

## CHAPTER 2

### LITERATURE REVIEW AND BASIC THEORY

#### 2.1. Literature Review

This is a chapter that explains previous similar research. It is conducted to get the information needed about the methods that are used and the ways to solve the problem in similar research. The information will be used to determine suitable solution alternatives to this research's problem. The previous research is obtained from a search engine called "Google" and in the form of a journal.

In this current era, the competitiveness among MSMEs to survive is getting higher. An MSME should take any action to maintain their business. One of the indicators of the growing business is the increase in product sales. The following will explain the various ways that are used by several MSMEs to maintain their business. Lisnawati et al (2020) stated that innovation and value chain can have good impacts on business performance. Meanwhile, Gonda et al (2020) said that customer loyalty is important to achieve success. Customer loyalty is greatly impacted by purchase satisfaction and complaint handling. Besides that, the fulfillment of a customer's needs and expectations is also crucial for making the business successful.

To solve a decline in sales, Izni and Wandebori (2020) proposed the use of root cause analysis, SWOT (Strength, Weakness, Opportunity, and Threat) analysis, external analysis, internal analysis, and marketing analysis. Based on the deep analysis, the result of the most appropriate method is the cost leadership (low-cost) strategy by reducing costs and optimizing resources. In addition, it is also suggested to implement the forward integration strategy by direct sales and marketing through online stores. The SWOT analysis is also used by Jatmiko et al (2021) for the MSMEs in Kulonprogo. Based on the result, the Threat-Strength (T-S) strategies have the highest weight among the others by developing customer trust, optimizing employees, massive promotions, and making creative marketing.

In another journal by Astro and Ghazali (2022), the method that is used to overcome the low sales is SWOT analysis (TOWS matrix). Besides that, Porter's 5 forces analysis, VRIO (Valuable, Rare, Inimitable, and Organization) analysis, Marketing Mix, and Business Model Canvas are also used. The result stated that the barrier to entering the industry is low and the digitalization in the marketing

strategy is still poor. Therefore, a broader range of products should be built to increase sales. Besides, cooperation with delivery applications and a seamless experience-payment service are also helpful. In addition, the utilization of social media is also essential as a platform for promotion.

SWOT analysis (SWOT matrix) and Marketing Mix (4P – Product, Price, Place, and Promotion) strategy are also used by Kusumajaya et al (2022). Based on the result, collaborating with others, maintaining authentic taste quality, consulting the business, and implementing the Marketing Mix with technology support are very effective in increasing the income. In another source, Widiastuti and Kharisma (2023) also used a SWOT diagram to increase sales. Besides, IFAS (Internal Factor Analysis Summary) and EFAS (External Factor Analysis Summary) matrices are also used. Based on SWOT, the suggested strategy is progressive (Strength-Opportunity) through effective communication, collaboration, cooperation, expansion, price reduction, and discounts. Meanwhile, based on IFAS and EFAS, the strategy is maintaining the current customers.

The cost leadership (low-cost) strategy such as in the journal of Izni and Wandebori (2020) also appeared in a journal by Reksoprodjo et al (2022). It assessed the financial performance of three big companies to determine the strategy to lead the market. The methods that are used are case studies analysis and financial performance analysis. Based on the result, every company has its successful own strategy. Ramayana implemented cost leadership (low-cost), Matahari implemented cost leadership (best-value), and Mitra Adiperkasa implemented a differentiation strategy. Meanwhile, the enterprise orders based on the financial performance from the highest are Matahari, Ramayana, and Mitra Adiperkasa. From the journal, it is obtained that a cost leadership strategy is suitable for the low-income market, meanwhile, a differentiation strategy is suitable for the middle-income market.

To increase sales, Harsono et al (2022) analyze business behavior with three approaches (manual, e-commerce, and self-promotion). Based on the analysis, promotion is a crucial factor in maintaining and growing a business. Both manual promotion for conventional customers and online promotion for millennial customers are still needed. Besides, self-promotion is a factor that is no less important than manual and online promotion. Similar research was also conducted by Rafidah et al (2022). However, it is more focused on digital marketing to

overcome the decline in income. It is explained that the implementation of digital marketing can be done in two ways, which are through social media and search engines. Digital marketing can help the products be better known by easier online communication, promotion, and marketing. So that the income can be increased. According to Tamamudin (2015), the best strategy for promotion is a combination of promotion mix. The batik industry in Pekalongan implemented a combination of personal selling, advertising, sales promotion, and publicity. That industry opens a shop and an email service for e-commerce, advertises in several media (electronic and newspaper), an exhibition, and makes use of internet for the publicity.

