NEW MARKETING STRATEGY TO INCREASE SALES IN THE DIGITAL TRANSFORMATION COMPETITION IN INDONESIA
A CASE STUDY OF PT XYZ

Ivory Rachmalia Beskarina
Institut Teknologi Bandung, Indonesia
ivory_beskarina@sbm-itb.ac.id

Abstract
Digital transformation aims to manage an organization in light of progressing digitalization to assure sustainable value creation since it is a key to develop the new opportunity, product, and sales. PT XYZ gives data-driven solutions for business challenges helping decision-makers to build new revenue streams, to create better customer experiences, and to lower business costs. Therefore, the marketing plan is the main issue for PT XYZ to increase sales and raise awareness of the market in Indonesia. The purpose of this study is to propose a new marketing strategy for PT XYZ to compete in the digital infrastructure competition. The author would like to analyze the external and internal data using the qualitative and quantitative methods to formulate SWOT. The SWOT result used to propose new marketing strategies to increase sales and market share in Indonesia with a new STP and 7P marketing mix. In general, the impact of technological change and the right marketing strategy on PT XYZ has a positive effect because it improves human life quality and sustainable society.

Keywords:
Digital transformation; New marketing mix; Marketing Strategy; STP; a Sustainable business

1. Introduction
In this digital era, IT and business are connected and mutually dependent. The digital transformation functions to manage an organization in progressing digitalization to assure sustainable value creation. The organization in Indonesia need to change their operations to be more efficient and provide information faster. At the same time, it urges the infrastructure to provide the reliability and simplicity of the organization's operations. Digital transformation supports the organization to reduce the total cost of ownership while capitalizing the next-generation applications, greater data access, and improved performance. Moreover, technology has changed the productivity in a wide array of business setting. Industry 4.0 has revolutionized operations with a combination of IoT technology, advanced analytics, and machine learning.
Based on the number of market share and digital transformation, consumption in Indonesia are huge. This is an opportunity for PT XYZ to grow the opportunity from the digital infrastructure market share in Indonesia. The product for sustainability management of PT XYZ is displayed on the Figure 1.

The digital infrastructure company in Indonesia has contributed to digital transformation to expand cloud, big data analytics, communication, infrastructure, and data center transformation segment. PT XYZ is a digital infrastructure company that masters data analytics, industrial expertise, and IoT technology rolled into one great solution provider. It gives data-driven solutions that work best for the business challenge and helps decision-makers building new revenue streams, creating better customer experiences, and lowering business costs. PT XYZ designed to provide end-to-end solutions of big data and applications includes converged infrastructure, cloud infrastructure, data storage, data protection, servers, software for machine learning, social collaboration, cloud, storage management, and IT knowledge analytics. Compared to competitors, PT XYZ has lost the price competitiveness to other digital infrastructure products which are known to be cheaper and have many variants of option solutions. PT XYZ's biggest challenge is to prove that low-cost solutions may not necessarily have the same quality and durability as PT XYZ products. Therefore, a marketing plan is the main issue for PT XYZ to increase sales and introduce the quality of PT XYZ products to the Indonesia market. The focus of this research is to propose the new 7P marketing strategy to overcome market challenges, increase sales, and market share of digital infrastructure in Indonesia. The objective of this research is to analyze the business conditions of PT XYZ, by looking at its internal and external situation to formulate a new marketing strategy for PT XYZ to increase sustainable management in the future.

2. Literature Review
Marketing mix is a set of controllable variable marketing tools that company use and mix to produce the desired response from their target market (Kotler and Keller, 2006). Marketing Mix comprised four such as Product, Price, Place and Promotion (McCarthy,1964). Extended Marketing mix model, as it became known as 7P marketing mix included recognition of the importance of
Process, People and Physical evidence in the provision of valuable products and services to the market (Booms and Bitner, 1981). Marketing mix consists of 7P elements such as Product, Promotion, Place, Price, People, Process and Physical Evidence are used to make the marketing strategy of the company.

The main problem of PT XYZ is how to create a new marketing strategy to help sustainable management in Indonesia. China is a direct competitor that will affect sales because it can provide a lower price than PT XYZ. However, PT XYZ should reach out to a new customer. The conceptual framework (Figure 2) required to formulate the best strategy for PT XYZ to set up a new marketing strategy. This conceptual framework based on several data in the term of the internal and external condition of the company to execute the process until the plan implemented.

![Figure 2. The Conceptual framework](image)

To get a competitive advantage resource for internal analysis, it has to be valuable, rare, costly imitate, and the firm must organize to capture the value of resource (Rothaermel, 2013).

This research uses various methods to gather information divided into two categories, primary and secondary data. Primary data sources are from questionnaires and personal interviews. The author put many elements of the concepts above into questions asked through the interview and the survey questionnaires. Secondary data is the data collected or produced by others includes government publications, websites, books, journal articles, and internal records (Hamilton, 2018).

Two research methods used are qualitative and quantitative. Qualitative conducted by doing face to face interviews and quantitative is by questionnaires. This paper focuses to propose a
marketing strategy to overcome market challenges to increase sales, market share and sustainability management in Indonesia. By doing in depth interviews with stakeholders, distributors, and internal management, the author gets more insight into the challenges of selling PT XYZ products in Indonesia. It also overcomes the challenges of digital infrastructure competition in the future.

