

Digital Marketing Maximization Effort through SWOT Assessment: A Case Study of an Automotive Component Firm

Gladys Chrystie Monalisa, Ir. Hasnul Suhaimi, MBA

Magister Management Department, Faculty of Economics and Business
University of Indonesia

Abstract: This particular study is held to identify both the marketing problems faced by a small-medium sized automotive component maker firm in Cikarang, Indonesia, and the possible solutions, for it to subsist and sustain its position in the competition. Focusing the entire research on the business activities of PT. Hudiya Hayat Hanif, the data collection method was done through In-Depth interviews and observations. As for the data analysis, this study predominantly incorporated the assessment resulted from SWOT analysis as the base ground to seek the most critical problems faced by the firm and also to identify the most resolvable ones at the time being. Hence, further solutions such as digital marketing is decided as the most feasible solutions, along with other alternative solutions, to be taken to abate the business challenges currently faced by the aforementioned firm.

Keywords: Automotive component, Small and Medium Enterprises (SMEs), SWOT, Digital Marketing

INTRODUCTION

An overview data catered by World Bank on its Small and Medium Enterprises (SMEs) Country Indicators report across 132 economies in 2010 indicated that for every 1000 people there are approximately 100 SMEs in Indonesia, makes it easily the world's second top country with the highest number of formal SMEs firms. [1]. Once described as one of the "Mighty Five" squad by Deloitte in their 2016 Global Manufacturing Competitive Index Report, Indonesia, alongside four other Asia Pacific countries, was basically expected to catch up

its own manufacturing performance and eventually managed to join the likes of BRIC nations and even be the "New China". Capitalize on low cost labor, agile manufacturing capabilities and seemingly promising economic growth, it appears that Indonesia has a chance to achieve such goal [2].

Given the popularity of digital leverage in business practices, this should be a great news for marketers due to the prospect of gaining more customers with the help of a cost saving approach. Based on the recent research completed by GetCRAFT on their Indonesia's

Digital and Content Marketing Report in 2017, it shows there are 123.3 million active mobile internet users with the penetration level of active social media users reaching up to 40% of the total population, currently at the number of 262 million people [3]. The report means there are more potential clients out there to be infiltrated. Digital advancement is now seen as an obvious choice to be taken as the most proper assistance by any professionals to finish their work more effectively, including running business.

As reflected on the figures presented by Indonesian Automotive Parts & Components Industries Association (GIAMM) [4] during Indonesia-Australia Business Week, by September 2015, it was recorded that the number of component makers at tier-1 level reached at least 195 companies which employed 39.975 workforce. Quite few as it may seem, when it comes to the tier-2 companies, however, there were no less than 600 companies and it is 11.625 individuals were documented had been taking part in the industry.

Realizing this fact, PT. Hudiya Hayat Hanif which suffered 30% sales decline by the end of 2017 is inevitably facing a serious fight to beat. With numerous similar firms out there, possibly operating the most advanced technology there is, which enable them to promote their outcomes better and faster, customers are simply propounded by even more various and fine selections to choose from.

At this point, leveraging digital assistance is most likely to be the first thing cross in business people's minds as the most proper strategy in boosting its firm's performance

and to compete properly. However, carrying out such cutting-edge marketing schemes at small and medium enterprises such as PT. Hudiya Hayat Hanif apparently did not work that simple. Especially if it appears, as the recent situation shows, the hidden root of its problems mainly revolves around the firm's management system and leadership style [5]. That being said, crafting the most feasible marketing approach, let alone executing it properly has always been a challenge for any firms to pull off, especially for Small and Medium Enterprises (SMEs) which mostly have budget constraint and are constantly struggling with employee availability and resource capacity.

THEORITICAL FRAMEWORK

By the latest publication made by the American Marketing Association [6], marketing is defined as the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large. Now, whilst such description may still go through some possible modifications, the core of marketing itself basically is one thing that stays.

It is none other than the value factor in marketing that constantly draws consumers to certain items or brands. Since most people have their own version of belief toward some situation and considered more preferable for them instead of other situation, one's set of values defines his or her decision making process in general, including, or most importantly, in their consumption activities [7].

