

POSITIONING STRATEGY OF SERVICE PRODUCT AT "XYZ" COMPANY IN EAST JAVA

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ABSTRACT

Bookkeeping is part of accounting where accounting is important in a business, as well as taxation. Both are not always understood by businessmen. These conditions generate business service of accounting and taxation. And this business has a great potential to be developed, especially in East Java. The competition in this business is quite a lot, either with similar companies or with internal accountants. Any given product services is not that different from other business services because there are standard regulations to be complied. "XYZ" Company has no proper positioning strategy to cope with the on-going competition. Based on the background described, the researcher was interested in making thorough research on this, entitled "Positioning Strategy of Service Product at "XYZ" Company in East Java". This research is a descriptive qualitative research. The method of data collection was performed through interviews and the distribution of questionnaires to the informants. Informants who became the sample had been determined by the method of non-probability sampling with purposive technique. This research aims to determine how the positioning strategy of service product at "XYZ" Company in East Java works. This research emphasizes the explanation of the steps of positioning strategy at "XYZ" Company. The steps were using several management tools, such as analysis of CPM (Competitive Profile Matrix), analysis of multi-attribute model of Fishbein, analytical ranking of the uniqueness of the product, and the calculation of T-Score. Positioning strategy in this research was preceded by segmenting and targeting which resulted in positioning statement. This positioning statement generated some managerial implications, including its effect on differentiation and the brand of "XYZ" Company.

Keywords: Positioning Strategy, Services, Accounting, Tax

INTRODUCTION

Bookkeeping is part of accounting where accounting is important in a business, as well as taxation. Both are not always understood by businessmen. These conditions generate the business service of accounting and taxation. This business has a great potential to be developed, especially in East Java.

East Java or locally called Jawa Timur is a province in eastern part of Java (or Jawa) Island with Surabaya as its capital (Wikipedia, 2016). The number of registered taxpayer in Jawa Timur in

2012 is 3.2 million. This amount is significant enough as it contributes 13% to the total of registered taxpayers all over Indonesia. In Jawa Timur, the number of enterprise taxpayer is 2.9 million and the individual taxpayer is 300,000 while the number of taxpayer growth is about 10 - 15% per year (Direktorat Jenderal Pajak, 2013).

In 2015, Jawa Timur has reached the second highest of economic growth, after DKI Jakarta, in Java Island. Jawa Timur has reached 0.65 poin higher than national economic growth. Jawa Timur was also able to contribute 14,36% to national contribution. The economic growth of Jawa Timur can be seen in this Table 1 below:

Table 1. Economic Growth
KONDISI PEREKONOMIAN PROVINSI SE-JAWA DAN NASIONAL
TAHUN DASAR 2010

URAIAN	2013	2014	2015
Pertumbuhan Ekonomi (c to c)			
Jawa Timur	6,08	5,86	5,44
DKI Jakarta	6,11	5,91	5,88
Jawa Barat	6,06	5,09	5,03
Jawa Tengah	5,81	5,3	5,4
DI Yogyakarta	5,4	5,18	4,94
Banten	5,86	5,47	5,37
Nasional	5,78	5,02	4,79
Kontribusi PDRB Jawa Timur terhadap Nasional (%)	14,99	14,16	14,36

Resource: Badan Perencanaan Pembangunan Daerah, 2016.

The points mentioned above show a great opportunity for the development of accounting and taxation business. On the other hand, this business is quite competitive either with similar companies or with internal accountants. Any given product services is not that different from other business services because there are standard regulations to be complied. Consulting institutions should have their own positioning strategy, as no exception to "XYZ" Company. But, "XYZ" Company has no proper positioning strategy to cope with the competition. Based on the background described, the researcher recommended positioning strategy to be applied in this company.

LITERATURE REVIEW

Previous Research

First of all, an article in the journal entitled "Competing Strategy Formulation of Instant Ginger Products at CV. Intrafood Surakarta Using Perceptual Mapping", by Harisudin, et al. (2013), formerly determined product attributes and its performance then conducted analysis of position

and competing strategy as well as perceptual mapping analysis. The researcher found the points of data analysis based on the interview result with key informant and drew the conclusion from the consumers' perspective, the most favorable attribute of instant ginger products produced by CV. Intrafood is the benefit of the product compared to its competitors. While the least favorable attribute is the quality of packaging and its product performance. To win this competition, recommended strategies needed to be taken which are to expose the attribute of its benefit and improve the quality of the product as well as the design of the package. The use of this thesis is about how to define product attributes.

