

## **MARKETING STRATEGY OF YAMALUBE OIL USING SWOT ANALYSIS METHOD IN THE BAGJA MOTOR WORKSHOP INDONESIA**

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### **ABSTRACT**

*Bagja Motor workshop only sold products on the market and there was no a proper marketing strategy causing the sales was not in optimum condition. Intense competition in workshop sector required Bagja Motor workshop to be able to plan a good marketing strategy. Bagja Motor workshop also had to arrange the marketing strategies as possible by utilizing their strengths and opportunities. Determination of marketing strategy Yamalube oil in Bagja Motor workshop used SWOT analysis method. It was useful to increase the volume of sales through the research in determining marketing strategy of Bagja Motor workshop. The marketing strategy which should be improved was place or distribution network, pricing strategy, promotion strategy and product strategy. The main priority was the strategy of distribution points so that the delivery product to consumers became faster and more efficient. The analysis using matrix of internal factors IFE, It was obtained score of 3.427. While the result of external factor using EFE matrix was obtained score of 3.255. The Strategy that can be taken is Grow and Build strategy. The appropriate strategies are intensive strategy such as market penetration, market development, and product development.*

**Keywords:** Marketing Strategy, SWOT Analysis, IFE, EFE

### **INTRODUCTION**

Recently, Bussiness competition in the world increases so tight. Goods and services on the market can have uniformity between one product to another. It can happen because the successful product on the market will be immediately followed by competitors with similar products. Therefore, it needs to improve the marketing strategy of Bagja Motor workshop to survive in the market.

The amount of the diversity of products available in the market makes consumers faced with many choices to the desired product. Information got on product description in the packaging is

not particularly helpful in determining purchasing decisions of consumer in product (Kotler, 2006).

Automotive sector is one of the most rapidly expanding today, especially two-wheeler sector. Workshop plays an important role in the automotive sector. Good, true, and comfortably customer service able to eliminate the gap between real services and potential services and can guarantee to increase purchasing.

The importance of consumer trust can determine the success of the workshop, and makes business workshop into a business that has a good future. That is proved by the many entrepreneurs engaged in the business workshop, intense competition between workshops making Bagja Motor workshop must be careful to see situation and demand of the market so that consumer demand can be met. To create the situation, it needs a strategy and breakthrough creative and innovative in terms of creating or marketing a product to consumers in an effort to gain and improve profitability and operating profit workshop (Kotler, 2006)..

Marketing management is a form of plan that is explained in the fields of marketing. To obtain optimal result, marketing management has a broad scope in the field of marketing included marketing network and distribution system. Bagja Motor workshop needs to recognize the strengths and weaknesses of the workshop in the process of competition. It is very helpful to know itself, as well as take advantage of any opportunities that exist and avoid or minimize existing barriers (David, 2009).

Problems of management in Bagja Motor workshop are a very important part. Marketing done with a good strategy will be put the product in the right position and gain market share. Marketing is a way done Bagja Motor workshop to direct his effort in order to satisfy consumers with the benefit. This is new thinking in business and replaces the way of thinking that leads to the product (Kotler, 2010).

The concept of marketing is a strategy that Bagja Motor workshop will change ways commonly used by market-oriented and strive to produce what the consumers want, Bagja Motor workshop must also consider the service to consumers (Kotler, 2010).

Bagja Motor workshop in the operation always has put the good image of the workshop, trying to be the leading of repairing vehicles. Mastery in making the product has continued to be driven for the growth and business development. Bagja Motor workshop always gave satisfaction to all those associated.

Bagja Motor workshop only sold products on the market and there was no a proper marketing strategy causing the sales was not in optimum condition. Intense competition in workshop sector required Bagja Motor workshop to be able to plan a good marketing strategy.

Bagja Motor workshop also had to arrange the marketing strategies as possible by utilizing their strengths and opportunities. Bagja Motor workshop should be able to also anticipate the moves of competitors and threats. Determination of the marketing strategy will affect the rise and fall of sales results Bagja Motor workshop.

To be able to achieve what is desired by the Bagja Motor workshop, It needs to consider its internal and external environment. These two factors greatly influence the policy Bagja Motor workshop in continuing business operations.

