

THE PLANNING OF 4Ps MARKETING STRATEGY IN APPAREL BRAND AHIMSA

Jasmine Yulina Hadiwidjojo¹, Denny Bernardus²

Universitas of Ciputra Surabaya
INDONESIA

Emails: ¹jasmine_yulina@rocketmail.com, ²denny@ciputra.ac.id

ABSTRACT

The purpose of this research is to determine the right marketing strategic for AHIMSA as a soon to be startup company using 4Ps technique. The subject of this research is 1 customer of competitor brand Zara, 1 customer of competitor brand Minimal, 1 customer of competitor brand The Executive, 1 potential customer of AHIMSA, 1 customer of online Ready to Wear's brands, and 1 Fashion Expert. The object of this research is the marketing strategic of a startup company AHIMSA, especially the marketing mix method or 4Ps of Fashion Marketing Basic. The data was collected through in depth interview with open-ended questions towards the six interviewees.

The result of this research shows that: 1) The going to be launched product item should be offered in varieties, in accordance with the trends, and offered in an appropriate price, 2) Customers tend to judge the items they are about to buy using perceived value method, 3) The place for a start up brand should be placed online through webstore and offline through consignment, 4) The promotion for a start up apparel brand should be executed through celebrity endorsement and advertising in fashion press, 5) The sales promotion such as discounts and special price should be given for the slow-selling stocks.

Keywords: marketing mix, 4Ps, product, price, place, promotion, apparel brand, start up brand, ready to wear

INTRODUCTION

Creative industry gives big contribution for Indonesian economy. As Daily Newspaper Neraca revealed, creative industry could serve as a supporting pillar for Indonesian economic growth and had a big chance to dominate global market if it was developed properly. Fashion subsector especially, ranked as the second biggest contributor among fifteen creative industry subsectors in national Gross Domestic Product (GDP) with fifteen percent portion from the total GDP.

Fashion subsector itself was ranked on sixth from thirteen subsectors within three years in a row from 2010 to 2013. As quoted from www.beritasatu.com, the previous minister of tourism and creative industries stated that fashion industry generated 181 billion Rupiahs from the total 642 billion Rupiahs of the subtotal. As an addition, the growth of fashion industry in 2013 was 6.4%, higher than national growth which was 5.7% and was able to employed 3.38 million labors in a million local business units.

In establishing a company, there are many success and failure stories which was determined by the right marketing strategic. To develop a company, one should build a strong relation with the

consumers through integrated marketing. An understandable integrated marketing planning will lead to an expeditious communication of mission, value, and message from the company to the target market. Therefore, marketing is everything that should be done to connect a company and its consumers (University of California Riverside, 2010).

Fundamentally marketing is divided into a set of related decision making called Marketing Mix or 4Ps (Product, Price, Place, and Promotion). Marketing mix is a set of controllable activities of a company to response their target market's demand (Grewal and Levy, 2013). McCarthy revealed that marketing management consists of: creating or developing a product (Product), determining the price (Price), practicing promotions (Promotion), and build a distribution place (Place) (2010). Marketing mix is also the most tangible aspect of a company's marketing activities, so it can be concluded that each element of 4Ps is the key element that needs to be concerned in order to achieve the marketing goal.

As a soon to be launched Ready to Wear Apparel Brand, AHIMSA provides daily women formal apparel. Aside from designing its products, AHIMSA produces the finished apparels through outsourcing system in order to give more job vacancies to local sewers, markets its product and deliver the goods to the consumers itself. The vision of AHIMSA is to be the leading formal apparel brand for Indonesian women and the mission is to contribute to the development of local economy, precisely in local creative industry and creating job opportunities in the same time.

There are many similar businesses which provide formal attires for middle and upper market like AHIMSA in local market, three notable competitors are Zara, The Executive, and Minimal. In the middle of tight competition, AHIMSA needs an effective marketing strategy to achieve its vision and mission. Therefore, this research is conducted by benchmarking three competitors' 4Ps aspects.

LITERATURE REVIEW

Fashion Marketing

Fashion marketing is a process of making and selling apparel and accessories which attracts consumers, often called by Fashion Merchandising this process covered designing, developing, presenting for resale, and promotions for selling (Wolfe, Mary, 2009).

Marketing Strategy

Marketing strategy is a plan to identify and meets the social needs in order to achieve the goal of a certain business unit.

Marketing Mix (4Ps)

Marketing Mix provides a framework to maintain the marketing and makes it one into a business context. The 4 elements of marketing mix are: Product, Price, Place, Promotion (Posner, Harriet, 2011).

