

Determination of Digital Marketing Strategies by using SWOT and BCG Approaches to Improve Company Competitiveness

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Abstract. Marketing is one of the important lines in running a company. A good marketing will be able to provide several advantages for the company, including increasing consumer brand awareness so that it can also increase the company's competitiveness. The object of this research is a manufacturing company engaged in the cosmetics industry. This company is a company that has produced thousands of types of products since 1962 and is distributed throughout Indonesia. The method used in determining this digital marketing strategy is SWOT and BCG Matrix. Both methods can provide a statement of the company's position in a certain quadrant so that an appropriate digital marketing strategy can be formulated. The results of the study involving 102 respondents showed that digital marketing strategies that can be carried out by companies to increase brand awareness of their products is to make maximum use of technology by increasing promotion through social media, innovating products, and developing markets to expand market reach.

1. Introduction

Brand awareness is a possibility of consumers feels familiar related to the product or service [1]. A company must always strive so that their brand always be remembered by their consumers [2]. The company is expected to develop an appropriate marketing strategy. The marketing strategy adopted today is the way differs from the application of marketing strategies in previous years. The current marketing strategy is more concerned with building brand awareness from consumers, because, if consumers are increasingly familiar with the products of a company, the company will be more competitive in market competition. Thus, it will enhance the reputation and credibility of the company [3]. In this study, the object under study is a manufacturing company in Surabaya engaged in the cosmetics industry. This company has been established since 1962 with its phenomenal tagline, which is "sesuai untuk daerah tropis".

At the beginning of its appearance, the companies often offer their products at affordable prices to consumers. This is considered to be no longer relevant in the present because consumers are not only concerned with the low prices, but also consider the benefits that can be felt directly by consumers for facial care products used. Therefore, an effective promotion strategy is needed in order to build a better corporate image. In this study, several suitable methods are used including SWOT, BCG and Benchmarking. Through these methods can be determined the right digital marketing strategy in marketing products through digital media.

2. Theory

2.1. Digital Marketing

Digital marketing is also known as online marketing, internet marketing and web marketing. The term digital marketing is getting popular from time to time. Digital marketing is a term commonly used to market a product or service that uses technology as an intermediary [4]. Brand awareness is associated with a person's ability to identify a brand under certain conditions based on the characteristics inherent in the brand [5]. Measurement of brand awareness is based on the understanding of brand awareness which includes the following levels [6]:

1. Unaware of brand
Is a stage when a brand has not been realized by consumers
2. Brand Recognition
Is the lowest level of brand awareness obtained from a re-collection
3. Brand Recall
It is a reminder of a brand in a product class without the assistance of a choice of brands offered in advance
4. Top of Mind
It is the stage when a brand first appears in the consumer's mind

The following is a pyramid of brand awareness [7]:

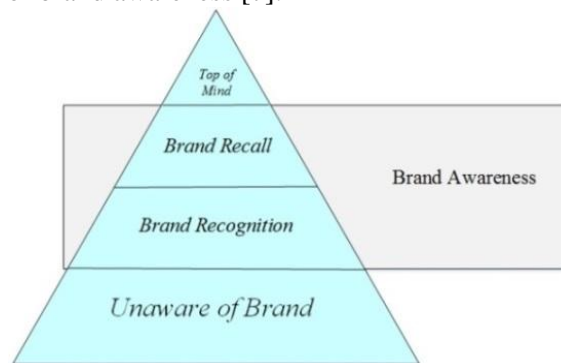


Figure 1. Brand Awareness Pyramid

2.2. SWOT Analysis

SWOT analysis is a tool used for strategic planning in an organization. This tool can also be used effectively in building a competitive strategy [7]. Here is an understanding of strengths, weaknesses, opportunities and threats [8]:

1. Strength
Strength is a resource that is controlled or available to a company. Strength also makes the company relatively superior compared to its competitors in meeting the needs of the customers it serves.
2. Weakness
Weakness is a limitation or deficiency in one or more resources of a company against its competitors. This is an obstacle in meeting customer needs effectively.
3. Opportunities
Opportunities are the main favorable situation in a company's environment. The main tendency is one source of opportunity.
4. Threats
Threats are the main unfavorable situations in a company's environment. Threats are a major obstacle for the company in achieving its current or desired position..