## **LITERATURE REVIEW**

(Philip, 1994), the product is anything can be offered to the market to get attention, purchased, used or custemed and satisfy the desires or needs. And according (Keegan, 1997) the product is

a collection of properties, physical properties, services and symbolic that generate satisfaction or benefit to user or buyer.

According (Bilson, 2002) the product is a collection of attributes that gives value to the product depends on how well the attributes are managed.

According Tjiptono, 1997, a conceptual understanding of the product is the subjective understanding of the top manufacturers something to offer as an attempt to achieve organizational goals through fulfilling the needs and desires of consumers, in accordance with the competence and capacity of the organization as well as the purchasing power of the market. Additionally, the product can also be defined as consumer perceptions described by the manufacturers through production. The concept of total product includes goods, packaging, brand, label, service and warranties.

In essence, the campaign is a form of marketing communications. Marketing communication is the marketing activities that try to spread information, influence / persuade, and / or remind the target market for the company and its products to be willing to accept, purchase, and loyal to the products offered by the company concerned. (Tjiptono, 2002).

(Terence, 2000) states that the promotional activities consist of all marketing activities that try acts of purchase of a product that is fast or the purchase in a short time.

## **RESEARCH METHODS**

### **Method of Collecting Data**

#### **1. Primary Data**

a. Interview is a method performed by a question and answer to respondents. Interview was conducted using a checklist instruments, it means that the source of data is filled with some questions that appropriate to the research objectives.

b. Observation is one of the data collection carried out by way of systematically recording data to an object of observation.

c. Providing written questions to the respondents in this study, the questionnaire was distributed to the respondent managers and employees who had determined Bagja Motor workshop.

#### **2. Secondary Data**

Secondary data is obtained indirectly such as reference books, articles literature, files archive Bagja Motor workshop and taken from the internet or from any related sources.

### **Method of Data Analysis**

The step of data analysis is the step affecting the success of this study, because errors in this step will cause an error in the next step. The step of analysis is an activity to determine the classification data more precisely for marketing strategy.

Prior to determining marketing strategy more precise and clear, the system of marketing strategy Bagja Motor workshop must be done to data analysis by following steps:

a. Collecting data is used to obtain the data needed to improve marketing.

b. Classifying or categorizing data according to type and function

c. Performing data analysis and determine the right strategy and the most effective marketing strategies was applied in improving the workshop.

Data analysis method used in analyzing the data that had been defined above using the method:

a. SWOT Analysis

This analysis is useful to know the position of the workshop in the market based on the strengths, weaknesses, opportunities and threats that are owned by itself.

b. The way to SWOT Analysis

Research showed that performance Bagja Motor workshop could be determined by a combination of internal and external factors, both factors had to be considered in a SWOT analysis (Rangkuti, 2008).

## **RESULTS AND DISCUSSION**

### External Factor Evaluation (EFE Matrix)

**Table 1. The performance of External factor**

No	External factor	Weight (a)	Rating (b)	Score (a.b)
<b>Opportunity</b>				
1.	The role of related institutions	0,125	3,1	0,3875
2.	Close to center the district	0,124	4	0,496
3.	Close to relation and housing sites	0,130	4	0,520
4.	The criticisms and suggestions from the community	0,111	3,1	0,3441
<b>Threat</b>				
1.	Government regulation on local taxes that experienced an increase in	0,116	2,4	0,2784
2.	To raise their fuel prices significant	0,125	3	0,375
3.	The increase in local minimum wage	0,104	2,4	0,2496

4.	Worker who lacking principles in working	0,116	2,4	0,2784
5.	Newcomers / competitors new	0,105	3,1	0,3255
<b>Total</b>		<b>1</b>		<b>3,255</b>

Based on the above obtained EFE matrix total weighted score of 3.255. This shows the Bagja Motor repair shop is able to respond to external factors by exploiting the opportunities that exist to address the threat. According to Husein Umar (2003), when the total score of the EFE matrix of 4.0 indicated that the workshop Bagja Motor responds very well to existing opportunities and avoid threats of on the market [4].