Secondly, an article in the journal "Emerging Market Firms: Measuring Their Success with Strategic Positioning Map" (Kumar Singal and Kumar Jain, 2014) using documentary studies ET500 and Forbes Global 2000. This journal discusses positioning strategy and variables that influence it. Positioning strategy in this study was divided into 3 points: expanding international presence, increasing market capitalization (in terms of sales, profit, and ROA), and making movement that increases the company's presence and market capitalization. The variable that mostly influence in positioning is the size of the company, growth, and attractiveness. Those variables are used in the data analysis in this research.

Thirdly, an article in the journal of Crick and Chaudhry (2000) entitled "UK SMEs' Awareness, Use, and Perceptions of Selected Government Export Assistance - An Investigation into The Effect of Ethnicity", discusses how awareness, usefulness, and perceptions of ethnicity on export assistance from UK government. The research method of this journal was by in-depth interview to 34 Managers with Asian ethnic background. The findings in this study show the existence of variance in behavior and perceptions of export assistance from UK government. Statistical analysis shows that two of the three sub-hypotheses can be rejected in this study and conclude that there are differences in behavior and perceptions of Asian and Local ethnic to UK government export assistance. The using in this thesis is about perceptual measurement.

Fourthly, an article in the journal entitled "Positions and Positioning: Strategy Simply Stated" (McKechnie, et al., 2008). This journal uses document analysis and Simply Constructed Matrix. This journal discusses how to implement positioning strategy in the company according to their position. The research was performed to four airlines in United Arab Emirates (UAE). Researchers determined positioning of company by doing SWOT and simple analysis Constructed matrix. It was assessing the focus of the company and firming constraints to enter the market. This journal point used is about the company's focus according to its position.

Last of all, an article in the journal entitled "Slank Positioning Strategy in Embedding Image as One of Group Band in Indonesia" (Reagan and Rosilawati, 2009). This journal uses documentation study and interview, which discusses the positioning strategy of Slank. The purpose of Slank positioning is to distinguish or provide a unique value for Slank than other bands that exist. The positioning strategy in this study was using tagline. Thus, tagline is taken for this thesis.

Service Product

Definition of service according to Lovelock et al. (2011: 16) is an economic activity offered by a party to another party, within a certain period of time, in the form of activities that bring the desired results to the recipient. The desired result is not about ownership, but the value. According to Yazid (2008) in Hidayat (2012), characteristics of services are intangible, heterogeneous, inseparable, and imperishable. There are three types of interactions between service providers and consumers, related to the location according to Lupiyoadi (2009) in Hidayat (2012):

1. Consumer comes to the service provider.

2. Service provider comes to consumer.
3. Business services transactions are conducted through other companies.

Positioning Strategy

The concept of strategy has long existed. According to Thompson and Strickland in Reagan and Rosilawati (2009), strategy is a combination of planning and adaptive action. While according to Schemerhorn (1999) in Reagan and Rosilawati (2009), strategy is a comprehensive planning activity that defines the instructions and critical direction on the allocation of resources to achieve the organization's long-term goals. Positioning according to Al Ries and Jack Trout in Kartajaya, et al. (2005: 56) is to place products and brands on customer's mind. The marketing war is not placed in the market, but in the mind of customer. Positioning according to Philip Kotler in Kartajaya, et al. (2005) is every effort to design products and brands to occupy unique position in the mind of customer, so that it can create a value proposition that fits customer's reason to purchase. Based on the opinion of some experts above, it can be concluded that positioning strategy is a combination of plans and actions of product and brand placement on customer's mind collaboratively with instruction and critical direction to the allocation of resources which at last aims on the right value proposition which becomes customer's reason to purchase.

According to Kasali (2005: 527-538), the definition of positioning pays attention to several things as mentioned below:

1. Positioning is a communication strategy.
2. Positioning is dynamic.
3. Positioning related to event marketing.
4. Positioning relates to product attributes.
5. Positioning should give meaning to consumers.
6. The selected attribute must be unique.
7. Positioning should be disclosed in a statement.

Positioning statements must be made correctly so it can be saved in consumer's *nudes memory*. Positioning should be built more than a slogan, can be preserved for a long periods of time, and deliver consumers to go through the AIDA process (Attention, Interest, Desired, and Action), so that the consumers can still remember the slogan, even though the promotional budget is tight.