Product

In fashion, product consists of different product category variety which is offered in an appropriate price for certain target market. There are two components of fashion product:

1. The Actual/Expected Product: added value, branding, warranty, perceived value, intangible associations
2. Total Product/Tangible Product: design features, quality, styling, packaging, price (Posner, Harriet, 2011).

Price

Price is the sum of money, paid for certain products or services (Wolfe, Mary, 2009). There are two perspectives to determine the price:

1. The Point View of Cost: real value of finished products

2. Selling Price: consumers perspective towards finished products (Posner, Harriet, 2011).

Place

Place is about how and where the products are offered to the consumers (Wolfe, Mary, 2009).

Sales channel which can be chosen for an apparel brand to reach end customers:

Direct routes through Internet purchasing, Retail stores/bricks and mortar retail, Catalogue, Public events such as fashion show or country fairs, Trunk shows (Posner, Harriet, 2011).

Promotion

Promotion is a non-personal activity which can expand the reach of product selling to broaden audience (Wolfe, Mary, 2009).

Promotion in promotion mix point of view is:

1. Advertising (celebrity endorsement, advertising campaign, new advertising channel, viral promotions, blogs and social networking, timing and exposure)
2. Sales promotion (push and pull strategies, price reductions, special offers, limited editions, high-profile designer and high-street retail collaborations, gift with purchase, coupons and vouchers, competitions and prize draws)
3. Public relations (product placement, celebrity seeding, press days, special events)
4. Personal selling or sponsorship
5. Other additional promotion tool such as fashion press, fashion shows, window displays, and visual merchandising (Posner, Harriet, 2011).

RESEARCH METHODS

Research Description

This research is qualitative based research to examine the object condition in natural way where the researcher is the key (Sugiyono, 2010). The purpose of this research is to understand a phenomenon using a deeply communication interaction between the researcher and related phenomenon (Herdiansyah, 2010). The subject of this research is: 3 consumers of direct competitors brand (Zara, Minimal, The Executive), 1 target market of AHIMSA, 1 random online shopper, 1 fashion expert. The object of this research is the marketing strategy of a start up business AHIMSA, mainly focused in marketing mix/4Ps.

Data Source

All gathered data is primary data which the results of the interview with respondents.

Data Collection Technique

All gathered data is obtained through interview with 6 related respondents: 3 consumers of direct competitors brand (Zara, Minimal, The Executive), 1 target market of AHIMSA, 1 random online shopper, 1 fashion expert. The object of this research is the marketing strategy of a start up business AHIMSA, mainly focused in marketing mix/4Ps.

Validity and Reliability

This research is using triangulation of source where the researcher compares the suitability of gathered information from the respondents (Moleong, 2010). Reliability of this research could be defined as a consistency degree between processed code in the same data (Sekaran, et al., 2013).

Analysis Method

Below is the analysis method of this research:

1. Preparing gathered data in the form of interview transcripts from the respondents.
2. Coding the data and displaying it in the form of narration or qualitative reports according to 4Ps aspect: product, price, place, and promotion.
3. Analyzing the information using analysis tool which explained in chapter II.

4. Cross-checking the analysis result from a respondent to another respondent which will result to an applicable marketing mix of AHIMSA.

ANALYSIS AND DISCUSSION

Company Profile

AHIMSA is a business engaged in apparel, precisely ready to wear women formal attire which soon to be launched. The target market is adult women between the age of 24-32 from middle and upper classes.

Result and Discussion

1. Product

Zara's strength relies on its updated variety product designs and appropriate pricing. Minimal stands out with its simple, elegance, and wise quality products in affordable pricing for middle market, but its main strength relies on its comfort and well-patterned products. The Executive attracts consumers due to its affordable yet premium branding, it offers good quality product in wise price. Target market of AHIMSA relayed that she prioritized good branded products in high quality material and good deal pricing. Online shopper respondent liked online brand's quirky product designs which distinguishable from offline brands. None of them stated that packaging matters, only as long as it covers their purchased products well but eventually carrier bag could be used as a form of walking advertising (Posner, Harriet, 2011). Therefore, an apparel packaging should be made as eye catching as possible. Fashion expert respondent stated that design feature, quality, and comfort are three aspects that need to be taken care first in tangible aspect well branding fashion in intangible aspect.

2. Price

Since the interview resulted to the fact that all respondents except The Executive's loyal consumer are price sensitive, the pricing should be determined using Realistic Selling Price technique.

