strategy harvest or divest.

Boston Consulting Group (BCG) Analysis

The BCG matrix was developed by Bruce Henderson in the 1970s. Bruce Henderson is also the founder of Boston Consulting Group (BCG), a leading global management consulting firm. The BCG matrix is also closely related to the product life cycle so it is often referred to as the Product Portfolio Matrix. According to David (2008) the BCG matrix describes the difference between the unit business in terms of relative market share and the industry growth rate. The BCG matrix is the reference for an organization to organize its business portfolio by evaluating the relative market share position and growth rate of the industry in each unit business against all other unit businesses within the organization. Relative market share position is defined as the market ratio of a unit business in a given industry to the market share held by its largest competitor in that industry.

The BCG matrix consists of a matrix that is 2 rows x 2 columns in size or consists of 4 cells (4 quadrants). The 4 cells basically represent 4 categories of the company's product portfolio from 2 dimensions of unit business classification, namely Relative market share and Market growth rate. These categories are represented by Stars, Cash Cows, Dogs and Question marks. BCG is considered to have weaknesses because it only uses two dimensions, namely relative market share and market growth rate. In the BCG method, it is assumed that each business unit is independent of another business unit, whereas in some cases, a business unit can help another business unit to gain a competitive advantage. This matrix does not describe whether their various divisions or industries are growing over time, so they lack the characteristics of time, so there are other important variables such as market size and competitive advantage.

The relative market share position is placed on the x-axis on the BCG matrix. The midpoint value on the x-axis is usually set at a value of 0.5 referring to the unit business that has half of the market share in the company that leads the industrial market. The y-axis represents the growth rate in sales, measured in percent value. The percentage growth rate on the y-axis can be limited to a value of -20 to +20 percent, with a value of 0.0 as the midpoint. Limits on the x-axis and axes are often used, but other value limits can be presented as a consideration tailored to the specific company.

The two main indicators described by BCG matrix are relative market share and market growth rate. Relative market share obtained from sales data of PT. ERP during the period January 2015 - December 2019 compared to the sales of five major similar competitors in the market, while the market growth rate was obtained from the average growth data each year of sales volume in the period January 2015 - December 2019. The results of the analysis in the Boston Consulting Group (BCG) analysis were then mapped into the BCG matrix.

The first quadrant, dogs, is located on the lower right. When the product of PT. ERP is in the quadrant of dogs, market share and market growth smartphone PT. ERP is still in a small level so there are potential losses. When a product is in this quadrant, a strategy is needed so that the position of the product can enter the quadrant of question marks. Growth rate can be increased by improving quality, providing competitive prices and aggressively promoting. If it is predicted that it is difficult to reach the quadrant question mark, the production of products that are in the dog quadrant must be stopped immediately to prevent higher losses. In addition, products that enter this quadrant have a very low market share with low growth.

The second quadrant is question marks, located at the top right. In this quadrant, although the market share is still low, but the demand is quite visible as indicated by a high growth rate. When the product of PT. ERP is in this quadrant then the marketing party PT. ERP needs to implement strategies to encourage this product to shift towards the "stars" quadrant. Strategies that can be applied are to increase promotion (advertising), the development of market areas, the addition of human resources, especially salespeople.

The third quadrant, the stars, is located on the upper left. When the product of PT. ERP is in this quadrant means that market share is dominant and the sales growth rate is still quite high. At this stage it takes a considerable investment to maintain a position. The marketing party can add distributors who are expected to be able to strengthen the position of the product in the market.

The fourth quadrant, cash cows, is located on the bottom left. Products that are in this quadrant have a large and well-established market share while growth is slow. Low investment and cash generating are required to be used for investment in other unit businesses. When PT. ERP is in this quadrant so the company must concentrate more on caring for consumers and keeping production stable. Furthermore, it must be immediately thought about new product innovation so that the market is not saturated and the existence of pt. ERP is maintained.

In general, BCG matrix analysis uses only 2 main variables, namely relative market share and average sales growth rate data. The BCG analysis stages in general can be summarized as follows:

1) Product sales data of PT. ERP is collected every year, as well as for the data of its main competitors in the market.
2) Market growth rate is obtained by the following calculations:

Market growth rate = ((Sales volume in year to t) - (Sales volume in year to t-1)): (Sales volume in year to t-1), then taken the average value of pt. ERP.

While relative market share is obtained from the average value ratio or comparison of turnover from the total turnover of the company to the company's largest competitor PT. ERP in December 2019 position.

Market growth and relative market share are mapped in a diagram consisting of 4 quadrants as in the BCG matrix image.