2.3. BCG Matrix

The Boston Consulting Group Matrix is a chart created by Bruce Henderson for the Boston Consulting Group in 1970 to help companies by analyzing their business units or product lines. Managers who use

the BCG matrix for each company's business and the level of market growth and relative competitive position [8]. The BCG matrix is divided into 4 quadrants which describe the position of a business unit in terms of market growth and market share, the four quadrants or categories [9] are:

1. **Star**
It symbolizes a business that is in a relatively high market share and has a high level of industrial growth. This category is the market leader but that does not mean it will provide positive cash flow for the company.
2. **Question Mark**
In this quadrant, businesses have a relatively low market share position, but they compete in a fast-growing industry. Usually the company's cash needs are high and cash income is low.
3. **Cash Cow**
Businesses that have a relatively high market share, but compete in a slow-growing industry. Called cash cow because it produces more cash than it needs.
4. **Dog**
Businesses with relatively low market share and compete in industries with low or no growth

2.4 Benchmarking

Benchmarking is a process of measuring continuously and comparing one or more business process companies with the best companies in the business process [10]. The main purpose of benchmarking is to find the key which then adapts and refines it to be applied to the organization implementing the benchmarking. Analytically we can distinguish benchmarking into three categories [11]:

1. **Internal benchmarking**
Internal benchmarking results in very high precision comparisons when all relevant data is collected from the same source.
2. **External benchmarking**
External benchmarking means comparing organizations with the same or similar organizations elsewhere. The benchmarking pair may be direct competitors or similar organizations and serve different markets.
3. **Functional benchmarking**
A comparison of products, services, and work processes with successful companies regardless of their line of business.

3. Research Methods

The research steps can be described as follows:

1. **Problem Identification Stage**
At this stage the literature study and field study are carried out to find out the background of the research. So it can be determined the formulation of the problem, objectives, limitations and assumptions of the study.
2. **Data Collection and Processing Stage**
At this stage, data collection was carried out, beginning with constructing a questionnaire and distributing questionnaires to 60 respondents, then testing the validity and reliability so that then a minimum sample calculation can be done. After that the questionnaire was distributed again and filled out by 102 respondents. Data obtained from respondents are then processed to obtain information in accordance with the objectives of the study.
3. **Analysis and Discussion Stage**
At this stage, researchers interpret data that has been processed in more detail. The results are analyzed and discussed to answer the problems faced and get the best solution.
4. **Conclusion Stage**
The results of the data processing and analysis of the discussion will be used to draw a conclusion in order to obtain a summary of answers based on the formulation of the problem and research objectives:

4. Result

4.1. Brand Awareness



Figure 2. Brand Awareness Pyramid

The brand awareness pyramid in Figure 2, which was obtained from 102 respondents there were 50% (51 people) respondents were at the level of brand recognition, and 28.43% (29 people) were at the level of brand recall and top of mind

4.2 SWOT

To measure the extent of the strengths and weaknesses that companies have from promotional strategy activities, the Internal Factors Analysis Summary (IFAS) matrix model is used as presented in Table 1.

Table 1. IFAS MATRIX

Internal Factors	Weight	Rating	Weighting Score
<i>Strength</i>			
1. The price of Viva Cosmetic products is cheaper than its competitors	0,100	4	0,4
2. Products from Viva Cosmetic are quite varied according to market needs	0,091	4	0,364
3. Viva Cosmetic products are easy to get online	0,077	4	0,308
4. Viva Cosmetic is a trendsetter of Indonesian skin care and cosmetology	0,067	2	0,134
5. Viva Cosmetic has an official store in several e-commerce sites	0,094	4	0,376
Total Strength Score	0,429		1,582
<i>Weakness</i>			
1. Ads from Viva Cosmetic products are less attractive	0,079	2	0,158
2. The packaging of Viva Cosmetic products is less attractive and does not describe beauty	0,084	2	0,168
3. Viva Cosmetic rarely uses digital platforms for marketing	0,097	4	0,388
4. The model used by Viva Cosmetic advertisements does not suit the target market	0,085	3	0,255
5. Viva Cosmetic products are better known than similar products	0,082	3	0,246
6. Viva Cosmetic doesn't often innovate on its products compared to its competitors	0,073	2	0,146
7. Viva Cosmetic sales growth is still slow.	0,071	2	0,142
Total Weakness Score	0,571		1,503
TOTAL	1		3,085

On the external factors found five factors in the form of opportunities that have a positive effect and six factors in the form of threats that have a negative effect. To assess the external strategy factors, the External Factors Analysis Summary (EFAS) matrix model is used as presented in Table 2