### The Internal Factor Evaluation (IFE Matrix)

**Table 2. The performance of Internal factor**

No	Internaf factor	Weight (a)	Rate (b)	Score (a.b)
<b>Force</b>				
1.	Their products varied	0,128	3,1	0,3968
2.	Their products quality	0,123	3,9	0,4797
3.	Having of workers (sales and mechanics) who is skilled and competent	0,111	4	0,444
4.	Have relation which is enough sinifikan	0,111	3,7	0,4107
5.	Have chanel	0,119	3,1	0,3689
6.	Workshop bagja motor having distribution network strong	0,128	3,8	0,4864
<b>Weekness</b>				
1.	Promotion done workshop bagja motor is weak	0,104	3	0,312
3.	Lack of in the administration	0,104	2,4	0,2496

4. Lack of discipline workers	0,112	2,4	0,2688
<b>Total</b>	<b>1,0</b>		<b>3,417</b>

Based on the above IFE matrix obtained a total of 3.417 weighted score value. According to Husein Umar (2003), if the value of the weighted score above 2.50 indicates that internally the workshop Bagja Motor on a strong position [4].

## FINDING AND DISCUSSION

### *Alternative Strategy Based on Quantitatif Strategic Planning Matrix (QSPM)*

In the future, Bagja Motor workshop will face the heavy level of competition, especially competition with similar efforts of newcomers. It is beginning to be felt with the increase of similar products from year to year.

From the analysis of alternative strategies QSPM matrix obtained as follows:

- Increasing sales volume through increased sales targets and the expansion of the distribution network.
- Increasing sales by selling product of Yamalube oil and supplier's loyalty (suppliers of Yamalube oil)
- Intensive promotional activities and effective in printed-media, baligho and banners.
- Creating channels and strong distributor relationships in marketing.

Based on four strategic alternatives above, the marketing strategy should be improved on pricing strategy, promotion strategy, and product strategy. The main priority is the strategy of distribution points so that the delivery of product to consumers faster and more efficient role in distribution. The strategy was got using questionnaires from stakeholders Bagja motor workshop. The strategies are:

#### **a. Strategy of Market Share Expansion**

Bagja Motor workshop used a certain strategy, so that consumers could trust and be a workshop consumer. The policies were used:

- Product policy is to provide products according to the needs and tastes of consumers.
- Price policy is special price such as granting discounts for large purchasing.
- Distribution policies are in place so that the oil available and easy to reach current customers in order with the number of lots and facilitate the delivery time to customers with the variety, quality, price, and service.
- Promotion policy is to give information to consumers about the quality-assured and affordable price.
- The direct approach to consumers is to conduct meeting with consumers for strengthening the relationship of the consumer integration.

#### **b. Strategy of Product Differentiation**

The programs of the product differentiation strategy are as follows:

##### 1. Design and Models

To make the model design, Bagja Motor workshop must always follow the trend. Such information can be obtained from customers, trading, website and magazine. The workshop

is demanded to always be innovative in generating products. The role of the department of development is very important in making product innovation. The workshop must also a trade center in design and models. Because the desire of consumers about design in each place is different, the workshop should strive to meet consumer demand in each place without losing typical product.

2. Quality Product

Bagja Motor workshop must always maintain product quality still high, doing quality control on each step of the admission process and sale of goods process.

**c. Strategy of Utilization Existing Resources**

Strategy programs of utilization resources Bagja Motor workshop there are:

1. Optimization of product quality

The quality of products from Bagja Motor workshop is increased so that the utilization of raw materials can create good quality product.

2. Optimizing quality and worker skills (sales and mechanics)

Optimizing quality and worker skills (sales and Mechanics) can be done by way of placement Workers (sales and Mechanical). Qualified workers (sales and mechanics) in accordance with the field and work can be better to improve the productivity of work in marketing. Workers usually make or holding trainings and seminars on skills of worker (sales and mechanics) in the workshop.

3. The process of product distribution more effective and efficient

The good distribution process of raw material will increase the smoothness of the business production and this will certainly be minimizing expenditure posed by unfavorable distribution process.

