

## INTEGRATED MARKETING COMMUNICATION FORMULATION FOR GREEN TEA CHOCOLATE ARAFA TEA USING BENCHMARKING APPROACH

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**Abstract:** Arafa Tea is a Small and Medium Enterprises (SME's) business that produces products based green tea. One of the flagship products are Green Tea Tea Arafa Chocobar (GTC), which contribute greatly to the income of Arafa Tea. But due to the marketing area is still narrow which are Ciburial and Lembang and ways of marketing communication that is used only uses activities such as exhibitions, Arafa Tea has the desire to expand the market to consumers that lives in the City of Bandung. This study aims to formulate a marketing communications program that can be implemented by Arafa Tea in marketing the product GTC.

This research was conducted using the method of benchmarking against similar business and direct competitors to find the best practice as a basis for formulating marketing communications program for Arafa Tea. Parameters will be benchmark are media and content of communication used, stretegi marketing, marketing communications program. The recommended program will be matched with the capabilities and resources owned SMEs Arafa Tea. Based on the results of benchmarking has been done Arafa Tea has the potential to market their products to the city of Bandung. For that Arafa Tea need to formulate a new communications program that can be applied ie packaging designed by the designer, the use of internet media, namely Facebook as a medium of communication and reseller programs.

**Keywords:** Marketing Communications Program, Benchmarking Analysis

### 1. INTRODUCTION

Arafa Tea is an SMEs which focus on green tea products based in Jalan Dago Pakar Timur, Ciburial village. Arafa Tea products are opaque green tea, green tea latte, green tea mask, green tea powder, green tea chocolate and instant tea. However for the next following years Arafa Tea will focus in Green Tea Chocolate (GTC), because it provide the largest contribution to total revenues for Arafa Tea. The production has been routinely performed by Arafa Tea and provides stocks to be sold to gain revenue. Figure 1 shows total income in 4 years.

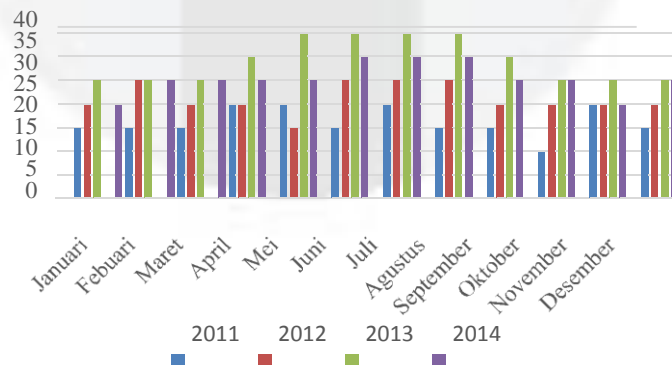
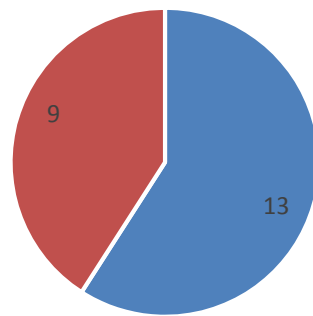


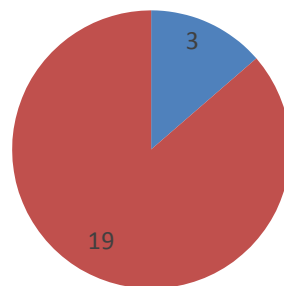
Figure 1. Arafa Tea Total Sales in Million

Based on Figure 1 it can be seen that the sales is not stable and doesn't show any sign of increasing in income. This makes Arafa want to stabilize it's sales by expanding the market to the city of Bandung and targeting the products to young people. This is because young people can create and follows trends quickly. Therefore preliminary survey was conducted to obtain the response of young people to the product GTC Arafa Tea.



■ Like the product ■ Doesn't like the product

Figure 2. Preliminary Survey (taste)



■ Know about GTC product  
■ Doesn't know about GTC product

Figure 3. Preliminary Survey (promotion)

Based on Figure 2 can be seen as much as 57% of respondents liked the product and only 14% were aware about GTC Arafa Tea (Figure 3). It can be concluded that the GTC Arafa Tea has been accepted in the market but the process of marketing communication that has been carried out to promote the product is still not effective. Seeing that this research will focus on the formulation of a marketing communications program GTC Arafa Tea..