METHODS

This research was conducted at PT. ERP located in Jakarta. The research time is estimated to be two months, which starts from April - May 2021. This study uses primary and secondary data (time series) which is quantitative data with observation years of 4 years from 2016 to 2019. As well as interviews using questionnaires with the directors of PT. ERP. The primary data is taken from the results of interviews with six expert respondents, namely two internal management representatives of PT. ERP and smartphone market research actors in Indonesia. The respondent is the Director of Telecommunications PT. ERP, Distributors, Consumers, and Representatives of Market Research Companies PT. GfK. The selection of respondents is based on the assessment of knowledge possessed by expert respondents on smartphone products and their involvement in PT. ERP. Questionnaires are distributed to respondents consisting of top management, middle management and consumer representatives and distributor representatives, with the specifications of sustainability officials in the companies studied as well as buyers and external assessors of the sustainability aspects of the company. Penulis conducted in-person interviews to respondents both face-to-face and online. Descriptive analysis is a method of analysis used with the aim of obtaining an objective picture of the object of research. This descriptive analysis aims to describe the rate of sales growth (growth rate) and relative market share (relative market share). The method used in this study is a descriptive method using the BCG matrix and SWOT analysis.

RESULTS

Overview of PT.ERP

`PT ERP is a company engaged in mobile phone retail sellers. The company has been established since 1999 by the founders in the telecommunications industry by establishing a mobile phone retail store in the first shopping area located in Megamall Pluit, North Jakarta. At that time the Indonesian mobile industry was still relatively new and had not formed its business structure. Various types of mobile phones at that time were still imported from abroad because there was no Single Brand Holder Agent (ATPM). The second retail store opened in 2002 in its wholesale center Roxy Mas as well as establishing the headquarters for the Niaga Roxy Mas area, Central Jakarta. The area is the main business district and the largest and most complete mobile phone sales in Indonesia.

Market Share

Market share is a part of the market that can be achieved by the company. In this case, market share can be used as one of the indicators of the increasing marketing performance of a company (Basuki and Widyanti, 2014). The retail market share of mobile phones in Indonesia is still dominated by 6 companies as stated in table 2.

Table 2 Market Share value and Unit Sales of Six Major Mobile Phone Retail in Indonesia

Mobile Phone Retail Company Name	Sales 2016-2019 (Rp Billion)
PT. E	5.116
PT. D	1.524
PT. C	1.352
PT. ERP	936
PT. B	802
PT. A	219

Source: Internal Market Survey data of PT ERP in 2016-2019

Marketing Mix

According to Kotler (2002) the marketing mix is a combination of four main elements as follows:

1. **Product**
   Every product, both smart watches, headsets, media tablets, and other products produced by PT ERP, has its own characteristics so that it can attract many consumers.
2. **Price**
   PT ERP also sets prices based on the prices of competitors in the market. In addition, PT ERP focuses more products on the price range of 1-5 million only which is very in accordance with the average income of the Indonesian population.
3. **Promotion**
   PT ERP always holds exhibitions periodically, by installing discounted prices and special purchase prices at the exhibition so that it attracts quite a lot of consumers. PT ERP also strives to establish good relationships with consumers as a form of promotional strategy, such as fast and stairs in store services, as well as the atmosphere and layout of stores that are designed to be comfortable and aesthetic.
4. **Distribution**
   PT ERP has resellers and distributes its products throughout the region in Indonesia. PT ERP has selling agents in every city in Indonesia and in Jakarta itself PT ERP has several stores located in a number of strategic malls in Jabodetabek.

Market Growth Rate PT ERP

The performance of a company can be seen from the sale of its products. High market demand can indicate a company's credibility and the company's development. Sales to PT ERP are evaluated every year both the quantity of sales and the volume of sales. Many factors that affect the achievement of sales targets include constraints on shipping goods with direct shipment systems from a number of producing countries such as China, Korea, Japan and America to consumers in Indonesia, correction of sales documents that usually takes a long time because the sales support communication chain is too long between consumers. The decline also occurs again in 2020. Average sales in that year decreased by Rp 5 billion, from Rp 15.1 billion to Rp 10.1 billion. The decline is due to the world facing an outbreak of COVID-19 disease that forced a number of countries to close borders and limit activities both domestically and export import activities.

Table 3 Percentage Sales Growth of PT ERP

Era	Sales Volume Growth
2018	9%
2019	-16%
Year 2020	-33%

Source: Internal Data of PT ERP in 2018-2020

Market growth is taken from the average value of growth over the last 3 years, the calculation results show the market growth of PT ERP is an average of -13.1%. PT ERP has a very low market growth rate seen from the decline in sales but PT ERP continues to try to increase sales volume.

Relative Market Share PT ERP

Relative market share shows the strength of the company compared to competitors. The average of the five largest competing companies is 0.104. PT ERP Indonesia as a mobile phone retail company is still below other largest competitors, the relative market share value of 0.104 shows that competition in smartphone sales can still grow even wider, while other largest competitor companies are in a position to catch up with each other.