Table 2. EFAS MATRIX

External Factors	Weight	Rating	Weighting Score
<i>Opportunity</i>			
1. The development of technology	0,090	4	0,360
2. More and more enthusiasts of skin care products	0,097	3	0,291
3. Often get reviews from beauty influencers	0,088	4	0,352
4. Has a very familiar image with Indonesian women	0,090	2	0,180
5. Increased online courier services that make it easier to send products	0,090	3	0,270
Total Opportunity Score	0,455		1,453
<i>Threat</i>			
1. More beauty product brands that are similar.	0,090	2	0,180
2. Viva Cosmetics often promote online	0,093	3	0,279
3. Security against social media crime	0,089	2	0,178
4. Innovation from viva cosmetics products	0,088	3	0,264
5. Use of digital platform that have not been maximized	0,095	3	0,285
6. Fraud that often occurs through social media	0,090	2	0,180
Total threat Score	0,545		1,366
TOTAL	1,000		2,819

After calculating the IFAS and EFAS Matrix, the mapping is then performed using the SWOT Matrix diagram drawings as shown in Figure 3. The company is in quadrant I, where this position is a favorable situation for the company, because the company can use its strengths and opportunities so that it can take advantage of existing opportunities. Strategies that can be applied in this condition are those that support aggressive growth policies (growth oriented strategy).

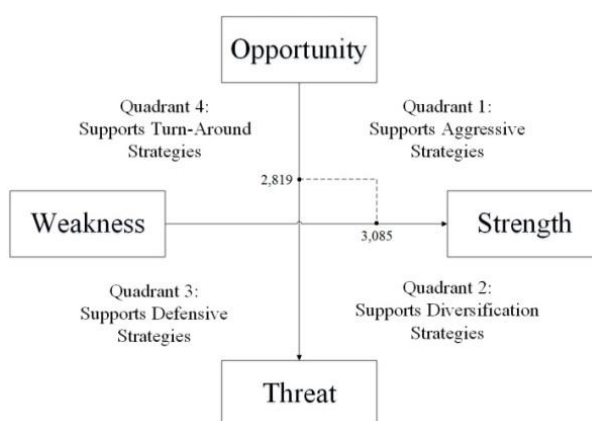


Figure 3. SWOT Analysis Diagram

4.3 BCG Matrix

To find out the level of consumer brand awareness of Viva Cosmetic products, a BCG matrix analysis will then be performed to determine the company's position. In 2018, the company will be in the question mark position. This means that it is at a fairly high level of industry growth and its market share shows the number that is still quite low in the cosmetics industry. Viva Cosmetic has reached the question mark position and is expected to develop into a star position. If the company cannot determine the right strategy in its development, the company's position may be transferred to the dog's position.

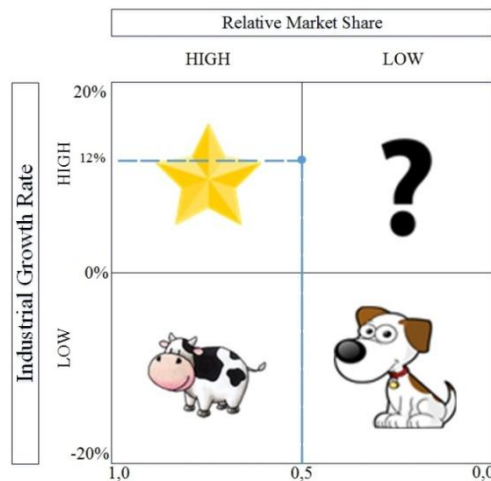


Figure 4. BCG Matrix of Product 2018

4.4 Benchmarking 7P

Benchmarking is an effort of researchers to find out good and appropriate marketing strategies, where researchers do benchmarking from the marketing mix with products from competing companies

Table 3. Benchmarking Matrix Product

	Viva Cosmetic	Wardah	Purbasari	Sariayu
<i>Product</i>	<ul style="list-style-type: none"> - Has a variety of variants that suit the skin needs of Indonesian people - Economical packaging - Safe to use - Halal certified - The packaging is good 	<ul style="list-style-type: none"> - Has a variety of variants according to the needs and skin conditions - Safe to use - Halal certified - The packaging is very interesting 	<ul style="list-style-type: none"> - Has a variety of variants according to the needs and skin conditions - Safe to use - Halal certified - The packaging is interesting 	<ul style="list-style-type: none"> - Has a variety of variants according to the needs and skin conditions - Safe to use - Halal certified - The packaging is interesting
	Good	Good	Good	Good