## 2. LITERATURE REVIEW

### 2.1 BENCHMARKING

Benchmarking is a process of comparison between an organization, plans or processes with competitors to discover whether the performance that has been done has been good or not when compared with competitors who do the same activity[1]. Another definition of benchmarking is an approach that there are measurement, comparison, identification of the best activities, implementation and improvement [2]. There are 4 type of benchmarking [3].

1. Internal, the benchmarking was done to compare the units within organization .
2. Competitive, conducted towards a competitor that has the same product and market.
3. Functional, the benchmarking conducted to an organization with a best practice.
4. Generic, the benchmarking conducted to an industry that has no relation with benchmark subject.

**2.2 MARKETING COMMUNICATION**

Marketing Communication is a term in the communication of products or services with the use of communication media. But now the term has been replaced with Integrated Marketing Communication (IMC) this is due to the practice of Marketing Communication not only focus on the use of only one medium of communication, but the use of several different media but mutually support each other and have the same goals [4]. There are 4 category of marketing communication such as:

- a) Mass communication
- b) Targeted communication
- c) In-store communication
- d) Personal communication

In marketing communications, advertising always become a main focus in the implementation of communication with consumers and also as a major element in the marketing communications program. But advertising is not the only element in building brand equity and increase sales [5]. Another element in the marketing communication are:

- a) Advertising
- b) Direct marketing
- c) Interactive marketing
- d) Sales promotion
- e) Publicity
- f) Personal selling

**2.3 PERFORMANCE MEASUREMENT**

Performance measurement is a tools in benchmarking that is used to measure the processes that exist within an activity. In marketing, performance measurement is used to determine efficiency and effectiveness of a marketing process with competitors. The advantage of performance measurement data can be obtained and understood easily [6]

**3. RESEARCH METHODOLOGY**

Conceptual model used to describe the variables that will be used and searched in this study to formulate a marketing communications program. Conceptual models can be seen in Figure 4.

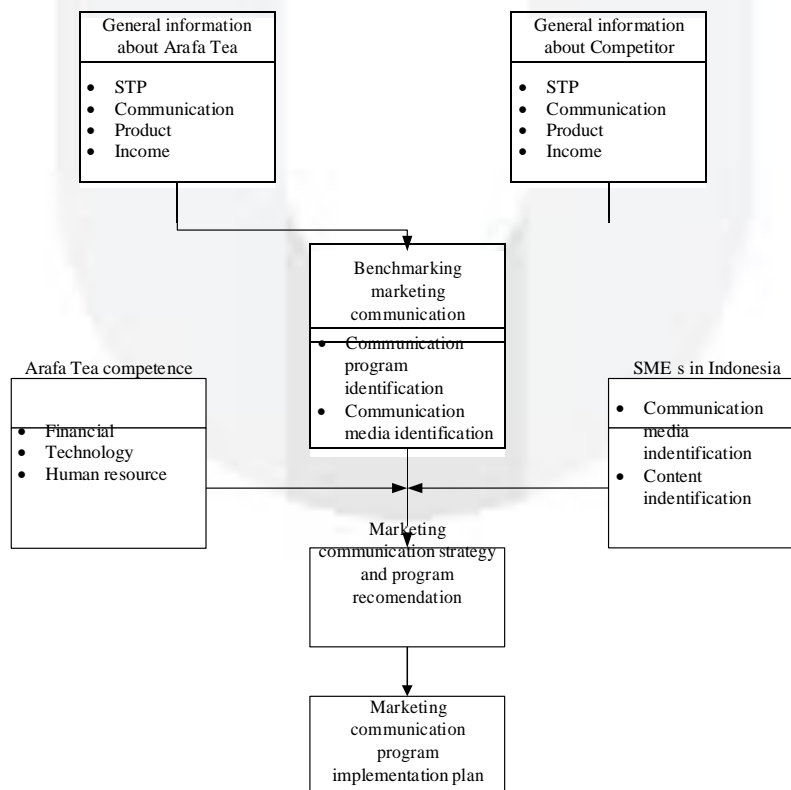


Figure 4. Conceptual Model

In the conceptual model can be seen that the first steps to do is identify some marketing factors (STP, marketing communications, product and revenue) of Arafa Tea and benchmarking object. It aims to identify

similarities owned and also as the basis for the formulation of a marketing communications program. At the conceptual model variables were also found in the form of capabilities and resources after the Arafa Tea benchmarking process with the aim generating marketing communications program that can be implemented by Arafa Tea.