Based on Utami (2021), Batik Mart uses a promotion mix as one of their strategies to market the products. The used tools in the promotion mix are advertising and sales promotion. They used radio, an advertising board, a banner, brochures, interactive media (digital), name cards, souvenirs, flagchains, references, and an exhibition tent. Besides, they also used psychological prices, seasonal prices, and price discounts. Ismail & Dewi (2017) said that the implementation strategy of promotion used for Batik Bogor Handayani Geulis is a promotion mix. The strategies consist of personal selling, sales promotion, direct marketing, and publicity. The forms of promotions that are implemented are telling the customers about the motives and colors; fashion shows, exhibitions, and endorsements; making appeal letters; and media publications about the history and products.

According to Mongi (2017), Batik Plumpungan used a promotion mix as its promotion strategy. The tools used by Batik Plumpungan are personal selling, sales promotion, direct marketing, public relations, and mass selling. The strategies implemented are using persuasive words, price reduction or discount, using work partners, using a marketing officer, using radio, and using printed media (brochure, leaflet, and booklet). Based on Jumiyanti (2019), UMKM Batik Muara Takus Kampar used a promotion mix to increase the buying decisions of customers. The tools used are sales promotion and public relations. This UMKM used influencers to promote the products through social media and participated in events, such as exhibitions and bazaars. The summary of the literature review is in Table 2.1 below.

**Table 2.1. Summary of Literature Review**

Nr.	Researcher	Object	Problem	Solution	Method	Tool	Result	Conclusion
1	Lisnawati et al (2020)	724 MSMEs in the Bandung fashion industry.	Whether the business performance of fashion designers in Bandung City will be enhanced by raising innovation and product value.	Make a research model using several variables.	Sampling method, data collection, and regression model.	Slovin technique, a questionnaire, and a partial least square.	Innovation and value chain have a noteworthy and favorable impact on performance.	By stepping up innovation and value chain management, 99 MSMEs can improve their business performance.
2	Gonda et al (2020)	Premium clothing brands of Pannónia Representation Ltd.	Identify the key competitive factors affecting the retail fashion industry.	Performing a consumer behavior analysis.	Literature review, in-depth interviews, data collection, data analysis, and data validation.	Research articles, other literature sources, arbitrary sampling, a questionnaire, PLS-SEM model (SmartPLS version 3.2.8 software), and confirmatory factor analysis.	Interaction between staff and customers is crucial for building loyalty. On customer loyalty, purchase satisfaction has the greatest impact among the dependent variables, meanwhile, complaint handling has the greatest impact among the independent variables.	In a business, a loyal customer is a critical success and a capital component. Accurate understanding and adherence to customer wants and expectations are crucial.
3	Izni and Wandebori (2020)	Rimbang SMEs of Clothing Industry.	Solving a decline in product sales (2017, 2018, and 2019).	Develop the best possible strategy based on current internal and external factors.	Data collection, external analysis, internal analysis, SWOT analysis, root cause analysis, and marketing analysis.	Interview, observation, documents, archival records, study literature; general environmental analysis (PEST), industry analysis (Porter's Five Forces), competitor analysis, resource analysis, value chain analysis; STP (Segmenting, Targeting, and Positioning), Marketing Mix, Value Proposition, POD (Points of Difference), and POP (Points of Parity).	Based on the TOWS matrix, the SO strategy: improves the quality and makes an online shop, the ST strategy: increases the product variety, the WO strategy: improves the current activities of marketing and makes the activities of digital marketing, and the WT strategy: conducts a performance management and decrease inefficient operational costs; cost leadership strategy; and forward integration strategy.	The best possible strategy is cost leadership (low-cost strategy) through the efficient value chain (reduce cost) and optimize resources; also implement a forward integration strategy (by marketing and direct sales - utilizing online shops with digital marketing).