Table 4 Relative Market Share of PT ERP Against the Five Biggest Competitors

Mobile Phone Retail Company Name	Sales 2016-2019 (Rp Billion)	Absolute Market Share (%)	Relative Market Share (%)
PT. ERP	936	9,41	10,39
PT. E	5.116	51,41	2,25
PT. D	1.524	15,32	8,77
PT. C	1.352	13,59	15,72
PT. B	802	8,07	18,10
PT. A	219	2,2	105,81

Source: Internal Market Survey data of PT ERP in 2016-2019

Based on table 4, total sales in 2016-2019 were 9.952 billion, used as a divider of the total smartphone sales volume in 2016-2019 to find out the relative market share of PT. ERP. The results of the calculation of relative market share of PT. ERP compared to Competitor are 10.39%. Show that PT. ERP has a lower market share than competitors, because its relative market share value is smaller than one. As for the growth of smartphone sales pt. ERP has a low and even negative category growth rate (-33%) in 2020 and a relative market share of 10.39%. The position of PT. ERP in the BCG matrix falls into the Categories of Dogs with the following images:

Products are classified as dogs if they have a low market share and low growth rate. These products do not generate large amounts of cash or require higher investment. However, the product is considered a negative profitability product mainly because the money already invested in the product can be used elsewhere. Depending on the amount of cash that has been invested in this quadrant, companies can divest products altogether or change products through rebranding, innovation, and feature addition. However, moving the Dogs towards the stars or cash cow was extremely difficult. It can only be moved to question marks territory where again the future of the product is unknown. So in the case of Dog products, divestment strategies are used.

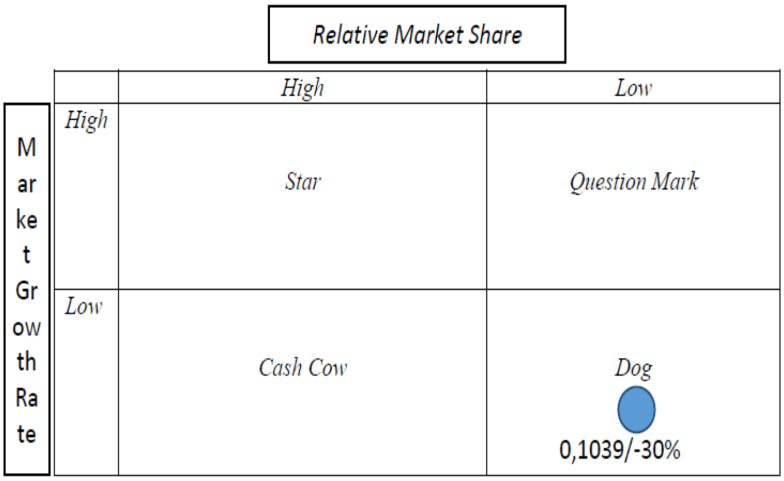

Figure 1 Matrik BCG PT ERP

Marketing Strategy Analysis of PT ERP

Table 5. Results of SWOT Matrix analysis PT. ERP

	Strength (S)	**Weaknesses (W)**
	Payment methods vary Legal and officially guaranteed products Exchange program added Comfortable in-store atmosphere The store is located in strategic Mall	Marketing tools are less varied and there are no scheduled promotions Slow delivery time Less skilled sales Lack of support from the brand compared to some competitors Online sales channels are not optimal
Opportunity (O)	SO	WO
Expansion Opportunities Medium and high end price segment markets One price rule of several smartphone brands The development of information technology as a means of promotion The smartphone industry is growing every year.	Strengthening marketing promotional materials that emphasize that the products sold are official products and diverse payment systems (S1, S2, O4, O5) Promotes exchange program promos added to outlets located in the Mall (S3, S4, S5, O4, O5)	Brand participation intensively in sales training (W3, W4, O5)
Threat (T)	ST	WT
The location of the store side by side with other modern smartphones Government policy related to the import of electronic goods Average sales price cheaper than traditional smartphone retail stores Competitors who are aggressively promoting and endorsement Higher exchange rate quotes at traditional stores	Opening outlets outside the Mall(stand-alone building)(S1, S2, S3, S4, T1, T3, T5)	Strengthening price strategy (W5, T1, T2, T3, T4, T5) Implementation of scheduled promotional materials (W1, T4)

SO strategy can be applied IMEI (International Mobile Equipment Identification) registered products, guaranteeing authenticity, is the strength of PT ERP. In addition, a diverse payment system is also a major strength; because the choice is quite varied making consumers have many choices in transacting. Furthermore, wo strategy can be applied is the participation of training for sales to increase product knowledge and how to communicate with consumers. Then, ST strategy is to open outlets outside the Mall, people can get to know PT ERP retail stores better and facilitate reach because they are in their own outlets. Finally, WT's strategy is that competing h arga can be a plus for consumers and make a promotional materi themed on the development of content ideas into one of the things that can attract consumers to shop at PT ERP.

