

DETERMINING A SUITABLE PROMOTIONAL MIX FOR SILK- PRINTING INDUSTRY R-R TO RAISE THE BUSINESS' TURNOVER

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ABSTRACT

This research aims to compose a suitable promotional mix for Silk-printing Industry R-R. Elements of the promotional mix which were researched in this article includes advertising, personal selling, sales promotion, public relations and direct marketing. This research is a qualitative research with triangulation method. The data was gathered with in-depth-interviews with open-ended questions towards 3 groups of informants, which include regular customers of the silk-printing industry, professional workers of the silk printing industry and the owner of the Silk-printing Industry R-R. There are a total of eight informants participated in this research.

According to the results of this research, there are other promotional mix elements which are effective and applicable for Silk-printing Industry R-R to attract the customers' interest which will raise the business' turnover. The additional promotional mix elements include advertising, specifically online promotion, personal selling, public relations and sales promotions.

Keywords: promotional mix, silk-printing industry, customers' interest, business' turnover

INTRODUCTION

Silk-printing Industry R-R is a company built in 2014. The company revolves around silk-printing, particularly on t-shirts, which also includes other medias such as plastic bags, caps, et cetera. The area where this company is located is a developing area, with only a few big competitors doing business in the same field, which is silk-printing. With this kind of advantage, the company has a great prospect with so much potential to grow, even before another big player arrived.

As a business, Silk-printing Industry R-R has the need to promote their service. However, their marketing activities are considerably narrow, which usually only involves personal selling and mouth-to-mouth promotion. Nowadays, with how high the competitiveness and customer profile that is ever changing shows that a customer is the most important asset to a company. That is why, the competitive advantage, which results from practice that was designed to raise the customer's satisfaction, or in other words, a customer-centric approach, is figured to increase financial performance and profitability of a company (Kosan, 2014).

A promotion is one of the most significant element of marketing activities. In this world, multinational companies and even small-medium enterprises accepted the fact that there is no other alternative except promotion to communicate with consumers and to motivate them to buy any product or service they're offering. In this competitive world, a company needs to be sensitive and sharp to identify the many factors affecting the market to survive (Abedin & Ferdous, 2015).

The determination of the most suitable, effective and influential promotional mix have a strong, important and useful for decision makers and marketing planners. This is one of the main reasons why we took this topic. The other reasons includes a relatively stagnant turnover, how big the market's potential and how low he competition is in Lombok.

LITERATURE REVIEW

Previous Research

Marketing strategy is ever changing, along with the development of science and technology. Which is why to compose a promotional strategy, there are a few aspects that must be noted, such as the market, leadership, positioning and our company's competitive advantage.

Marketing Strategy

Promotion is an integrated and comprehensive word, which includes all advertising activities, publicity, public relations, personal selling and sales promotions. In this ever competitive world, if a company wants to succeed, the company has to be ready and responsive to the factors that affect the market (Abedin & Ferdous, 2015).

Nowadays, the service industry has been playing an important part of the economy of a country. In Indonesia, the service sector has been growing in a significant pace, which is shown by the increase of the service industries such as restaurants, tourism, banks, etc. The marketing of a service is a social and managerial process, where individuals and groups gain their needs by doing trades with other individuals or other groups (Iqbal, 2013).

Promotional Mix

Nowadays, marketing is more than providing something. It is all about providing a channel of information to the customers. In other words, modern marketing is something more than producing products with a high quality and a suitable price for the customers. A company has to communicate with its customers and potential customers. Customers are exposed by thousands of promotional activities daily. Companies has to compete for their attention with promotional activities (Familmaleki et al., 2015).

Companies use many kinds of instruments to promote their products. Promotional mix is one of the term used to describe the tools used by a business to communicate the values of their product or service to the customers effectively (Familmaleki et al., 2015). The main promotional tools used are advertising, personal selling, sales promotion, direct marketing and public relations. The combination of these tools result in a promotional mix which is used for a company's promotional strategy. Advertising is a paid non-personal communication about a company, product, service, or an idea by a sponsor. Personal selling, unlike the other tools, includes a direct link between sellers and potential customers. Personal selling is often called as the most effective element of a promotional mix in building the customers' preference, faith, and their action in certain stages in making their purchase decision. Sales promotion is defined as one of the marketing activities used producers to induce and provide more values to their customers to stimulate the customers' purchase decisions. Public relations is a conscious and coordinated effort of a company to maintain a good relationship between the shareholders of the company. Direct marketing is a promotional element which is done by using a direct channel to communicate with other customers by not using other mediators (Dixon-Ogbechi et al, 2014).

Customers usually share their opinions, news, and information with others. This interpersonal communication can be described as ‘word of mouth’. Word of mouth (WOM) is defined as an informal communication between customers about the ownership, use, or characteristic of a product and/or a service or other sellers (Berger, 2014). Some researches show that WOM that is intentionally looked for has more impact than unintentional WOM (Martensen & Grinholdt, 2015).