As once concluded P. Sathya on the research of digital marketing, it is basically outlined as umbrella term for the marketing effort of products or services using digital technologies, mainly on Internet, yet also includes mobile phones, display advertising and other digital medium [8]. As both digital platforms and supporting devices are increasingly incorporated in everyday life, marketing strategy is inevitably affected, if not dependent, by such radical shift. It also embodies an extensive selection of product, service and brand marketing tactics.

Widely known as online marketing, internet marketing or web marketing, the essence of digital marketing lies on the vital role played by technology in improving the quality of services provided by the business units [9]. As the need of better information search is growing, digital environment influences customer's decision journey through automobile purchases for the internet shortens the consideration and evaluation stages of their buying situation [10].

Simply put, without the help of internet, people would have to invest more time, money and resource in searching for the desired offering in physical stores, comparing prices from one place to another and not to mention negotiating the price the customers is willing to pay at some specific situations, would be hardly bearable at some point. A research conduct by Stephan Seiler [11] in 2013 shows that most customers preferred not doing a serious search in around 70 percent of the time when they are shopping due to the high cost clearly magnifies how critical it is for a firm to embrace the presence of digital marketing.

Running any business entities nowadays is almost impossible without incorporating even

the smallest form of digital marketing approach. A survey conducted by Weebly in 2013, shows that 56 percent of the respondents stated that they can't trust a business firm without a website [12], which obviously supports the idea of how critical website truly is at times like these.

Creating online presence for small businesses from the level of website is never a bad idea to begin with, for it will intensify the likelihood of the firm to be found by potential consumers from results suggested by multiple search engines, such as Google or Yahoo, as they spend most of their time going online [13].

Functionality speaking, website is divided into two major groups, Static Website and Dynamic Website [14]. Both sites basically provide the same product which is all information related with the firm and its offerings, however, the former left no room for its visitors to actively communicate with the website's admin. Its page design, content and even number of pages are rarely modified for it usually cost more money. As for the dynamic website, it offers its visitors with the chance of interactive experience by providing a special comment section or even a chat box to enable them to converse with the website's admin. Its interface visual display is changed periodically to match the firm's current promotion to keep the visitors updated.

RESEARCH METHOD

Throughout the entire time, this study was centered on the business coaching program at a chosen local company which has two decades experience of running its automotive component business, PT. Hudiya Hayat

Hanif. Located on Cibarusah street No. 248, North Cikarang which is part of the industrial area in Bekasi, West Java, the production and administrative procedures at this firm are directed at the same area. The information on its regular business activities are provided by the chairwoman and the managers of the company [15], due to their key roles in day-to-day business process of the company.

In terms of data, since the paper will take the angle of qualitative research, through business case review over a business coaching program conducted from September 2017 to May 2018, the entire study will merge the insights from the statements made by the participants as the primary ones, while also being supported by the secondary data retrieved from the government documents, related publications about automotive component industry, previous research on the same subject and also some other relevant journals and reliable written sources.

This study is likewise mainly focused on reaching an in-depth understanding of the firm's inclusive situation through communicative study which employs in-depth interview method and observation study to probe the respondents' thoughts in detail draw a reliable data from the related parties [16].

Conducted by having face-to-face interaction is chosen to allow the researcher to observe and record both verbal and non-verbal responses better. Exchanging emails is also piloted to obtain written information such as list of products, employees and sales performance, especially when direct meeting is not viable. Non behavioral and behavioral analysis will be equally incorporated as the observation methods is selected to enhance

the outcome retrieved from the entire data collection stage.

Consistent with its qualitative research design, the data attained from the aforementioned method is then processed by steering a content analysis over the recorded information extorted from the firm's stakeholders' personal expressions through the interview routines and observations. The researcher will be using analytical constructs to draw conclusions from one logically independent domain (the text) to the other (the context) which are particularly derived from the existing theories and practices [17].