Positioning Strategy of Service Product

The positioning strategy aims to:

1. Strengthen its own position.
2. Seek and seize new positions.
3. De-position.
4. Re-position.
5. Product ladder.

The preparation of product service positioning according to Kartajaya, et al. (2005: 81-85) pays attention to service quality dimension (SERVQUAL), namely: Tangibility, Empathy, Reliability, Assurance, and Responsiveness.

Myers (Kasali, 2005) introduced three simple positioning techniques, described as follows:

1. Positioning Based on Product Profile.

This technique is performed by highlighting the attributes that are considered as the most prominent points of the product in consumers' perspective. The weakness of this approach is

the obscurity to judge whether the attribute that are considered as the most prominent by consumers is valued as an important attribute or not.

2. Quadrant Analysis.

Quadrant analysis places the importance of attributes according to the consumer and compares it to brand / product achievements by consumers.

3. Rating The uniqueness of Product.

This approach links the uniqueness of the product with its importance. These ratings are displayed in a graph. Vertical line represents the importance of product attributes. Horizontal line represents uniqueness of product attributes. Attributes that occupy the dots on the right top is selected as a highlighted attribute in positioning.

RESEARCH METHODS

This research is a descriptive qualitative research. According to Moleong (2010: 6), qualitative research is research that intends to understand the phenomenon of what is experienced by the subject of research holistically, by description in words and language in a particular context that is natural and utilizing various natural methods as well. While, according Herdiansyah (2011: 9), qualitative research is a scientific research aimed to understand a phenomenon in social context naturally by giving priority to the process of deep communication interaction between researchers and the investigated phenomenon.

This research aimed to determine how the positioning strategy of service product at "XYZ" Company in East Java works. The research was performed from May to August 2016. The method of data collection was conducted through interviews and the distribution of questionnaires to the informants. Informants who became the sample were determined by the method of non-probability sampling with purposive technique. This research uses two types of data resources; they are primary and secondary data. This research emphasizes the explanation of the steps of positioning strategy at "XYZ" Company. Positioning strategy was preceded by segmenting and targeting. The steps of positioning strategy were using several management tools, such as analysis of CPM (Competitive Profile Matrix), analysis of multi-attribute model of Fishbein, analytical ranking of the uniqueness of the product, and the calculation of T-Score. Positioning strategy in this research was preceded by segmenting and targeting which resulted in positioning statement. The positioning statement generated some managerial implications, including its effect on differentiation and brand of "XYZ" Company.

RESULT & DISCUSSION

The positioning strategy was preceded by segmenting and targeting. In segmenting, there were three phases of procedure done. According to Purnama (2004), they are namely:

a. Survey Phase.

At this phase, the interview was performed via Whatsapp messenger with ten clients of the "XYZ" Company and ten clients of others (non "XYZ" Company) on the topic concerning the consideration in choosing consulting institution and what a good consultant is on their minds.

b. Analysis Phase.

Based on the results of the interview, there were thirteen attributes to look for in positioning of service product at "XYZ" Company, namely: competence, professionalism, integrity, independence, credibility, reliability, responsiveness, and location, price/fee and consultant's

assurance (guarantee for client's confidentiality), empathy towards clients, connection/relationship with clients, and size of client's company.

c. Formation Phase.

Analysis Phase shows the two most significant attributes out of 13 attributes mentioned by the informants, as they are the competence of the consultant institution and connections/relationship with clients. Researcher then prepared segmentation based on both attributes. Competence according to Spencer and Spencer in Dharma (2010) is divided into the main competence and differentiation competence. Connections/relationship with client according to Ford in Wahyono (2013) consists of interaction customer relationship (relationship begins from first contact), coordinating activities (relationship requires coordination from both side), and adaptations (relationship creates a shared satisfaction). Classification segment based on both of those attributes delivers 6 market segments, namely:

1. AA Segment, i.e. all new community which are served by basic competence then they should cooperate with "XYZ" Company.
2. BB Segment, i.e. clients with contract period less than 1 year, which are served by basic competence then they should perform furthermore coordinating activities with "XYZ" Company.
3. CC Segment, i.e. clients with contract period more than 1 year, which are served by basic competence then they should create a shared satisfaction with "XYZ" Company.
4. DD Segment, i.e. all new communities which are served by differentiation competence then they should cooperate with "XYZ" Company.
5. EE Segment, i.e. clients with contract period less than 1 year, which are served by differentiation competence then they should perform furthermore coordinating activities with "XYZ" Company.
6. FF Segment, i.e. clients with contract period more than 1 year, which are served by differentiation competence then they should create a shared satisfaction with "XYZ" Company.