RESEARCH METHODS

This research is done with the qualitative approach, which took place in Mataram, where the Silk-printing Industry R-R is located. The sampling method used in this research is a non probability sampling, where every individuals has the same chance to be chosen as a sample (Herdiansyah, 2012). The data was taken by interview with open-ended questions which is done to 3 parties, the owner of the Silk-printing Industry R-R, Professional Human Resources, and customers of the silk-printing industry. The interview is about the elements of the promotional mix. The data is then analyzed by analyzing every aspect of the promotional mix which is gathered from the results of the interview from the 3 parties. The criteria of the informants used in this research is as follows:

- Owner of the Silk-printing Industry R-R.
- Professional Human Resources, whom has the minimum 5 years experience of work in the silk-printing industry.
- Regular customers of the silk-printing industry.

The data from the interview is then compared and checked with each party’s data and the data gathered from other source, which is the theory.

RESULTS AND DISCUSSION

From the data gathered, compared and analyzed, the resulting data is shown in the table below.

Table 1. The Number of Informants with Positive Opinions About Each Elements of The Promotional Mix

	Customer	SDM	Owner
Advertising	50%	100%	-
Personal Selling	75%	33%	+
Sales Promotion	75%	66%	+
Public Relations	100%	66%	-
Direct Marketing	100%	100%	+

The table above shows that the opinions about advertising is quite diverse, where most of the informants, 5 of 8 informants (62.5%), think advertising is quite effective in appealing to customers, with how wide the coverage is. This result is supported by the theory, where the theory states that one of the advantage of the advertising is the wide coverage. Besides, the company can also decide on the specifics of the message they are trying to send (Afande & Maina, 2015). Advertising in social medias also has their own advantage, which is the diversity of the customers accessing them. This diversity also means a wider coverage of the market (Paquette, 2013).

Most of the customers (75%) state that the use of personal selling is quite effective to appeal to the customers. However, the cost needed is quite high. This result is supported by the theory, where the theory states that personal selling is one of the most expensive way to promote something, but effective in connecting the customers with the product and/or services of a company. Personal selling is one of the most effective way to build a relationship with the customer, thanks to its interactive aspect (Afande & Maina, 2015).

Overall, the result about sales promotion is 6 of 8 informants (75%) state that sales promotion is quite effective in appealing for potential customers. This result is supported by the theory, which states that one of the purpose in doing sales promotion is to appeal to new customers and to introduce a new product. By doing sales promotion, the appeal of a product will increase, however, the cost is quite high (Afande & Maina, 2015).

The opinions about the public relations is quite diverse, where 6 of 8 informants (75%) state that public relations is quite effective to appeal customers, just like advertising, thanks to its wide coverage. This statement is supported by the theory. The theory states that public relations is a relatively cost effective way to reach a wide group of people. However, its main weakness is the company will not be able to arrange what the media will cover about the company (Familmaleki et al., 2015).

All of the informants in this research state that direct marketing is effective for a silk-printing industry. Direct marketing is usually stated as a tool that can promote the building of a relationship because of one of its advantages, which is the company can get a response from their target customer, which results in an exchange of views and/or communication. This communication will help the company to investigate and fix the problems that happened by reviewing the customer service or composing a special price for regular customers (Afande & Maina, 2015).

Before this research is done, the promotional tools used by Silk-printing Industry R-R only revolves around direct marketing and word of mouth. After analyzing the result of this research, it is decided that the responses from the customer and the owner has the biggest value in determining an appropriate promotional mix. This is based on the assumption that the customer is the main target of a promotional mix, whereas the owner is the one that understands the status of the Silk-printing Industry R-R the most. According to the result of this research, there are some additional promotional tools that should be done by Silk- printing Industry R-R. These tools will be shown on the table below.

Table 2. Managerial Implications of the Promotional Mix

Promotional Mix	
Before Research	After Research
Direct Marketing	Direct Marketing
Word of Mouth	Word of Mouth
	Online Promotion
	Personal Selling
	Public Relations
	Sales Promotion

The additional promotional tools will mainly revolve around internet and the use of social media and websites, considering the industry's budget. Two of the most expensive tools, which are sales promotion and personal selling, will be done according to the financial situation. Sales promotion will be done by composing a special price for the regulars, and personal selling will be done only to b to b customers.

CONCLUSION

According to the result of this research, there are a few conclusions, such as:

- The result of this research shows that advertising is an effective promotional tool to appeal to the customers. Its main advantage is its wide coverage.
- This research shows that personal selling is proven to be an effective tool to appeal to the customers, however, the cost needed is quite high. The main advantage of this tool is its interactive aspect with the customers. This tool is especially effective for the service industry.
- The result of this research shows that sales promotion is an appealing tool for the customers, however, the cost needed is quite high. This tool is proven to be difficult to do in the service industry because of the difficulty in deciding a price.
- This research shows that public relations has a similar advantage to advertising, which is its wide coverage. However, this tool also has a main weakness being the inability of the company to arrange what the media will cover about the company.
- This research shows that direct marketing is the first choice for an effective promotional tool thanks to its advantage being its efficiency and ability to exchange information between the company and the customer directly.
- The result of this research shows that there are other promotional tools that can be done by Silk-printing Industry R-R, such as online promotion, personal selling, public relations, and sales promotion.

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