Presented in the forms of graphic, table and chart, the data will be analyzed through the perspectives of selected analytical tools and certain concepts which are closely related to the diagnosed problems, while at the same time consistently aiming its focus on seeking for the most feasible solutions, by implementing analysis on the firm's business performance using Strength, Weakness, Opportunity, Threat (SWOT) assessment tool.

These considerations are then assorted and extracted to yield the proper solutions. Conclusions drawn from it will be developed and combined into a set of doable action plans to support and maximize the presence its digital marketing strategy, while improving its overall business performance within the TOWS analysis framework.

DISCUSSION

Internal and External Factor Analysis

This particular analysis is commenced towards the internal situation of PT. Hudiya Hayat Hanif to identify its strongest aspects

that will potentially enable the firm to maximize and complete its digital marketing effort through website revitalization with some realistic moves. In hope of figuring out the most sensible strategies to overcome its issues, this assessment revolves around the positive and negative elements that are hold by PT. Hudiya Hayat Hanif within the inside part of the firm. Based on the multiple interviews conducted with all three management officers of PT. Hudiya Hayat Hanif, which took place mostly in Cikarang from September 2017 to May 2018, several points that portray its internal strengths along with some critical weaknesses are extracted.

A thorough analysis funneled and aimed to help PT. Hudiya Hayat Hanif uplift its current situation is also navigated by looking outward. Specifically evaluating the prospective opportunities and the prevailing threats, these analysis are expected to provide PT. Hudiya Hayat Hanif with an all-out insight over its external environment (as in operational activities or industrial context) on a regular basis. With the help of information given by the responsible figure of each department at PT. Hudiya Hayat Hanif, complete detail on the opportunity and threat that the firm is yet to properly deal with is eventually inferred (Figure 1.).

a. Strengths

Having been around in the automotive component sector for quite a while, the firm might only got three regulars, yet those customers have formed long standing relationships with PT. Hudiya Hayat Hanif for over a decade. Both sides consistently worked together ever since the owners were still actively managing the firms up to the moments their children began to hold the fort

their father once built. Including the staff members that mostly work together in arranging orders. This shows that the firm basically do know how to maintain a close ties with its customers and secure their trust for a long period of time.

The firm was also reinforced by employees who had been working there since the very beginning of the company. Mostly for the working environment was also pleasant for the field staff members were getting along easily. On a side note, the firm also preserved such a steady connection with its long time indirect customer and partner. PT. Astra Honda Motor, which once was Mr. Slamet Bagio's former employer, by relying part of its financial resource in the hand of PT. Astra Mitra Ventura and participating in several programs of Yayasan Dharma Bakti Astra.

Given the experience gained when working under tight demand and pressure at PT. Astra Honda Motor, Mr. Slamet Bagio applied similar discipline in ensuring that all the ordered products had to be completed with such a high precision, and within the promised timeline, or if possible, before nearing the deadline. This particular quality of the firm had always been claimed by the firm as the upper hand of its service element.

b. Weaknesses

Unlike most practice performed by companies these days, PT. Hudiya Hayat Hanif is yet to involve any digital technology as a key mean in promoting itself as a company or its product. It currently centers its marketing effort in the hands of personal selling method handled by the company's representative through direct meetings. Other

than that, phone or text correspondence and email exchange are still seen the most sensible alternatives taken by the firm to endorse its offerings.

The firm used to be equipped with 5R regulations. On its early months, the site seemed clean and neatly organized, complete with visible yellow lines placed the entire production area. However, after a year, those rules were gradually abandoned by the workers, even though the managers had repeatedly reminded them not to violate such crucial matter. This situation practically calls for a regular control on the implementation of 5R regulations for it may hurt the firm reputation.

As a family business, the firm was also faced with inevitable internal friction. However, instead of having typical differences in terms of opinions regarding the company's strategy, it possessed a leadership crisis. Particularly between the owner and its children, who also happen to be the managers at the firm. Whilst Mr. Slamet Bagio was still passionate in running his business even after stepping down as the Director of the company, none of his children expressed the same excitement, let alone running the firm entirely, without the supervision of their father. Consequently, the communication over the firm's day to day business process amongst the staff and toward the management became hindered as well. This condition consistently makes it hard for the firm to achieve a solid consensus on pretty much anything relates to the business.