After segmenting them, the researcher performed targeting step, by using the selected segment namely DD, EE, FF. Those segments are in accordance with the criteria of size, growth, and attractiveness. The last step was to prepare the positioning strategy. According to Walker (2008), the strategy of positioning can be done with the 7 steps, as they are:

a. Identifying the competitors

Researcher chose "Reksatama" Company as a competitor for "XYZ" Company. According to Widodo in Harisudin (2011), identification of competitor is performed by analysis of CPM (Competitive Profile Matrix). Based on the results of the analysis of CPM, "XYZ" Company is superior compared to "Reksatama" Company especially in terms of competence, professionalism, integrity, credibility, reliability, responsiveness, assurance/ warranty of confidentiality, empathy, and connection/ relationship with client.

b. Identifying the most favorable attributes

Identification attribute using the Fishbein model (Suryani, 2008), is valuing belief and evaluation, i.e. informant assessment against the "XYZ" Company and "Reksatama" Company before and after the alliance contract. This analysis also produces higher value for the "XYZ" Company, especially in terms of professionalism, competence, connection/relationship with clients, integrity, credibility, reliability, responsiveness, assurance/warranty of confidentiality, empathy, independence, and price/fee.

c. Collecting information from consumers to know their perception.

The perception of informants is determined by using the T-Score (Rahmadyanti, 2013). By using T-Score analysis, positive and negative perceptions are indicated. Based on the results

of the analysis, the positive perceptions of "XYZ" informants are assurance/warranty of confidentiality, connection/relationship with clients, competence, integrity, empathy, professionalism, credibility of institution, and price/ fee.

- d. Analyzing the strength of the positioning of the product.

Analysis of the strength of the position of the products was carried out by ranking the uniqueness of the products, according Kasali's theory (2005). The most important and unique attribute based on this analysis are competence, connection/relationship with clients, and professionalism.

- e. Determining the combination of consumer choice.

Based on top 3 of informants's choices on CPM analysis, multiple attribute analysis (Fishbein model), measurement of perception with a T-Score, and ranking the uniqueness of the product, combination of attributes that are appropriate for positioning statement are competence and connection. Both attributes should be considered as value proposition by "XYZ" Company in preparing the positioning statement.

- f. Considering consumer choice and segment attractiveness.

Attributes of consumer choice are in line with the result of the segmentation at the phase of the formation, which forms the market segment based on the attributes of competence and connections, with target market DD, EE, and FF segment.

- g. Determining positioning statements which contains value proposition.

According to Walker (2008), value proposition consists of benefit, target market, and price offered. Based on these propositions, researcher made four positioning statements which were considered by the informants. Positioning statement that was chosen is: "XYZ" Company - Best Partner. High competence."

CONCLUSION

Researcher has performed steps to deliver positioning statement that is appropriate with "XYZ" Company. The strategy of positioning was preceded by segmenting and targeting. Based on the results of the research analysis, positioning statement that was chosen is: "XYZ" Company - Best Partner. High competence." There are some managerial implications of that as follows:

- a. The purpose of this research on the positioning strategy were seeking and seizing new position. "XYZ" Company has 6 market segmentations, whose target markets are DD, EE, FF segment, and positioning statement: "XYZ" Company - Best Partner. High competence.
- b. "XYZ" Company has several steps of fixing and quality enhancement in accordance with the results of the research.
- c. Positioning statement should be maintained in a long period and make the consumer capable of going through the process of AIDA (Action, Interest, Desired, and Action).
- d. Positioning result of "XYZ" Company is the first step of brand identifying in determining the differentiation. Differentiation of service product of "XYZ" Company is to provide the best service to every customer through:
 1. Service with longer working hours to the client, i.e. at 7 am – 10 pm. Service is provided with a full commitment to help clients find solutions for their problems and improve the effectiveness and efficiency of their business performance.

2. The use of Team Viewer application which is remote software for controlling desktop computer via internet, in purpose to overcome the problems of clients without the need to go to their office and can be done at anytime.
 3. Empowerment of good human resources in every engagement and consistent effort to maintain the quality of its human resources.
- e. The differentiation made by the “XYZ” Company is a step to create brand awareness in market, which finally will establish a brand identity for the “XYZ” Company. The brand is represented by elements of the visible and the invisible. All of these elements must cooperate consistently and continuously to communicate the promise embedded on "XYZ" brand, form a wide perception of "XYZ" brand, and fulfill the expectations over brand "XYZ".

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