3. Place

Zara, Minimal, and The Executive emphasizes on retail store sales while the online shopper respondent and AHIMSA target market respondent prefer online shopping because it is quite difficult for them to make time to shop into retail store. The fashion expert offered a win-win solution that a brand should be sold both offline through consignment boutique and online through webstore purchase.

4. Promotion

Zara, Minimal, and The Executive which emphasized on retail stores relies their promotion through window display and visual merchandising promotion. Minimal recently tried high-profile designer and high-street retail collaborations method with Ayu Gani, the winner of Asia's Next Top Model S3 while The Executive expanded their promotion into outdoor advertising using billboard. For online selling, two respondents shared that they were attracted to celebrity endorsement and celebrity seeding promotion technique. In the other hand, sales promotion which worth to try is sales promotion and price reduction, because the local consumers are price sensitive. In the same time, the old stocked products could be sold out. Fashion expert respondent stated that celebrity endorser is one of the promotions she suggested because it can give a brief description of the brand image to the consumers since it is related to the image of the celebrity itself. Fashion press which one of the method to advertize in fashion magazine was also suggested by the fashion expert respondent.

Conclusion

From all the information, it can be concluded that:

1. Product: updated product design, emphasize on high quality material feature, offered in affordable pricing.
2. Price: determining the price through Selling Price technique.
3. Place: better to launch the online store on the firsthand because it is less cost compare to retail store selling.
4. Promotion: do advertising such as celebrity endorsement, high-profile designer and high-street retail collaborations because it can upgrade the brand image, give discounts or special price for slow moving sold products.

Consumer centered approach is necessary to be applied where the offered products are adapted from customers demand.

Managerial Implication

Below is managerial implication table that is suggested to be applied in AHIMSA:

Table 1. Managerial Implication of AHIMSA

Aspect	Strategic Planning
Product	Distinctive design features, quality of the product should fits the offering price, well designed packaging, wise pricing, appropriate branding creates well brand awareness, add certain value added to AHIMSA
Price	Using “Selling Price” technique to determine the price
Place	Online: direct routes sales through Internet webstore Offline: agent showroom’s channel through existed boutique or department store
Promotion	Celebrity endorsement, high-profile designer and high-street retail collaborations, fashion press, discount and special price, sales promotion: pull strategies through direct sales website, push strategies through retailers/consignment boutique/department store, hold a special event for public relation, product placement in commercial event/TV show

CONCLUSION AND SUGGESTION

Conclusion

1. Product
Do a consumer centered approach, add social value that partly of the sales will be donated to women victims of violence, determine AHIMSA brand personality: independent, graceful, and elegant woman. Provide many product varieties in one season launching, emphasize on certain perceived value: exclusive and affordable, distinctive design features: using lace, adjust the quality and material with the pricing of the product, create well-designed packaging as a walking advertising, the offering price better be comparable with head to head competitor.
2. Price
A further research should be conducted to find out the exact amount of money that is worth for clothes purchasing from customer’s point of view, determining the pricing using Selling Price technique due to price sensitive customers behavior.
3. Place
Online: direct selling/direct routes through internet purchasing

Offline: brick and mortar retail through consignment boutique and department store

4. Promotion

Advertising: celebrity endorsement, fashion press advertising in fashion magazine, annually sales promotion or special price, high-retail brand and high-rated celebrity collaboration.

Suggestion

1. For the company: providing many variations of core product in every collection, determining product style which related to brand personality of AHIMSA, updated design features, well made packaging, creating a brand identity: exclusive and affordable, determining brand personality: independent, elegant, and graceful lady, determine the pricing using customer's point of view, composing webstore concept, looking for the perfect offline retails, considering pop-up stores or guerilla project, looking for a celebrity with suitable image with AHIMSA, looking for the right fashion press whose the reader is suitable with AHIMSA's target market, planning regular time table discount, determining a well known brand to be collaborated.
2. For the next research: involving broader analysis in determining marketing strategy such as STP, SWOT, etc., gathering broader respondent with different backgrounds, looking for respondents that engage directly with the decision making process in an apparel brand.

Research Limitations

1. The analysis tool is still limited in 4Ps.
2. This research subject is too subjective because the respondent is the consumer of competitor brand, not the internal staff.
3. Limited research subject that needs to be broaden.