**Table 2.1. Continuance**

Nr.	Researcher	Object	Problem	Solution	Method	Tool	Result	Conclusion
4	Jatmiko et al (2021)	MSMEs in Kulonprogo Regency, Yogyakarta, Indonesia.	Propose strategies for developing MSMEs to realize sustainable competitive advantage.	Conducting the SWOT analysis.	Primary, secondary data, and SWOT analysis	Observation, questionnaire, interview; documents from the MSME Kulonprogo; and SWOT analysis mapping.	The Threat-Strength (T-S) strategies have the highest weight among the others by building customer trust by improving product quality, optimizing employee marketing to promote, organizing large-scale promotions with discounts and prizes, also creating engaging and easily understandable marketing and promotions.	Business strategy, human resources, information technology, products, promotion, cooperation, and Corporate Social Responsibility (CSR) are the important aspects for achieving a sustainable competitive advantage.
5	Astro and Ghazali (2022)	Waroeng 17, Bogor Regency, West Java.	The decline in sales while Waroeng 17 has the potential to develop in the future.	Implementing a marketing mix and a business model canvas.	Primary data, secondary data, external analysis, and internal analysis.	Interview, observation; books, journals, news, and other supporting materials; Porter's 5 forces analysis, VRIO analysis, TOWS Matrix; Marketing Mix; and Business Model Canvas.	The industry's barrier to entry is rather low, and digitalization is not being used as much in terms of marketing strategy.	Waroeng 17 should expand its product offering to increase sales, collaborate with delivery services to improve product distribution, partner with technology-financial services to provide a seamless payment, improve financial management, and utilize all major social media for promotion.
6	Reksoprodjo et al (2022)	PT Ramayana Lestari Sentosa Tbk., PT Matahari Department Store Tbk., and PT Mitra Adiperkasa Tbk.	Requires a plan to dominate the fashion retail market rather than just survive it.	Evaluating and contrasting the three companies' financial performances.	Qualitative analysis (case study) and quantitative analysis (financial performance).	Categorization of fashion brands and markets, Generic Porter, financial performance: RoA, RoE, Gross Profit Margin, Operating Profit Margin, and Net Profit Margin.	Ramayana: cost leadership-low cost, Matahari: cost leadership-best value, Mitra Adiperkasa: differentiation. The order of the company's financial performance from highest is Matahari, Ramayana, and Mitra Adiperkasa.	A cost leadership strategy is appropriate for the low-income market, meanwhile, a differentiation strategy is appropriate for the middle-income market.

**Table 2.1. Continuance**

Nr.	Researcher	Object	Problem	Solution	Method	Tool	Result	Conclusion
7	Kusumajaya et al (2022)	MSMEs in Purwodadi City, Grobogan Regency.	Recognizing the role of the marketing mix in raising MSME revenue, as well as whether Purwodadi MSMEs are still facing fluctuation in their income and raising MSME income.	Applying marketing mix strategy.	Descriptive qualitative data (literature study, observation, interview, and documentation); SWOT; and Marketing Mix.	SWOT matrix analysis and 4P strategy.	SO strategy: collaboration with several hotels, destinations, and travel agents in selling a variety of culinary specialties and drinks, conduct food festivals, ST strategy: maintaining authentic and distinctive taste quality, WO strategy: the government offers free consulting services and socialization on marketing, WT strategy: study and attempt to implement Marketing Mix.	Marketing mix with the support of technology is very effective to be applied.
8	Widiastuti and Kharisma (2023)	Johar MAJT Market, Semarang.	Boost power competitiveness and sales.	Examine the marketing plan for trader clothing.	Data collection, data analysis, data validity test, IFAS, EFAS, and SWOT.	Observation, interviews, documents; Miles and Huberman's model; credibility tests (triangulation techniques and data sources); IFAS matrix; EFAS matrix; and SWOT diagram.	Based on IFAS and EFAS matrixes, the recommended strategy is maintaining the current customer. Meanwhile, based on SWOT analysis, the suggested strategy is progressive (Strength-Opportunity). The strategies include effective communication, collaborating with marketplaces, expansion (outlets and resellers), lowering prices and providing discounts, and cooperating with distributors to ensure the stock's availability.	Online marketing is in quadrant 1 as the best strategy and a progressive strategy is recommended to be applied.
9	Harsono et al (2022)	Queen fashion, Sragen.	Ways to boost sales.	Analyze the business behavior using manual, e-commerce, and self-promotion.	Data collection, data analysis, and data comparison.	Interviews, observations, documentation; structured techniques; and comparison based on sensitivity.	Online promotion, manual promotion, and performance (self-promotion, employee service, store appearance, store convenience, and employee.	Manual promotion is needed for conventional customers and online promotion is needed for millennials.