**d. Strategy of effective procurement implementation system products**

The Programs of the implementation strategy of efficient product procurement system are as follows:

1. Improving collaboration with suppliers of products

Bagja Motor workshop needs to enter into an agreement with suppliers of products so that the product procurement process can be carried out as efficiently as possible.

2. Improving collaboration with suppliers of products

Supplier products have an important role in Bagja Motor workshop. Supplier closed to the workshop will ease production process and established well of cooperative relation, because it will have positif impact for both. The workshop needs to increase cooperation with the supplier.

3. The scheduling process and product inventories appropriately

With the scheduling process supplies the right products and integrated, the smoothness of the marketing process the worksop can be fulfilled. So there is no time delay for the workshop in the delivery process.

**e. Strategy to increase promotional activities**

The programs of the strategy of increasing promotional activities are as follows:

1. Promotion through printed and electronic media

Promotion is a form of persuasive communication to provide information. This can be done by improving the means of promotion such as promotion through printed and electronic media (radio).

2. Make flyer and sticker

As one way to enhance the promotion is to create brochures and stickers given to consumers when it comes to the show room or workshop.

3. Organizin a product exhibition

Consumers can see directly the advantages of products sold by Bagja Motor workshop.

4. Branding on each product

Attaching of labels or brand on the product are the simplest way to introduce products of Bagja Motor workshop to consumers and new customers. Labelling of Bagja Motor workshop on the product will be effectively and very profitable for promotion activities. With the attachment of a label or brand name on a product, it will make consumers satisfied with the quality or design of the product so that consumers will order and come back to the workshop (Saladin, 2003).

**f. Strategies to increase cooperation**

The programs of the strategy of increasing cooperation are:

1. Increased cooperation with distributors. The existence of good cooperation relations between Bagja Motor workshop with the distributor and vice versa, it will cause the distributors loyal to the workshop. This can be done with the agreement of mutually beneficial cooperation between the two sides.

2. Increased cooperation with the agency or government

Cooperation with the agency or government is very beneficial for the workshop, because it can provide information about exhibitions constitute the promotional activities.orkshop Bagja Motor workshop needs to improve good cooperation with the agency or government agencies. Besides that, it can help in providing input in the form of useful suggestions for the owners the workshop.

3. Improved cooperation with the buyer

Buyer plays an important role in Bagja Motor workshop, with the buyer the workshop can market their products so as to yield the expected profits. Interaction between the workshop with buyers must be well established, as it will have a positive impact for both. The workshop needs to increase cooperation with the buyer.

**g. Strategy of Workflow Improvement**

The programs in the strategy of improvement workflow Bagja Motor workshop are:

1. Creating a good relationship between the leadership and the Workers (sales and Mechanics)

A good leader must pay attention and guide her workers (sales and mechanics) and a good worker must be obedient to the leader. To realize all of it, it is needed a good relationship between the owner and worker (sales and mechanics) so that it can create a good working flow. It can be done by way of regular meetings between the leader and the Workers (sales and mechanics) which lead to discuss important matters in the work.

2. The process of product distribution more effective and efficient

Through the process of selling products that are more effective and efficient the customer satisfaction will be formed, it is the main capital for the workshop in retaining customers.



This can be done also by means of product distribution processes on time and on schedule so it will not cause complaint from consumers.