Since the buildings it uses for operational site is rent, there are also no signs of proper front sign board appearance to help

the firm literally get recognized from afar. Not only do this situation damage the firm's overall brand image, it will also potentially affect the performance of the entire staff member for the place they go to for work daily does not seem professional whatsoever.

c. Opportunities

By considering its traditional channel distribution as an importance, online promotional should serve as the helping force that keeps the business running well. The presence of digital strategy has undoubtedly established a solid ground for such expectation [18]. Not solely for the reason it has given a huge help for many parties but more because it has been playing a central role in almost every aspect of people's lives.

Reasons of why both marketers and consumers seem even more attracted to the benefits presented by digital marketing strategies is impossible to be singly defined. However, Teresa Pineiro-Otero and Xavier Martinez-Rolan [19] once made an attempt to compile some of the most prevailing motives held by firms in choosing digital marketing as its main, if not sole, tool in promoting their products. Some of those are the completeness factor and visual features. The former basically points out the act of allowing consumers to know the firm better through multiple ways, via both offline and online methods. The later plays key roles in captivating more consumers through appealing presentation on its website or other digital platforms.

The location of the firm in Cikarang can also be a key point of the firm to promote its existence by showing its location that it is strategically situated at a busy industrial area

that are easily found and surrounded with commercial establishments, alongside housing facilities. The firm's director once voiced her opinion on how she wanted her tier-2 firm to no longer be the supplier partner to the tier-1 suppliers of PT. Astra Honda Motor alone. Although such idea certainly rejected by her father as the owner of the firm, she made a good point. Honda as the leader of the motorcycle market share in Indonesia do make perfect sense why the owner refused that idea flatly.

However, with such a small number of regulars that had not been increased in the last ten years, the firm perhaps might want to rethink whether or not it should stay cooperating with PT. Astra Honda Motor which normally applies such strict rules when it comes to business partnership, or give it a shot at grabbing new and more consumers at the same time, from other brands such as Yamaha or Kawasaki.

The support given by PT. Astra Honda Motor is also a valuable asset that could be informed to the general consumers. Through the support of YDBA which had become a partner to PT. Hudiya Hayat Hanif, knowledge transfer from it over the technical and managerial matters in managing automotive component firms had been undeniably helpful for the firm, not only to strive but also make a progress albeit gradually.