**Table 2.1. Continuance**

<b>Nr.</b>	<b>Researcher</b>	<b>Object</b>	<b>Problem</b>	<b>Solution</b>	<b>Method</b>	<b>Tool</b>	<b>Result</b>	<b>Conclusion</b>
10	Rafidah et al (2022)	SMEs in Jambi.	Income declines for SMEs.	Examine how digital marketing is used, what its effects are, and how it helps SMEs.	Qualitative method approach (data collection & data analysis) and digital marketing.	Observing, interviewing, and documenting 30 SMEs; inductive & descriptive analysis; social media marketing, and search engine marketing.	Digital marketing can be implemented through search engines and social media. Digital marketing can advertise things online and increase consumer awareness, as well as business income.	Digital marketing facilitates a business to do promotion, communication, marketing, and increasing income more easily.
11	Utami (2021)	Batik Mart	Below expected sales.	Sales promotion, advertising, and online promotions through website and social media.	Descriptive comparative qualitative analysis (comparison between promotion programs at different times).	Interview, observation, and internal documents.	There is an increase in sales of 27.99% from the previous promotion period.	The implemented promotional strategies are successful but need to be improved again by adjusting the updated strategies.
12	Mongi (2017)	Batik Plumpungan Salatiga.	Low volume of sales.	Personal selling, sales promotion, mass selling, PR, and direct marketing.	Qualitative descriptive.	Interview, observation, and documentation.	The implementation of public relations and direct marketing is still not optimal since more focused on other promotions.	The promotional strategies are successful in attracting customers to buy.
14	Tamamudin (2015)	Batik Industry in Pekalongan	Lack of promotion strategy.	Advertising, publicity, sales promotion, and personal selling).	Qualitative approaches (descriptive data) and field research.	Interview and observation.	Personal selling by opening a shop and e-commerce, advertising through newspapers and electronics, sales promotion through exhibitions, and publicity using the internet.	Internet as the information technology was very helpful for online selling.
15	Ismail & Dewi (2017)	Batik Bogor Handayani Geulis	Lack of marketing communication.	Personal selling, direct marketing, sales promotion, and publicity.	Descriptive qualitative (observation and analysis).	Interview, documentation, and observation.	Personal selling by telling the customers, direct marketing by writing appeal letters, sales promotion by exhibitions, endorsements, and fashion shows, also publicity through media.	The most powerful promotions are sales promotion, endorsement, and personal selling.

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16	Widiana & Nugroho (2014)	Batik craftsmen on Sidoarjo and Bangkalan	Marketing.	Assess CRM information technology.	Qualitative approach (marketing management, informatics, social, and accounting).	Interview.	Only 10% of SMEs use the technology of information for promotion, such as blogs, social media, and websites.	Most batik SMEs use marketing mix and promotional campaigns, not CRM for building profitable customers.
17	Wibowo et al (2017)	UKM Batik Jombang (UD Batik Tulis New Colet)	Decrease in sales turnover and customers' loyalty.	Accompaniment of CRM.	Create a work plan.	Simulation, brainstorming, discussion, monitoring, and evaluation.	Increase of 52.57% in sales turnover and customer loyalty.	CRM is very impactful in increasing sales turnover.
18	Mauidzoh (2018)	UKM Batik Pewarna Alam, Bayat.	Performance measurement of CRM.	Scorecard CRM.	AHP method.	Literature sources, questionnaires, and interviews.	CRM Scorecard: customer value (0.132), customer knowledge (0.052), customer interaction (0.389), and customer satisfaction (0.427).	Customer satisfaction has an important weight in creating the loyalty of customers.