Author put many elements of the above concepts into the questions to be asked in interview and in the survey questionnaires (Primary Data). Primary data is data in the research process from the original source by using appropriate data collection (Safi’i, 2006). Primary Data in this research consists of two ways which is Interview and Questionnaire.

3. Methodology of Research

After conducting several interviews with PT XYZ distributor, end-user, and internal management about IT future opinion, the current condition of the company, and the product quality, the author gets the conclusions about strengths, weaknesses, opportunities, threats, and proposed a new marketing strategy for PT XYZ. It explained on SWOT ON THE Figure 3:

![Figure 3. The Result of SWOT analysis](image)

4. Result and Discussion

**Proposed New Segmentation, New Target, New Positioning**

**New segmentation**

Currently, PT XYZ segmentation is an enterprise market utilizing cloud storage and file-sharing fit for all IT company segments. Thus, the strategies of PT XYZ segmented into entry level and
enterprise. The segmentation strategy of PT XYZ uses strong channel distribution to expand businesses through entry-level and the enterprise market.

**New Target**

The target of an Enterprise market is to provide solutions for users of IT infrastructure Back up, Server, Big Data, and Data Recovery System. Meanwhile, the target of a Small Business market is to the new company/start-up company that will use IT environments like Ecommerce using the Cloud content platform.

**New Positioning**

Previously, positioning PT XYZ is to transform the data into valuable insight into this new positioning after internal and external analysis combined with the IoT opportunity in Indonesia. PT XYZ can develop their IoT system not only for data analytic but also can introduce IoT solutions to help data automation for the customer to get the right data, to the right people, at the right time.

**Proposed New Marketing Mix**

New 7Ps Marketing mix proposed by the author consists of a new product, new place price, new promotion, people, new process, and physical evidence. It contributes to the result and helps PT XYZ achieving its goals.

**New Product**

PT XYZ platform can be applied both on the site and in the cloud. The 2.0 Version of PT XYZ products includes manufacturing insight, data analytics, machine learning, and design tools. Besides, new features are provided, such as ingestion tools for data, identity and access management, machine learning, alerts, and dashboards.

**Price**

There is no necessity to improve whether it is decreasing or increasing the price of PT XYZ, although it is quite high compared to other competitors. To compare apple to apple, PT XYZ product value still has several advantages in terms of product durability, product quality, and after-sales services. Furthermore, PT XYZ can propose a new product for the entry-level market with a lower capacity and affordable storage for entry-level to purchase, but having the PT XYZ enterprise quality.

**New Place**

There is still a lack of trust when customers purchase the product out of the workshop in a representative office in Indonesia. They cannot acknowledge the product only by checking on spreadsheets or brochures. PT XYZ should establish a demo room for the customer to see the physical product of PT XYZ. Otherwise, the partner of PT XYZ may provide it sooner.

**New Promotion**

PT XYZ needs more promotional activities to create more brand awareness for products since the PT XYZ market is a niche market. Nevertheless, with a great promotional, it can help PT XYZ to
grow the opportunity as well as the distributor’s key to increase sales. The promotions divided into two categories, offline promotions such as university workshop, demo room/workshop to potential customer, CSR (corporate social responsibility) program, cooperate with technology magazine, rebate promotion to the partner/distributor. Online promotions such as a talk show on radio or television, electronic media or online advertisement, social media engagement, SEM (search engine marketing) and SEO (search engine optimization) utilization. PT XYZ also should be active on online social activities such as community club establishment through social media and a joint campaign with alliance partners. The purpose is to make PT XYZ on the top list of keyword related to digital transformation or digital infrastructure.

**New Process**

PT XYZ should increase its automation process to improve processing. Based on the interview, PT XYZ has many layers to sell products. The new process is PT XYZ sells directly to the partner instead of going through a distributor. By eliminating this process, it will reduce the time-consuming process, approval, and margin distribution, as well as the marketing advertisement consumption.

**People**

PT XYZ has a competent account manager/sales and marketing in this digital infrastructure competition. To increase more sales, PT XYZ should invest highly in the management performance of sales training and marketing activity to improve the selling techniques, customer approaches, and services. Employee engagement is one of the important factors to create an excellent service.

**Physical Evidence**

PT XYZ should improve a reward, not only for internal PT XYZ but also for the external, especially customers and partners to gain motivation and loyalty from them.

5. Conclusion

After doing analysis based on Internal and External analysis, the author can propose a recommendation for PT XYZ to modify marketing STP to increase sales and expand the market share by providing the entry-level product not only for a niche market.

PT XYZ also should improve the new 7P marketing mix strategy by creating more promotional activities through offline promotions, such as university workshop, demo room/workshop to potential customer, CSR (corporate social responsibility) program, cooperating with technology magazine, and rebate promotion to the partner/distributor. Furthermore, PT XYZ should do a talk show on radio or television, electronic media or online advertisement, social media engagement, SEM (search engine marketing) and SEO (search engine optimization) utilization. It also should be active on online social activities such as community club establishment through social media and a joint campaign with alliance partners. The purpose is to make PT XYZ on the top list of keyword related to digital transformation or digital infrastructure. Recommendation activity is given to create brand awareness and achieving the target goals of PT XYZ to increase its sales and implemented sustainable management by sustaining the PT XYZ marketing strategy.
References