### 3. DATA COLLECTION AND PROCESSING

At this stage will be explained about the collection and processing of data in this research and data processing in order to obtain information that will serve as a recommendation for Arafa Tea. The necessary data in this study comes from the results of interviews with business owners or those who know the detail about the business. Collecting data in this study consists of several stages:

#### A. Existing Marketing Communication Identification

Identification carried out by using category of marketing communications mix. It is intended for easier identification.

Table 1. IMC Identification

Marketing communication mix	Implementation on Arafa Tea	Implementation on Chocodot	Implementation on Maicih
<i>Advertising</i>	√	√	√
<i>Sales Promotion</i>	√	x	x
<i>Public Relation &amp; Publicity</i>	√	√	√
<i>Direct &amp; Interactive Marketing</i>	√	√	√
<i>Personal Selling</i>	√	√	√
<i>Event &amp; Experience</i>	X	√	√
<i>Word of Mouth Marketing</i>	√	x	√

Based on the results of the analysis of differences in the marketing communications program carried out in Table 1 obtained information that most significant differences was found in the category of sales promotion and event and experience. Sales promotion is only done by Arafa Tea, it can be seen from the provision of product samples conducted at every event Arafa Tea participate. While Chocodot and Maicih not doing any sales promotion with cost efficiency considerations. Chocodot and Maicih choose to do sponsorship of the event that conduct activities in accordance with the target market.

#### B. Arafa Tea Competence Identification

As one of the SMEs that located in Bandung, Arafa Tea has some limitations in terms of resources to carry out the strategy and marketing communication programs. The limitation encompasses its human resources, costs and technologies adapted by Arafa Tea. Here is a resource owned by Arafa Tea:

- Cost: Arafa Tea set marketing cost as much as 5% of total revenue as marketing costs
- Human Resources: Arafa Tea has 8 employees where 5 people were placed on the production, two people on the packaging and one person in the marketing.
- Arafa Tea uses Internet-based technology to communicate with employees and prospective customers.

#### C. Benchmarking

Benchmarking is done to find a gap that is contained in the marketing communication practices conducted by Arafa Tea. Benchmarking results will serve as the basis for determining the target for the development of marketing communications and marketing strategy is right for Arafa Tea. The results of the benchmarking will be used as a basis for the development of marketing communications program Arafa Tea.

Table 2. Benchmarking

	SME		
	Arafa Tea	Tama Cokelat	Maicih
Product	GTC	Chocodot	Keripik Singkong
Target Pasar	Young people, middle class	Young people, middle class	Young people, middle class
Average Income permonth	Twenty-four million Rupiah	One billion Rupiah	One billion seven hundred million Rupiah
Marketing area	Lembang, Ciburial,	Bandung, Jogjakarta, Jakarta and several big cities	Indonesia
Communication media	Brosur , banner and exhibitbion	Packaging and exhibition	Interactive marketing dand packaging
Content of marketing communication media	Status, Informasi produk	Product product	Photo and product infor
Marketing communication program	Simple packaging, public relations, sales promotion, word of mouth and exhibitions.	Packagaing designed packaging division designs, public relations, sales promotion, exhibition, distribution agents and resellers, and internet marketing are handled by a special division.	Social media marketing, communications made by Reseller through general program haunts, specially designed packaging.

Based on benchmarking the results in Table 2 it was concluded that the targeting of the development of marketing communication is better if done to Maicih while for the development of a marketing strategy made against Chocodot.