## 2.2. Basic Theory

### 2.2.1. Micro, Small, and Medium Enterprises (MSMEs)

Koerniawan et al (2020) stated that MSMEs are self-contained businesses that are managed solely or by a few groups of people and operate a variety of profitable businesses. Based on UU Number 20 of 2008 as explained by Kurniawati and Setyawan (2019), MSMEs can be classified according to the assets amount and the number of workers. The classification in detail is attached in the tables below.

**Table 2.2. Classification of MSMEs Based on Assets**

Nr.	Type of MSMEs	Net Assets	Annual Sales
1	Micro	<50,000,000 IDR	<300,000,000 IDR
2	Small	50,000,000 IDR – 500,000,000 IDR	500,000,000 IDR – 2,500,000,000 IDR
3	Medium	500,000,000 IDR – 10,000,000,000 IDR	2,500,000,000 IDR – 50,000,000,000 IDR

**Table 2.3. Classification of MSMEs Based on Number of Workers**

Nr.	Type of MSMEs	Number of Workers
1	Micro	1-4 people
2	Small	5-19 people
3	Medium	20-99 people

### 2.2.2. Marketing Mix

According to Niazi et al (2021), Marketing Mix reflects several efforts conducted to establish and show the relationship between the creation of brand equity and the operations of marketing. Marketing Mix is very appropriate to be used in the product evaluation. Marketing Mix has four key elements, such as the following.

#### a. Product

A product is an answer to a consumer's need that provides the highest enjoyment experience. The phrase "product" refers to a decision made on the brand name, warranties, product wrapping and packaging, and service associated with the product. The primary goal of the product is to meet the needs of consumers or customers.

b. Price

Price is used as an extrinsic measure of product quality and gains. Higher-priced products are associated with superior quality, whereas lower-priced ones are seen as low quality.

c. Place

The availability of items in higher quantities at multiple locations allows consumers to obtain the product without waiting or difficulty, increasing consumers' experience of enjoyment.

d. Promotion

Marketing strategies are an effective tool that businesses use to communicate with their customers, influence the intended marketplace, and establish a strong position for their product in the market where it differentiates itself from competitors to obtain the desired response from the targeted market. Advertising is crucial in influencing consumer decisions and implying product quality.

### **2.2.3. Promotion Mix**

According to Kotler (2024), the promotion mix is also called the marketing communications mix. There are four main tools of the promotion mix as the following.

a. Advertising

Advertising is any non-personal, sponsored presentation and marketing of concepts, products, or services by a designated sponsor. The main principle of advertising is engagement. Additionally, advertising is a great way to educate consumers, mostly by raising awareness of a company or educating them about how it works. Advertising is Kotler (2024) stated that the major media types of advertising are the following.

i. Television

Television is the most effective advertising for the mass audience. It has excellent mass coverage for marketing. However, the total costs are huge, potentially high risk of clutter messages, and flash exposure, also the audience selectivity is very low.

ii. Digital, mobile, and social media

Digital, mobile, and social media selectivity is high, the needed cost is low, and there is a capability for engagement and immediacy. However, there is a low-impact potential, and it needs a high control of audience for the content and exposure.

### iii. Newspapers

It is good for the local coverage of the audience and has good believability. However, it has a short life, poor quality of reproduction, and a small pass-along audience.

### iv. Direct mail

It is more focused since the audience selectivity is high, has flexibility, possible for personalization, and has no competition through the same media. However, it is costly per exposure and potentially has an image of junk mail.

### v. Magazines

It has a high demographic and geographic selectivity, good prestige and credibility, a long life, and a good pass-along reader. However, the ad purchase has a long lead time, high money resources, and no position guarantee.

### vi. Radio

It has a relatively low cost, high region selectivity, and good local acceptance. However, the message is only can be delivered through audio in a flash exposure and potentially low attention with a very fragmented audience.

### vii. Outdoor

It has good flexibility, high exposure of repeats, possibly low cost, and good positional selectivity. However, there is a small audience selectivity and limitation of creativity. Besides outdoor advertising, Fill (2011) also stated that there is indoor (in-store) advertising too. The main aim is to draw the customers' attention and encourage them to make purchases.

## b. Public Relations (PR)

Public relations are actions intended to include the company's diverse audiences and foster positive relationships with them.