d. Threats

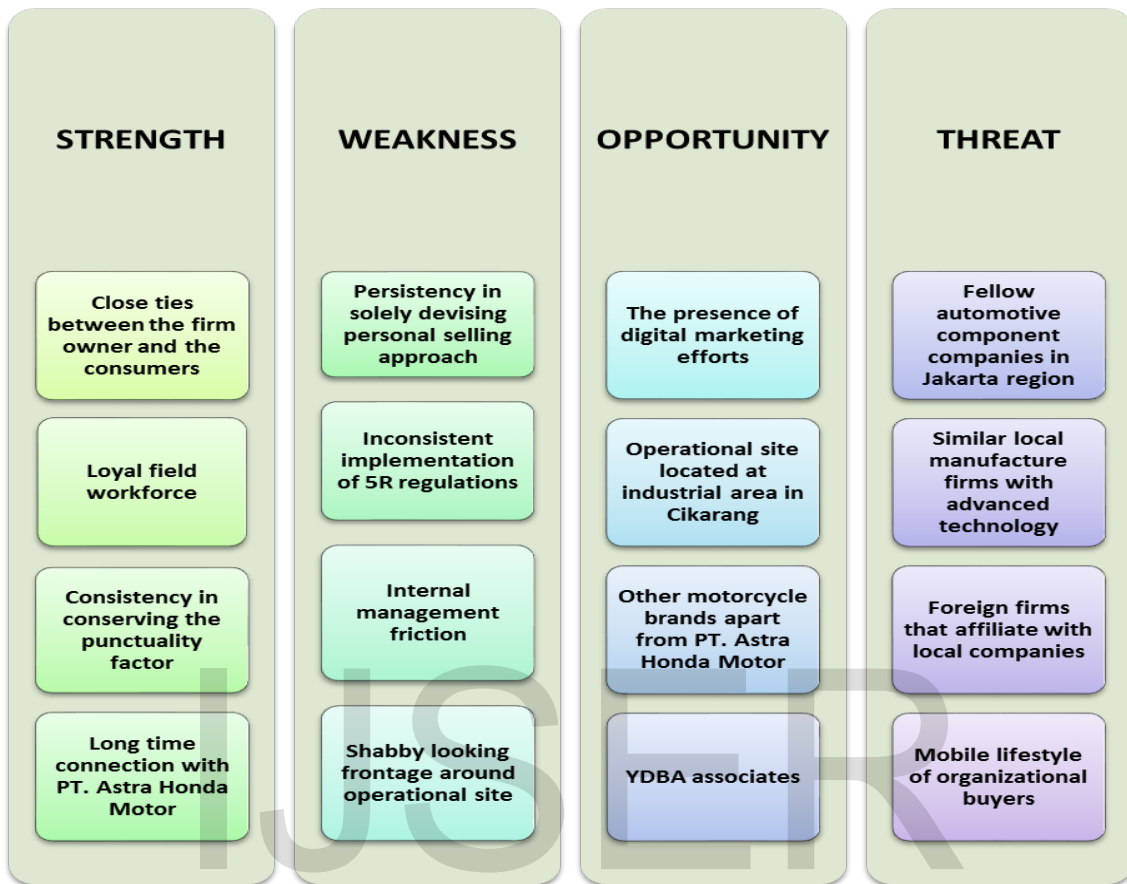
Once sited in Pulo Gadung, East Jakarta, the management of PT. Hudiya Hayat Hanif did experience such a drastic decline in terms of their customers. The firm which once focused on construction components even had

to stop producing that particular business line after they moved to Cikarang. Although the firm never overlooked its punctuality factor in delivering its finished products, the managers could not help but finding it hard to manage the time to reach their customers or potential clients which mostly operated in Jakarta. Hence, they became less driven to exercise the personal selling strategy for they could not really make the time to meet them, since they had to first focus on the production process.

PT. Hudiya Hayat Hanif is also conscious of the competition it continuously encounters, coming from the other firms with identical outcomes but with better technology involved, and even against foreign companies that affiliate with local firm, which clearly intimidate small and medium firms. Collectively speaking, even though B2B firms are mostly tight restrained by the derived demand made by the product's end users and the business trends that change rapidly, human factors stay on and largely affect the attitude of each member of the business buying center [20].

Therefore, those individuals' lifestyles also affect their buying behavior as their organizational representatives. Since most of the customers of PT. Hudiya Hayat Hanif are represented by staff that fall in millennial category, they naturally involve digital approach in their mobile daily lives that puts practicality before anything else, including work matter such as making early inquiry before making a purchase for their company through various search engines.

Figure 1. SWOT Analysis at PT. Hudiya Hayat Hanif



RESULT

TOWS Matrix Analysis

Following the elaboration of the firm’s strength and weakness and how those elements may potentially be devised to encounter the challenging threat and unexplored opportunity, several options of solutions can be extracted by devising TOWS Matrix Analysis, better known as the SO, WO, ST and WT strategies, to be selected from to overcome issues the firm is struggled with (Table 3). Given the prospect the firm has yet to seize to improve its performance, it appears that WO or SO strategy could be chosen to revive the business process and marketing efforts of PT. Hudiya Hayat Hanif.