#### D. Improvement Target

Gap analysis that has been done at benchmarking stage against Chocodot and Maicih produce gaps and findings contained in the marketing strategy and marketing communication used by Arafa Tea. From these gaps can be formulated targets to be achieved by Arafa

Table 3. Marketing strategy improvement target

Benchmark parameter	Performance Indicator	GTC	Target
Income	Income	Twenty five million Rupiah	-
Marketing Area	Marketing Area	<ul style="list-style-type: none"> <li>• Ciburial</li> <li>• Lembang</li> </ul>	<ul style="list-style-type: none"> <li>• Ciburial</li> <li>• Lembang</li> <li>• Bandung</li> </ul>
	Distribution	<ul style="list-style-type: none"> <li>• Outlet</li> <li>• Pameran</li> </ul>	<ul style="list-style-type: none"> <li>• Reseller</li> <li>• Outlet</li> <li>• Pameran</li> </ul>
Target market	Segment	Youth middle class	-
	Existing consumer	Tourists and visitors to the exhibition	Youth middle class

Table 4. Marketing communication improvement target

Benchmark parameter	Performance Indicator	GTC	Target Improvement
Communication media	Communication media used	<ul style="list-style-type: none"> <li>• Outlet</li> <li>• Pameran</li> </ul>	<ul style="list-style-type: none"> <li>• Interactive Marketing</li> <li>• Reseller</li> <li>• Packaging</li> </ul>
	Fans / Follower	340	-
Content	Post frequency	-	1 post perhari
	Content type	<ul style="list-style-type: none"> <li>• Product info</li> </ul>	<ul style="list-style-type: none"> <li>• Product infor</li> <li>• Photo</li> </ul>

#### 4. RECOMMENDATION

Based on benchmarking analysis that has been done can be seen that to increase sales Arafa Tea need to expand the market by improving the marketing communications program. Marketing communications program that was meant are the improvement of packaging products to target the segment, optimize the use of interactive media as a marketing communication and implementation of the reseller program.

##### a. Packaging

GTC product packaging design Arafa Tea was designed by designers who are experienced in the field of visual communication design. GTC product packaging concept proposal Arafa Tea can be seen in in Table 5

Table 5. Arafa Tea New Packaging Design Concept

No	Packaging element	Description
1	Design	The combination of colors used are green and white reflect on Arafa Tea products on the theme of health. The graphics used as well adapted to the tastes of the target market.
2	Information	The information contained on the packaging of the product is the product name, brand or trademark, logo, information about food additives, a description of the materials used (composition)
3	Material	Art paper with lamination
4	Cost	Rp. 800,00-

##### b. Interactive Media

Proposed marketing communication media such as the use of interactive media marketing which is internet-based media because it is a medium that can be used free of charge, it is deemed appropriate given the cost constraints that are owned by Arafa Tea. This is also supported by Indonesia, which is at the sixth position in the number of Internet users in the world. Internet users in Indonesia reached 33% of the total population is 88.1 million users. Internet users in Indonesia is the users with an average lifespan of 18 years to 65 years.

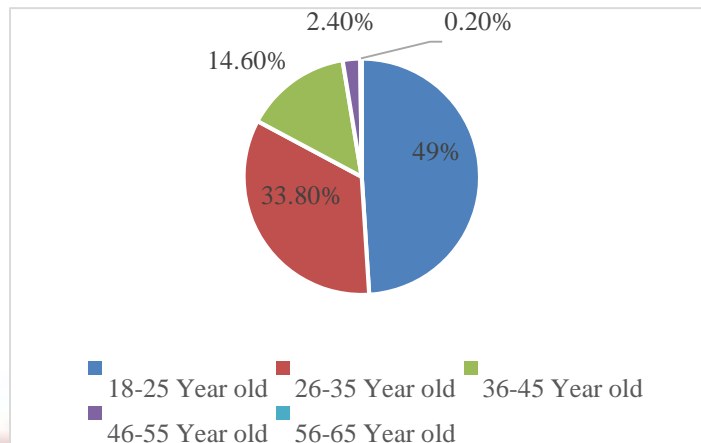


Figure 7. Internet User Age Distribution

Based on Figure 5 it can be seen that the internet user is dominated by users with a lifespan of 18 to 35 years [7]. Based on the use of internet-based communication media deemed appropriate due to the target market Arafa Tea is a young man with a lifespan of 18 to 30 years. Internet-based communication media to be used is up, due to having the highest number of active users of Internet-based communication media among others. Figure 6 shows social media percentage [8].

