

PROPOSED IMPROVEMENT OF MARKETING COMMUNICATION ON E'KATERING USING ANALYTIC NETWORK PROCESS AND BENCHMARKING METHOD

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Abstract

E'katering is the service company that provide food for events such as gathering night, social gathering, seminar, etc. The kitchen is located in Pasteur, Bandung and has 1 employee. The target market of E'katering is from students until adults who are 18-35 years old. The problems faced by E'katering are negative trends of unit sales and sales target which were not achieved every year. Based on preliminary survey results, this can occur due to lack of Brand Awareness of the people of Bandung. Therefore, it is necessary to improve E'katering's marketing communications in order to increase Brand Awareness of the people of Bandung. This research aims to assist E'katering in increasing sales and Brand Awareness through the proposed marketing communication program. The marketing communication program design in this research uses the Benchmarking method with the Analytical Network Process (ANP) tool. The Benchmarking method is used to propose an improvement of marketing communication program from the chosen Benchmark Partner and for adjustments that will be applied to E'katering. ANP is used to determine the appropriate benchmark partner for E'katering based on marketing communication mix.

The proposed marketing communication programs for E'katering include Sales Promotion, Direct Marketing, Public Relations and Publicity, Event & Experience, Personal Selling, and Social Media Marketing.

Keywords: Brand Awareness, SMEs, Analytic Network Process, Benchmarking, Marketing Communication, Benchmark Partners

1. Preliminary

In filling the needs, humans have to make a choice because not all of the needs can be filled. Abraham Maslow proposed a theory of the hierarchy of needs which consist of physiological needs, safety needs, love and belonging needs, esteem needs, and self-actualization needs. From this hierarchy, physiological need is the most basic needs, where the need is the strongest and most obvious needs for human survival. One of these physiological needs is the need for food.

In order to fill the need for food, many people choose to consume a food bought outside rather than homemade food. Feeling of being lazy to cook alone at home and the image of outdoor food taste that is better than homemade food are the main reason behind that. This has become tradition of some people in Indonesia. Seeing these facts, many of food industrial companies are competing to fulfill that needs.

E'katering is the service company that provide food for events such as gathering night, social gathering, seminar, etc. The company has been running since 2017, where the owner start his business by provide a food for gathering night. The kitchen is located in Pasteur, Bandung and has 1 employee. The target market of E'katering is from students until adults which in 18-35 years old. Mostly E'katering supply the foods for lower middle events so that E'katering comes with simple packaging design with lower price but the taste still good.

Within 2 years, E'katering tried to meet its sales target but unfortunately it always shows the negative trends. Here is the quantity of box sold of E'katering started from 2017-2018 :

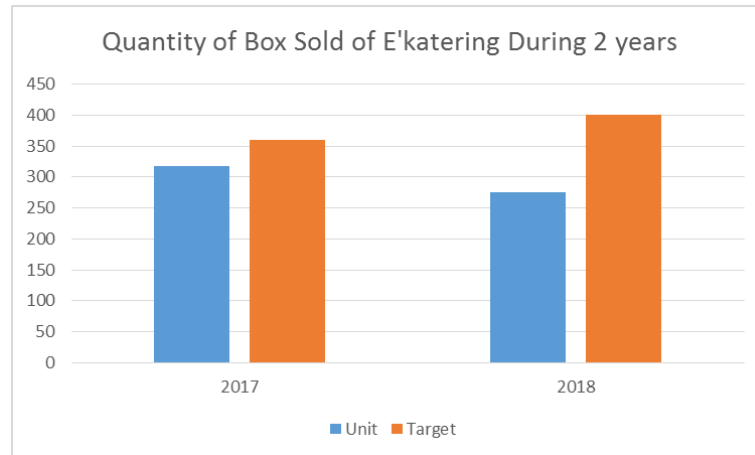


Figure 1. 1 E'katering Sales from 2017-2018

Based on the E'katering sales at Figure I.1, it can be seen that the total sales during 2 years did not reach the target of up to 13% - 45% with a total of 317 units in 2017 and 275 in 2018. There are several factors that make the sale of E'katering not always meeting the target, one of which is that in the past two years E'katering has been lacking in terms of marketing communication programs and the owner was wrong in setting sales targets that were too high.

One of the things that can be done to find out the awareness and community responds to the E'katering brand is to conduct a preliminary survey. The preliminary survey is expected to strengthen the alleged problems faced by E'katering. The preliminary survey was conducted on 30 respondents who had and often used catering services similar to E'katering consisting of students and workers aged between 18 and 35 years old.