Departs from the result of the TOWS matrix analysis, there are several specific strategies that can be realistically adopted to manage and possibly improve the business performance of PT. Hudiya Hayat Hanif. Take WO approach for instance, the firm is best to spread information about it and its offering through online means (website) to aid its personal selling approach [W1.O1], if it wants to maintain its existing customers and gain some new ones. It also has to straighten out its 5R regulations to compliment the firm’s credibility as a professional automotive component maker [W2.O2]. Given the internal management friction, the firm should focus more on acquiring more, if not new,

consumers, instead of opposing each other [W3.O3], to ensure the business performance of the firm is not damaged. Lastly, modernizing its front sign board can be a feasible strategy to improve its image as a reliable firm [W4.O4]. As for SO approach, the firm could utilize its close connection with its existing customers to spread the words about the firm's website [S1.O1]. The firm

could also start promoting its strategic business location and experienced staff as part of its competence [S2.O2], including its punctuality factor to attract customers from other brands apart from Honda [S3.O3]. Acquiring potential customers from fellow member YDBA associates could also happen at this point, if only they are actively approached and the firm's existence is visible.

Table 3. TOWS Matrix Analysis at PT. Hudiiya Hayat Hanif

IJSER

	Strength	Weakness
	Internal	S1. Close ties between the firm's owner and the consumers
External	S2. Loyal field workforce	W2. Inconsistent implementation of 5R regulations
	S3. Consistency in conserving the punctuality factor	W3. Internal management friction
	S4. Long time connection with PT. Astra Honda Motor	W4. Shabby looking frontage around operational site
Opportunity	SO	
O1. The presence of digital marketing efforts	[S1-O1] Spread information about the firm's online presence through the customers and the families' colleagues	[W1.O1] Forming extra marketing channel that works effectively through digital support as simple as website
O2. Operational site located at industrial area in Cikarang	[S2-O2] Pointing out the combination of experienced staff and strategic operational area	[W2.O2] Straighten out the firm's 5R regulations and implementation to compliment the firm's credibility
O3. Other motorcycle brands apart from PT. Astra Honda Motor	[S3.O3] Persuading potential clients with wide coverage of the firm's manufacture competence and its service quality	[W3.O3] Suggest the firm to focus on acquiring new customers instead of constantly opposing each other
O4. YDBA associates	[S4.O4] Enhance the chance of acquiring new customers from fellow member of YDBA partnerships	[W4.O4] Modernizing the firm's front sign board and possibly adding YDBA logo on it
Threat	ST	
T1. Fellow automotive component companies in Jakarta region	[S1.T1] Having other options of marketing approach to cover geographically broader range of consumers	[W1.T1] Embrace more consumers from various areas through efficient marketing means such as internet
T2. Similar local manufacture firms with advanced technology	[S2.T2] Maintain its quality and quantity levels to ensure the client's needs are always specifically met	[W2.T2] Arranging regular maintenance routine of the firm's machines and reorganize the firm's 5R implementation periodically
T3. Foreign firms that affiliate with local companies	[S3.T3] Highlight the firm's integrity to preserve punctuality element in doing business	[W3.T3] Hiring new staff with specific knowledge in marketing or business development
T4. Mobile lifestyle of organizational buyers	[S4.T4] Promotional efforts that incorporate technical and attribute assistance of PT. Astra International	[W4.T4] Revitalizing the firm's website to help it promote its existence and offerings better

CONCLUSION AND SUGGESTION

Conclusion

According to the assessment result of internal and external aspects at PT. Hudiya Hayat Hanif through SWOT analysis and TOWS matrix assessment, it is settled that marketing improvement by combining online and offline means are equally needed to help PT Hudiya

Hayat Hanif to reach its full potential as an experienced business entity.

Marketing maximization efforts which integrates improvements on promotion sector with the assistance of advanced technology, namely website or social media can certainly be considered as an additional force to support personal selling method that has been solely relied on by PT. Hudiya Hayat Hanif.

In marketing its existence and products, despite the typical rigid character Business-to-Business firms, simply to instigate the possibility of gaining more customers without breaking the bank, to support presence of digital marketing, which is primarily projected in a form of website, other additional efforts could also be commenced. All for the sake of enhancing the firm's business performance by making the most of its strengths to seize the unexplored opportunities out there (SO strategy), while improving its in-house weaknesses by doing well from capturing the external opportunities (WO Strategy).