### i. News

Favorable news is usually created by containing information about the company and products or even people in that company. News can happen naturally, but sometimes it should be encouraged by making events/activities.

### ii. Events/Activities

Events have many forms of options to be implemented, such as speeches and news conferences, brand tours, multimedia presentations, sponsorships, and other educational programs to get the attention and interest of the target audience.

### iii. Videos

In this digital era, videos are used progressively as public relations tools. It can be published through digital media, such as social media.

### iv. Public Service Activities

It is significant to improve public goodwill in society. It can be conducted by contributing time and money or other resources for the activities of public service.

### v. Written Materials

It has many forms to get and influence the target audience. The written materials include brochures, articles, reports, company magazines, and company newsletters.

### vi. Corporate Identity Materials

It aims to create an identity to make the target audience immediately recognize the company or brand. It includes many forms, which are business forms, business cards, signs, logos, uniforms, stationery, company cars/trucks, and event buildings. The important point that should be considered is the tools should be attractive, memorable, and distinctive among the others.

## c. Personal Selling

Personal selling is the company's sales force that engages consumers in person to close deals, foster long-term connections, and establish rapport.

### i. Sales Presentations

It aims to give details on products with an explanation of the qualifications and reputation of a company or brand.

### ii. Trade Shows

Trade shows are aimed to inspire and encourage business activity among guests to create curiosity in the exhibit, increase brand recognition, and promote attention to specific products (new, updated, or revolutionary) to produce leads and inquiries for sales.

### iii. Incentive Programs

It is implemented by giving the incentive for the sales force who successfully get the customers and direct the customers to buy the products.

## d. Sales Promotion

Sales promotion is temporary rewards designed to promote selling or acquiring a good or service.

i. Samples

Samples are deals on a product's trial quantity. The best method, but the priciest for launching a new product or generating interest in an already existing one.

ii. Coupons

Coupons are certificates that customers can use to save money on specific products. Coupons are popular with most customers. Coupons can encourage pre-launch brand trials or boost sales of established brands.

iii. Price Packs

It provides discounts to customers on a product's usual pricing. Directly on the label or packaging, the lower prices are indicated. Price packs can consist of two related products grouped or single packages sold at a discounted rate.

iv. Premiums

Premiums are items provided for free or at a discounted price to entice customers to purchase a product. A premium may arrive via mail, as a credit at the point of sale, within the package (in-pack), or outside the package (on-pack).

v. Advertising Specialties

Alternatively known as promotional products, they are functional items that are provided as presents to customers and are branded with the name, logo, or message of an advertiser.

vi. Point-of-purchase (POP) Promotions

POP promotions are the exhibits and activities that happen at the point of sale. It can be in the form of displays and demonstrations.

vii. Contest, Sweepstakes, and Games

It offers customers the chance to win prizes, like money, merchandise, or trips through good fortune or extra work. In a contest, customers are required to submit an entry. In sweepstakes, customers enter by submitting their names for a drawing. In games, customers get an item every purchase that might or might not increase their chances of winning.

#### **2.2.4. Effective Marketing Communications (Promotion)**

According to Kotler (2024), the procedures for creating effective marketing communications are the following.

a. Identifying the target audience

The intended audience can be potential customers or existing users. Individuals, organizations, specialized publics, or the public may make up the audience. The

intended audience will influence the content, delivery method, timing, location, and voice of the message. Based on Fill (2011), Segmentation, Targeting, and Positioning (STP) approach is used to know the target audience. The explanations of each STP's element are the following.

i. Segmentation

Market segmentation is a widely used technique by professionals to identify buying groups according to their demands, attitudes, and interests. A market segment is a collection of companies or a subset of specific customers that share traits.

ii. Targeting

By focusing on the relevant customers, targeting market groups tends to enhance sales while also avoiding the waste of resources associated with mass marketing.

iii. Positioning

Determining how the brand will be portrayed to consumers in each of the chosen target markets requires decision-making. This necessitates showcasing the brand so that consumers comprehend what it stands for, what the brand promise is, how it differs from rival brands, and how valuable it is to them.

b. Determining the communication objectives

Marketing communicators seek to establish a relationship between the customer and the brand, guiding the consumer through the five stages of the customer journey as the following.