2. Literature Review

2.1 Marketing communication

Marketing communications are means by which firms attempt to inform, persuade, and remind consumers directly or indirectly about the products and brands they sell. The purpose of promotion is to provide customer information about the product or new features such as creating needs, influencing customers to buy other people's brands, and reminding customers about brands that include strengthening the design of brand design (Kotler, 2009).

2.2 Analytical Network Process

The Analytic Network Process (ANP) is a generalization of the Analytic Hierarchy Process (AHP), by considering the dependence between the elements of the hierarchy. Many decision problems cannot be structured hierarchically because they involve the interaction and dependence of higher-level elements in a hierarchy on lower level elements. Therefore, ANP is represented by a network, rather than a hierarchy. Basically, the procedure or steps in the ANP method are (Saaty, T. L. (2005)).

- a. Describe the decision problem in detail including its objectives, criteria and subcriteria, actors and their objectives and the possible outcomes of that decision.
- b. Determine the control criteria and subcriteria in the four control hierarchies, one each for the benefits, opportunities, costs and risks of that decision and obtain their priorities from paired comparisons matrices.
- c. Determine the most general network of clusters (or components) and their elements that apply to all the control criteria.
- d. For each control criterion or subcriterion, determine the clusters of the general feedback system with their elements and connect them according to their outer and inner dependence influences.

- e. Determine the approach that will be followed in the analysis of each cluster or element, influencing (the preferred approach) other clusters and elements with respect to a criterion, or being influenced by other clusters and elements.
- f. For each control criterion, construct the supermatrix by laying out the clusters in the order they are numbered and all the elements in each cluster both vertically on the left and horizontally at the top.
- g. Perform paired comparisons on the elements within the clusters themselves according to their influence on each element in another cluster they are connected to (outer dependence) or on elements in their own cluster (inner dependence).
- h. Perform paired comparisons on the clusters as they influence each cluster to which they are connected with respect to the given control criterion.
- i. Compute the limit priorities of the stochastic supermatrix according to whether it is irreducible (primitive or imprimitive [cyclic]) or it is reducible with one being a simple or a multiple root and whether the system is cyclic or not.
- j. Synthesize the limiting priorities by weighting each idealized limit vector by the weight of its control criterion and adding the resulting vectors for each of the four merits: Benefits (B), Opportunities (O), Costs (C) and Risks (R).
- k. Governments prefer this type of outcome. Determine strategic criteria and their priorities to rate the four merits one at a time.
- l. Perform sensitivity analysis on the final outcome and interpret the results of sensitivity observing how large or small these ratios are.

2.3 Benchmarking

Benchmarking as a process of comparison and measurement operations or an organization's internal processes against those the best in its class, both from within and from outside the industry (Goetsch and Davis). There are 5 stages in Benchmarking method (Tenner & DeToro, 1997).

- a. Identify The Benchmark Subject
- b. Visiting Benchmark Partners
- c. Data Collection
- d. Gap Determination
- e. Action Taking According to Benchmark results

3. Research Methodology

This research requires conceptual model to solve the problems faced by research object. The conceptual model describes the correlation between variables that is used for this research. Here is the conceptual model of the research.