REFERENCES

- Abdulnabi and Mustafa. (2014). *The Impact of Services Marketing Mix 7P's In Competitive Advantage to Fice Stars Hotel – Case Study Amman, Jordan*. The Clute Institute International Academic Conference.
- Brooks, N., & Simkin, L. (2012). Judging marketing mix effectiveness. *Marketing Intelligence & Planning*, 30(5), 494-514.
- Bubonia-Clarke, Janace., & Borcharding, Phyllis. (2007). *Developing and Branding the Fashion Merchandising Portfolio*. New York: Fairchild Publications, Inc.
- Burns, Leslie Davis, Mullet, Kathy K., Bryant, Nancy O. (2011). *The Business Of Fesyen: Designing, Manufacturing, and Marketing Fourth Edition*. USA: Fairchild Books.
- Easey, Mike. (2009). *Fashion Marketing Third Edition*. USA: Wiley and Sons.
- Fahy, John, & Jobber, David. (2012). *Foundations of Marketing Fourth Edition*. Berkshire: McGraw-Hill Education.
- Grewal, Dhruv, & Levy, Michael. (2013). *Marketing*. New York: McGraw-Hill/Irwin.

- Herdiansyah, Haris. (2010). *Metodologi Penelitian Kualitatif untuk Ilmu-ilmu Sosial*. Jakarta: Salemba Humanika.
- Herman/NAD. (2014). *Industri Fashion Indonesia Sumbang Rp 181 Triliun untuk PDB*. Available at: www.beritasatu.com.
- MIM Academy. (2010). *MarkPlus Basics*. Jakarta: Erlangga.
- Moleong, Lexy J. (2013). *Metode Penelitian Kualitatif*. Bandung: PT Remaja Rosdakarya.
- Mussry, Jacky, et al. (2012). *100 Kisah Klasik Pemasaran*. Jakarta: PT Gramedia Pustaka Utama.
- Kotler, Philip, & Amstron, Gary. (2010). *Principles of Marketing 13e*. USA: Pearson.
- Kotler, Philip, & Amstron, Gary. (2012). *Principles of Marketing Global Edition 14e*. USA: Pearson.
- Kotler, Philip, & Amstron, Gary. (2013). *Principles of Marketing 15e*. USA: Pearson Prentice Hall.
- Kotler, Philip, et al. (2010). *Marketing 3.0*. New Jersey: John Wiley & Sons.
- Kerin, et al. (2013). *Marketing Eleventh Edition*. New York: McGraw-Hill/Irwin.
- Kotler & Keller. (2009). *Marketing Management 13th Edition*. New Jersey: Pearson Prentice Hall.
- Kotler & Keller. (2012). *Marketing Management 14e*. New Jersey: Pearson Prentice Hall.
- Posner, Harriet. (2011). *Marketing Fashion*. London: Laurence King Publishing Ltd.
- Raj, M. P. M., Sasikumar, J., & Sriram, S. (2013). A Study on Customer *Brand Preference* in SUVs and MUVS: Effect of Marketing Mix Variables. *Journal of Arts, Science & Commerce*, 4(1), 48-58.
- Sari, P. R. M., Santoso, P. B., & Hamdala, I. (2014). PENGAMBILAN KEPUTUSAN STRATEGI PEMASARAN MENGGUNAKAN METODE ANP DAN FUZZY TOPSIS (Studi Kasus: PT X Mojokerto). *Jurnal Rekayasa dan Manajemen Sistem Industri*, 2(2), p428-437.
- Satit, R. P., Tat, H. H., Rasli, A., Chin, T. A., & Sukati, I. (2012). The relationship between marketing mix and customer decision-making over travel agents: An empirical study. *International Journal of Academic Research in Business and Social Sciences*, 2(6), 522-530.
- Siregar, Syofian. (2013). *Statistik Parametrik untuk Penelitian Kuantitatif*. Jakarta: PT Bumi Aksara.

- Sugiyono. (2010). *Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.
- Wahyuni, A. (2012). Kajian Bauran Promosi Di Perguruan Tinggi “X”. *Jurnal Liquidity*, 1(2), 175-182.
- Widadio, Nicky Aulia. (2014). *Industri Kreatif Berperan Promosikan Indonesia*. Available at: www.kompas.com
- Wolfe, Mary. (2009). *Fashion Marketing & Merchandising*. USA: The Goodheart-Willcox Company, Inc.
- Zhafira, N.H., J. Andreti., S. S. Akmal., dan S. Kumar. (2013). “The Analysis of Product, Price, Place, Promotion and Service Quality on Customers’ Buying Decision of Convenience Store”, *International Journal of Advances in Management and Economics*, ISSN: 2278-3369, Vol. 2, Issue 6, pp. 72-78, Nov.-Dec. 2013.