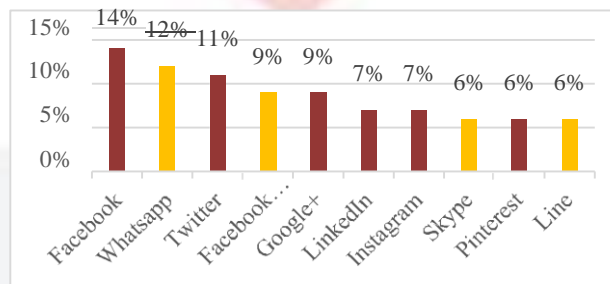


Figure 6. Social Media User Percentage

**c. Reseller**

To market their products to the city of Bandung Arafa Tea need to add distribution channels to distribute their products to prospective customers. The proposed distribution channels should also consider the ability of Arafa Tea in terms of cost. Therefore reseller program is one of the right distribution channels because in addition to be a medium of communication Arafa Tea, resellers also hardly at all costs.

**d. Implementation Plan**

Step implementation of integrated marketing communications program made after determining the communication program proposals such as Facebook, resellers and packaging. Integration steps were made to describe the relationship between the proposed communications program. Figure 7 shows the steps implementing the integration of marketing communications program.



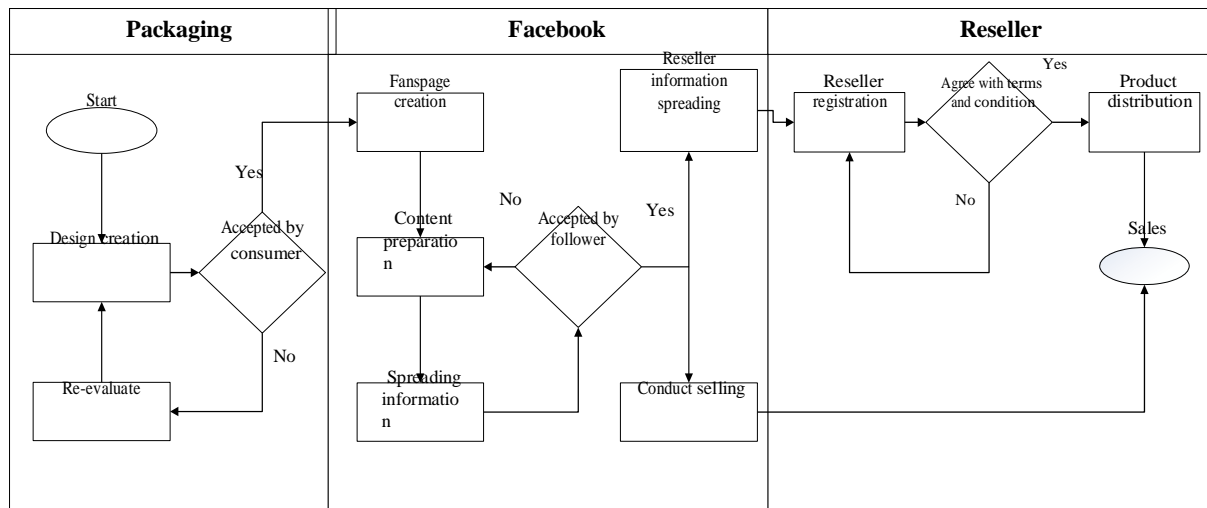


Figure 7. Implementation Plan

## 5. CONCLUSION

Based on the purpose of this study it can be concluded that Arafa Tea as SMEs that have the potential of its products have not been using integrated marketing communications effectively and efficiently. This is in contrast to competitors who have successfully market a product with the same type by using effective marketing communication strategy.

Results of benchmarking conducted on Chocodot is to find gaps in the marketing strategy resulted in the conclusion that Arafa Tea needs to expand its market to the city of Bandung.

Based on the results of benchmarking conducted on Maicih found kesenjangan on marketing communication has been done by Arafa Tea. From these gaps can be formulated that Arafa Tea need to improve the packaging, the use of social media and program sellers to increase awareness.

Recommendations are given to Arafa Tea is the formulation of an integrated marketing communications program that is tailored to the capabilities and resources of Arafa Tea that can be implemented effectively and efficiently.

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