Suggestion

To ensure those strategies can be executed properly without any significant hurdles, progress should also be made on another departments at the firm, mainly on finance and human resource matters, all for the sake of a sustainable future for the existence of PT. Hudiya Hayat Hanif amidst the ever changing nature of automotive industry and the cut-throat competition among fellow tier-2 companies of automotive component maker. In addition, if it is possible, upgrading the skill level of the firm's human resource by hiring new talents or perfecting the existing ones through trainings will allow the firm to grow better, for they will have the know-how of running the firm more efficiently and coping with even more complex subjects after acquiring enough amount of crucial knowledge that may seem expensive at first, and yet may benefit PT. Hudiya Hayat Hanif in the long run.

REFERENCE

- [1] World Bank. (2012). *Productivity performance in Indonesia's manufacturing sector*. Jakarta: World Bank Office.
- [2] Deloitte Touche Tohmatsu Limited. (2017). *Global manufacturing competitive index*. London: Deloitte.
- [3] Setiawan, W. (2017,). Indonesia digital and content marketing report 2017. *Mix*, pp. 14-15.
- [4] Gabungan Alat-alat Industri Mobil dan Motor. (2015). *Indonesian automotive components Industry*. Proceedings were presented during Indonesia Australia Business Week at Ritz Carlton on November 18th, 2015.
- [5] Drucker, P. & Maciarello, J.A. (2003). *Management* (Revised ed.), New York: HarperCollins Publishers.
- [6] American Management Association. (2013). *Definition of Marketing*. Retrieved from <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx> on February 10th, 2017.
- [7] Solomon, M.R. (2015). *Consumer Behavior: Buying, having and being* (11th ed.). London: Pearson Education.
- [8] Sathya, P. (2015). A study on digital marketing and its impact. *International Journal of Science and Research*, Vol. 6 No.2, pp. 866-868.
- [9] Khan, M.S. & Mahapatra, S.S. (2009). Service quality evaluation in internet banking: an empirical study in India. *International Journal of Indian Culture and Business Management*, Vol. 2, No. 1, pp. 30-46.
- [10] Ratchford, B.T., Talukdar, D., & Lee, M.S. (2007). The impact of the internet on consumers' use of information sources for automobiles: A re-inquiry. *Journal of Consumer Research*, Vol. 34 No.1, pp. 111-119.
- [11] Seiler, S. (2013). The impact of search costs on consumer behavior: A dynamic

- approach. *Qualitative Marketing and Economics*, Vol. 11 No.2, pp. 155-203.
- [12] Verisign. (2013). *Whitepaper: Benefits and barriers of bringing a small business online*. Retrieved from VerisignInc.com on December 6th, 2018.
- [13] Mander, J. & Young, K. (2017). *Digital vs. traditional media consumption*. An insight report gathered by GlobalWebIndex, Quarter I-2017.
- [14] Chaffey, D., Ellis-Chadwick, F., Johnston, K. & Mayer, R. (2006). *Internet marketing: Strategy, implementation and practice* (3rd Ed.). New Jersey: Prentice Hall.
- [15] Cooper, D. R. & Schindler, P.S. (2014). *Business Research Methods*. New York: McGraw-Hill/Irwin.
- [16] Malhotra, N. K. (2010). *Marketing Research: an Applied Orientation* (6th Ed.). New Jersey: Pearson Education.
- [17] White, M.D. & Marsh, E.E. (2006). Content analysis: A flexible methodology. *Library Trends*, Vol.55 No.1, pp. 22-45.
- [18] Dawson, A., Hirt, M. & Scanlan, J. (2016). The economic essentials of digital strategy. *McKinsey Quarterly*, March 2016, pp. 1-13.
- [19] Machado, C. & Davim, J.P. (2016). *MBA: Theory and application of business and management principles*. New York: Springer.
- [20] Clow, K.E. & Baack, D. (2012). *Integrated advertising, promotion and marketing communication*. London: Pearson Education Limited.