Table 4. Benchmarking Matrix Place

	Viva Cosmetic	Wardah	Purbasari	Sariayu
<i>Place</i>	Located throughout Indonesia e-commerce	Located throughout Indonesia e-commerce	Located throughout Indonesia e-commerce	Located throughout Indonesia e-commerce
	Good	Good	Good	Good

Table 5. Benchmarking Matrix Price

	Viva Cosmetic	Wardah	Purbasari	Sariayu
<i>Price</i>	Prices range from Rp2,000 - Rp60000 so that the price scale can be reached by all circles.	Prices range from Rp12000 - Rp135000. With these prices, not everyone can buy without a second thought.	Prices range from Rp5,000-Rp120000. So the price can be reached by all circles.	Prices range from Rp5,000-Rp90000. So that the price can be reached by all circles.
	Good	Less	Good Enough	Good Enough

Table 6. Benchmarking Matrix Promotion

	Viva Cosmetic	Wardah	Purbasari	Sariayu
<i>Promo-tion</i>	- There are advertisements through Instagram, Facebook and several online sites.	- There are advertisements on YouTube, Facebook, Instagram, several online sites and online magazines - In partnership with several leading artists in Indonesia - Carry out some positive campaigns by bringing namabrand.	- There are advertisements through Instagram, Facebook and several online sites.	- Making partnership with filmmakers - There are ads through YouTube, Facebook, Instagram and some online sites - In partnership with several leading artists in Indonesia
	Less	Good	Less	Less

Table 7. Benchmarking Matrix Physical Evidence

	Viva Cosmetic	Wardah	Purbasari	Sariayu
<i>Physical Evidence</i>	Website owned by Viva Cometic is only used for the buying and selling process	- Posts made through websites and social media are always consistent - The website owned by Wardah in addition to introducing its products to prospective customer, there are also several articles that contain some information about beauty. - On the website there are also features that can help users to find out the skin type for users who need it	- Frequently update its activities on the website - Often upload articles related to the activity that has been done in the near future. - In addition, it can also accept purchases online through its website. - Product grouping is done more neatly	- Frequently update its activities on the website - Often upload articles related to the activity that has been done in the near future. - In addition, it can also accept purchases online through its website. - Sariayu also uses her social media well by creating campaigns with a beauty theme.
	Good Enough	Good	Good	Good

Table 8. Benchmarking Matrix People

	Viva Cosmetic	Wardah	Purbasari	Sariayu
<i>People</i>	There is no good engagement between marketers such as ad stars that have been contracted by Viva Cosmetic and potential customers.	<ul style="list-style-type: none"> - Often provide education about skin care products that match skin concerns and skin types. - All partners who market products always maintain good relations with potential customers and loyal consumer of the brand. 	<ul style="list-style-type: none"> - Contracted partners always maintain good relations with loyal customers and potential customers by giving education about the benefits of the product that can be felt. - Always actively provide regular education 	<ul style="list-style-type: none"> - Sariayu has contracted with several influential women in Indonesia who also have positive energy in providing education about beauty. - Always maintain good relations with consumers from the brand
	Less	Good	Good	Good

Table 9. Benchmarking Matrix Process

	Viva Cosmetic	Wardah	Purbasari	Sariayu
<i>Process</i>	Provides free shipping facilities with a certain minimum purchase through the website.	Provides free shipping facilities with a certain minimum purchase through the website	Provides free shipping facilities with a certain minimum purchase through the website	Provides free shipping facilities with a certain minimum purchase through the website
	Good	Good	Good	Good

5. Conclusion

Based on the SWOT analysis, the product position is in quadrant I where the strategy can be used to support an aggressive growth policy (growth oriented strategy). While based on the BCG matrix, the product position is in the question mark quadrant, so the strategy that can be applied is the build strategy. Benchmarking between the products studied and competing products based on 7P benchmarking analysis is good enough from various aspects such as product, place, price and process. However, it is still lacking in the aspect of promotion, physical facilities and people.

The proposed digital marketing strategy that can be carried out by companies to increase brand awareness and competitiveness of products in general is to make maximum use of technology by increasing promotion through social media, implementing a build strategy, namely increasing investment in products or units that can be in the form of innovation products or updating product packaging in order to increase market share, make partnerships with several professional influencers so that they can establish good relationships with potential customers, and redesign websites that have been built.

6. References

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