i. Awareness (aware of the product)

ii. Appeal (enjoy the product)

iii. Ask (want to learn more and become involved with the brand)

iv. Act (purchasing and recognizing the product)

v. Advocacy (recommending the product to others)

The objective is to provide experiences that will guide the customers toward the Five As.

c. Designing a message

According to Kotler (2024), two important factors to take into consideration are determining the message content (what to say), also its structure and format (how to say) when creating a message.

i. Message content

The marketer needs to identify a subject or appeal that will evoke the required reactions. An appeal can be made in three different ways as the following.

a) Rational appeals

The self-interest of the listener is a factor in rational appeals. They emphasize a product's economy, performance, quality, or value to demonstrate that it will provide the intended benefits.

b) Emotional appeals

It arouses feelings, either favorable or negative, that may drive purchases or other activities of the targeted audience.

c) Moral appeals

It is meant to appeal to the audience's ethical and moral values, about the sense of "proper" and "right".

ii. Message structure

Message structure is how the messages are organized according to the order based on the marketing communication objective.

iii. Message format

Message format is the form of messages that are aimed to be delivered to the audience. Marketers may utilize novelty and contrast, attention-grabbing headlines and graphics, also unique forms that evoke interest in customers.

According to Shahbaznezhad et al (2020), the content which has a significant effect on the engagement on Instagram based on the user experience are the following.

i. Informational content that gives readers useful and creative information.

ii. Posts that include images and videos and are specifically related to the shop.

iii. Entertaining postings that include wordplay, slogans, or teases, the majority of which specifically appeal to interaction.

d. Choosing communication channels and media

There are two kinds of channels, which are personal communication and nonpersonal communication. The impact of the message in either nonpersonal or personal communication depends on the communicator's perception by the target audience. Meanwhile, the communication channels and media are very dependable on the tools of promotion mix used.

e. Selecting the message source

The message source is significant to the level of persuasiveness of the messages. The messages that are delivered through popular and credible sources are more persuasive for the audience.

f. Collecting feedback

The communicator must ascertain the message's or other brand content's impact on the intended audience after transmitting it. Collecting feedback attempts to improve and perfect strengths to encourage proper utilization of opportunities. It is very important to adapt, adjust, and improve the messages of marketing communications delivered.

**2.2.5. SWOT (with IFAS-EFAS)**

According to Silva et al (2020), SWOT (Strength, Weakness, Opportunity, and Threat) analysis is utilized to identify the existing internal and external environmental circumstances that will be helpful when formulating strategies or plans of action. Based on the abbreviation, SWOT analysis has four key elements, which are strength, weakness, opportunity, and threat. Meanwhile, TOWS analysis is a conceptual strategic planning model that enables the flexible construction of any strategic orientations while considering future possibilities and dangers, as well as striving to maximize the usage of strengths while reducing weaknesses.

In the TOWS analysis implementation, the TOWS matrix is used. This matrix is useful for determining the potential strategies that can be adopted to solve the problem. The form of the TOWS matrix is shown in Figure 2.1 below.

	<b>Internal Strengths (S)</b>	<b>Internal Weaknesses (W)</b>
<b>External Opportunities (O)</b>	<b>SO:</b> "Maxi-Maxi" Strategy Strategies that <b>use strengths to maximize opportunities</b>	<b>WO:</b> "Mini-Maxi" Strategy Strategies that <b>minimize weaknesses by taking advantage of opportunities</b>
<b>External Threats (T)</b>	<b>ST:</b> "Maxi-Mini" Strategy Strategies that <b>use strengths to minimize threats</b>	<b>WT:</b> "Mini-Mini" Strategy Strategies that <b>minimize weaknesses and avoid threats</b>

Source: H. Wehrich, 'The TOWS Matrix—A Tool for Situational Analysis' pp. 60.

**Figure 2.1. TOWS Matrix**  
(Gomatesh Ravanavar, 2012)



Based on the TOWS matrix, four strategies were developed such as in the following.

a. Offensive Strategy (Strength-Opportunity/SO)

It attempts to improve and perfect strengths to encourage proper utilization of opportunities.

b. Confrontation Strategy (Strength-Threat/ST)

It aims to develop confrontation techniques that utilize the strengths to mitigate threats.

c. Reinforcement Strategy (Weakness-Opportunity/WO)

It tries to identify and overcome weaknesses to capitalize on opportunities.

d. Defense Strategy (Weakness-Threat/WT)

It strives to design defensive steps to decrease the impact of threats.