Managerial Implications

From the results of research and discussion as outlined above, there are several strategies that must be immediately carried out by PT ERP in order to improve sales performance and can win competition in the market with existing competitors, namely the strategy implemented by PT ERP currently still relies on distribution and price strategies, namely by placing a number of stores in large malls in Jabodetabek. In terms of products, the company focuses on selling products with low end and middle range because the market in Indonesia is dominated by lower and middle class. It's easier to target the market. PT ERP also often conducts exhibitions so that it is better known by consumers.

ERP also needs to set a schedule of post content on social media both in prime time, where the majority of people see social media. PT. ERP as one of the modern retail players must certainly do marketing in a modern way, conceptualized, structured and attractive to customers, inserted with top products that are trending and popular and explain the selling point. Also, strengthening sales in Marketplace/ Ecommerce is also needed. Considering that most people who shop online are more familiar and tend to feel safe to transact through Marketplace.

CONCLUSION

That PT. ERP has a very low growth rate of -13% per year on average but its market share is still small compared to its five main competitors. Position of PT. ERP on BCG matrix is on kwadran"dogs"which means PT. ERP is at a low growth rate and controls only a low market share. Four main strategies are obtained based on SWOT analysis results, namely SO strategy (strengths-opportunities), WO strategy (weaknesses-opportunities), startegi WT (weaknesses-threats), and stratgei ST (strengths-threats). So strategy that can be done by PT ERP is the strengthening of marketing materials related to product anxiety, as well as intensively doing additional exchange promos for outlets located in the Mall. Wo strategy that can be applied is cooperation with brands related to sales training. ST's strategy is to open outlets outside the Mall, while the WT start-up that can be addressed is the strengthening of the price strategy and the implementation of scheduled promotions.

Acknowledgement: None

Conflict of Interest: None

Source of Funding: None

REFERENCES

1. [GfK] Growth from Knowledge. 2019. GfK Startrack Export. Smartphone Development Analysis 2019. Accessed January 10, 2020.
2. [GfK] Growth from Knowledge. 2019. GfK Startrack Export. Total Market Analysis APAC 2019. Retrieved December 20, 2019.
3. Armstrong JS, Brodie RJ. 1994. Portfolio Planning Methods: Faulty Approach or Faulty Research? A Rejoinder to "Making Better Decisions" by Wensley. International Journal of Research in Marketing,Vol 11, North-Holland. 91- 93.
4. Boscor D. 2016. Marketing strategies adopted by romanian smartphones producers. case study: Visual fan. Bulletin of the Transylvanian University of Brasov. Economic Sciences. Series V, 9(2), 31-38. Retrieved from https://search.proquest.com/docview/1881686979?accountid=32819
5. David FR. 2006. Strategic Management. Edition ten. Salemba Four, Jakarta.
6. David FR. 2009. The Quantitative Strategic Planning Matrix (QSPM) Applied To A Retail Computer Store. The Coastal Business Journal. Spring 2009: Vol 8 (1), pp 42-52.
7. De Wit B. Meyer R. 2007. Strategy Synthesis. PWE, Warsaw.
8. Dmitrijevs R. 2020. Research on Marketing Strategy of Huawei Mobile Phone in European Market. Open Journal of Business and Management. 8(1):1138-1150.
9. Dwiastuti I. 2008. Analysis of alternative industrial strategy management (Biofuels Case Study). Journal of Economics and Development. 16(1):21-33.

10. Ercan et al. 2016. Life Cycle Assessment of a SMARTPHONE. 4th International Conference ICT for Sustainability. DOI: 10.2991/ict4s-16.2016.15.
11. Filieri R, Chen W, Bidit, LD. 2017. The Importance Of Enhancing, Maintaining And Saving Face In Smartphone Repurchase Intentions Of Chinese Early Adopters. Information Technology & People, 30(3), 629-652. Doi:Http://Dx.Doi.Org/10.1108/Itp-09-2015-0230
12. Gary B, Thomas J & Misty E. 2007. Discovering Computers: Fundamentals, 3th ed. (Translation). Salemba Infotek, Jakarta.

How to cite this article: Aqmarina I, Suroso AI, Ratono J. Analysis of marketing strategy of PT. ERP as a modern smartphone retailer. *International Journal of Research and Review*. 2021; 8(9): 261-274. DOI: *https:// doi.org/10. 52403/ijrr.20210936*

******