**Table 3. QSPM Matrix Analysis**

No	Strategy factor	Strategy I		Strategy II		Strategy III		Strategy IV		
		Weight	Rate	Score	Rate	Score	Rate	Score	Rate	Score
		(a)	(b)	(a.b)	(b)	(a.b)	(b)	(a.b)	(b)	(a.b)
<b>Kekuatan</b>										
1	Oil yamalube their products varied	0,128	3,1	0,39 68	3,2	0,40 96	3,1	0,39 68	3,3	0,4224
2	Oil yamalube their products quality	0,123	3,9	0,47 97	4	0,49 2	3,9	0,47 97	4	0,492
3	Having of workers (sales and mechanics)	0,111	4	0,44 4	4	0,44 4	4	0,44 4	4	0,444
4	Have relation which is enough different	0,111	3,7	0,41 07	3,7	0,41 07	3,7	0,41 07	3,7	0,4107
5	Have chanel	0,119	3,1	0,36 89	3,5	0,41 65	3,4	0,40 46	3,3	0,3927
6	Having distribution network strong	0,128	3,8	0,48 64	3,8	0,48 64	3,8	0,48 64	3,8	0,4864
<b>Weakness</b>										
1	Promotion done workshop bagja motor is weak	0,104	3	0,31 2	3,3	0,34 32	3	0,31 2	3	0,312
2	Lack of workshop bagja motor in the administration	0,104	2,4	0,24 96	3	0,31 2	2,4	0,24 96	3	0,312
3	Of a lack of discipline of workers (sales and mechanics)	0,112	2,4	0,26 88	2,4	0,26 88	2,4	0,26 88	2,4	0,2688
No	Strategy factor	Weight	Rate	Score	Rate	Score	Rate	Score	Rate	Score
		(a)	(b)	(a.b)	(b)	(a.b)	(b)	(a.b)	(b)	(a.b)
		<b>Opportunities</b>								
1	The role of related institutions	0,125	3,1	0,38 75	3	0,37 5	3,1	0,38 75	3,2	0,4
2	Close to center the district	0,124	4	0,49 6	3,8	0,47 12	4	0,49 6	4	0,496
3	Close to relation and housing sites	0,130	4	0,52 0	4	0,52	3,8	0,49 4	4	0,52
4	The criticisms and suggestions from the community	0,111	3,1	0,34 41	3,1	0,34 41	3,1	0,34 41	3,1	0,3441
<b>Weakness</b>										

1	Government regulation on local taxes that experienced an increase in	0,116	2,4	0,27 84	2,4	0,27 84	3	0,34 8	2,4	0,2784
2	To raise their fuel prices significant	0,125	3	0,37 5	3	0,37 5	3	0,37 5	2,8	0,35
3	The increase in local minimum wage	0,104	2,4	0,24 96	2,4	0,24 96	2,4	0,24 96	2,4	0,2496
4	Worker who lacking principles in working	0,116	2,4	0,27 84	2,4	0,27 84	2,4	0,27 84	2,4	0,2784
5	Newcomers / competitors new	0,105	3,1	0,32 55	3,1	0,32 55	3	0,31 5	3,1	0,3255
<b>Total</b>				<b>6,67 1</b>		<b>6,80 0</b>		<b>6,74 0</b>		<b>6,783</b>

### 3. Improvement of the administration of Bagja Motor workshop

Administration is still modest greatly affect the performance Bagja Motor workshop which will result in a loss both on the products and on the consumer. The workshop is necessary to improve its administration to be more organized in order to achieve the desired results and for the survival itself.

Therefore in the IE Matrix is based on internal and external environmental conditions the workshop coupled matrix IFE and EFE. The results of the analysis of internal factors IFE matrix was obtained score of 3.427. While the results of external factor analysis using matrix EFE obtained score of 3.255. Based on these two values, the workshop in marketing the products occupied a position on cell I. Strategies that can be taken is Grow and Build strategy. The appropriate strategies are intensive strategy such as market penetration, market development, and product development. Market penetration is a strategy undertaken by the workshop to increase sales of the products and markets that have been available through the efforts of more intensive marketing. Market development is a strategy that aims to gain new markets or customers.

## CONCLUSION

The analysis of the matrix QSPM was obtained the following strategic alternatives:

1. Increasing sales volume through increased sales targets and expansion of the distribution network.
2. Increasing sales by selling product of good quality Yamalube oil and supplier loyalty.
3. Conducting intensive and effective promotional activities in printed and electronic media, for example newspapers and internet.
4. Creating channels and strong distributor relationships in marketing.

Based on the analysis using matrix of internal factors IFE, It was obtained score of 3.427. While the result of external factor using EFE matrix was obtained score of 3.255. Based on these two

values that marketing product of Yamalube oil. Strategy that can be taken is Grow and Build strategy. The appropriate strategy is intensive strategy such as market penetration, market development, and product development. Market penetration is a strategy undertaken by a workshop Bagja Motor to increase sales of the products and markets that have been available through the efforts of more intensive marketing.

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