IFAS (Internal Factor Analysis Summary) includes internal strengths (S) and internal weaknesses (W). Meanwhile, EFAS (External Factor Analysis Summary) includes external opportunities (O) and external threats (T).

#### **2.2.6. Customer Relationship Management**

According to Widiana (2014), Customer Relationship Management (CRM) is a comprehensive business strategy that links processes from suppliers to customers and organizes the company based on customer segments to maximize revenue, profitability, and customer satisfaction. Investing in customer relationship management technology yields several advantages, such as enhanced customer comprehension, heightened accessibility, more efficient customer engagement, and seamless connectivity between back-office and customer channels.

Kumar & Singh (2014) stated that the process through which a business makes the most of customer information to boost loyalty and keep clients throughout their business is known as customer relationship management or CRM. CRM's main objectives are as follows.

a. Create profitable and long-lasting relationships with targeted customers.

b. At every opportunity for interaction, get closer to those customers.

c. Increase the business's portion and share from the customer's pocket.

There are three major types of CRM as follows.

a. Operational CRM

It generally refers to goods and services that enable a business to look after its customers. It helps with a range of business operations, such as marketing, sales,

and customer service. A few examples are websites, data-gathering platforms, and contact centers.

b. Collaborative CRM

It is consumer communication, encompassing direct customer engagement, issue reporting, and feedback. Email, automated voice response, and web pages can all be used for interaction. The services provided are significantly improved via collaborative CRM.

c. Analytical CRM

It deals with the study of consumer data for a variety of uses. It is typically employed to plan and carry out focused marketing initiatives that maximize their efficacy. Decisions about products and services, pricing, and the creation of new products are all considered in analytical CRM.

### **2.2.7. Social Media Marketing**

Kotler (2024) said that social media offers fascinating chances to boost brand awareness and increase consumer interaction. Social media provide the perfect setting for in-the-moment consumer engagement through real-time marketing, whereby brands are connected to significant current events, causes, personal celebrations, and other noteworthy occurrences in customers' lives.

According to Khan & Jan (2015), five dimensions of social media are necessary to establish a relationship with customers or increase traffic for businesses. Those dimensions are the following.

a. Online Communities

Social media can be used by an organization or business to create a community around its offerings. Communities that are vibrant foster conversations and loyalty, both of which can advance and strengthen business.

b. Interaction

A social media page can swiftly and simultaneously inform all its followers on a particular topic by broadcasting up-to-date, consumer-relevant content, and social networking sites that facilitate increased engagement with the online communities that exist.

c. Content Sharing

The sharing dimension pertains to the degree to which a person shares, distributes, and obtains material through social media.

d. Accessibility

Utilizing social networking is simple and minimal or no cost. Social media is simple to use and doesn't require any specialized knowledge or abilities.

e. Credibility

It all comes down to properly communicating the message to the public, building a reputation for actions and words, emotionally engaging with the target audience, inspiring purchase loyalty, and connecting with customers on an emotional level. All businesses, no matter how big or small, can network and reach out to the target audience using social media. By connecting with them directly and listening to what they have to say, trust can be built.

To make sure that the social media marketing runs smoothly, a schedule is made. This schedule will be used as the timeline and reminder for the marketing activities. The social media used by the shop is Instagram. Therefore, at least five resources are searched to determine the best time to upload content on Instagram. Based on Drucioc (2024), Geyser (2024), Sproutsocial (2023), Das (2024), and Camila (2023), the best time to upload on Wednesday is at 12 p.m. According to Anoob (2024), Adobe Express (2023), Davey (2023), Hajiyeva (2022), and Sproutsocial (2023), the best time to upload on Friday is at 11 a.m. According to Lang (2024), Davey (2023), Webarq (2023), Aminur (2024), and Cooper (2023) said that the best time to post on Sunday is at 7 p.m. In summary, the prime times of Instagram are below.

- a. Wednesday 12 p.m.
- b. Friday 11 a.m.
- c. Sunday 7 p.m.