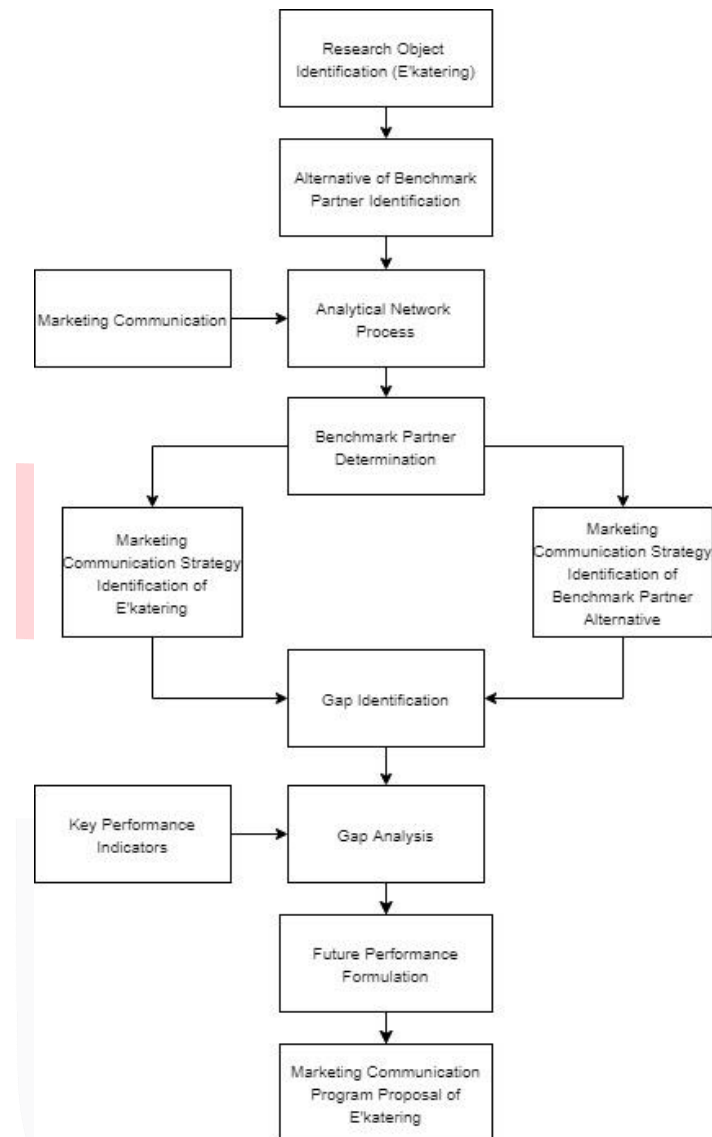


Figure 3. 1 Conceptual Model

Based on Figure 3.1, conceptual model aims to propose a marketing communication program for E'katering. The first step will be identify the object which is E'katering and identify benchmark partner alternative. And then identify the criteria of marketing communication program. After that do the calculation using ANP approach which uses criteria of marketing communication program. After the ANP calculation result obtained then determine the benchmark partner. Next, identify the marketing communication program of E'katering and benchmark partner, then determine the key performance indicator of each marketing communication program, after that analyze the gap between marketing communication program of E'katering with benchmark partner. After the gap analysis is done, determine future performance by considering the capability of E'katering. The result of future performance determination will be used to propose a new marketing communication program for E'katering.

4. Discussion

4.1 Identify Benchmark Object

The object of the research is E'katering. E'katering is the service company that provide food for events such as gathering night, social gathering, seminar, etc. The company has been running since 2017, where the owner start his business by provide a food for gathering night. The kitchen is located in Pasteur, Bandung and has 1 employee. The target market

of E'katering is from students until adults who are 18-35 years old. Mostly E'katering supply the foods for lower middle events so that E'katering comes with simple packaging design with lower price but the taste is still good. Here is the profile of E'katering attached at table 4.1

Table 4. 1 Research Object Profile

| | |
|---|---|
| Name | E'katering |
| Year Established | 2017 |
| Sales Area | Bandung |
| Product | Rice box |
| Sales Media | Line |
| Target Market | Students until adults (18-35 years old) |
| Average Sales/Month (in 2017-2018) | 296 boxes |
| Range of Product Price | Rp. 9.000 – Rp. 15.000/box |

This research will determine 1 of 3 competitors as an alternative benchmark partner for E'katering. The competitors are Hommy Catering, Ringkatering and D'Yummy.

1. Hommy Catering

Hommy Catering is a small business industry which provide foods for events that based in Bandung. Hommy Catering have been established since 2013 and still exist until now. Product offered by Hommy Catering is rice box and cone-shaped rice. The food served by box that comes with Rice, Beef/Chicken, Tofu/Trivial, Vegetable, Seasoning, Chili Sauce, and Mineral Water. Product price offered is quite cheap with ranges between Rp. 10,000 - Rp. 15,000. Hommy Catering's market segment is male and female, aged 18-35 years.

2. Ringkatering

Ringkatering serves rice boxes for meetings, seminars, campus events, office events, recitals, parties or family events. The food served by box that comes with Rice, Beef/Chicken, Tofu/Trivial, Vegetable, Seasoning, Chili Sauce, Mineral Water, and Fruit. In order to maintain its relation with customer, Ringkatering has a customer service that is friendly and responsive to every order or suggestion from its customers. The customer service has operating hours from 8:00 a.m. to 4:00 p.m. in the afternoon, from Monday to Sunday including national holidays.

3. D'Yummy

D'Yummy provides a variety of services for various needs of events and activities. D'Yummy guarantees that catering needs are met properly and satisfactorily by presenting the best and most delicious catering menu. From its inception in 2011, D'Yummy has always been committed to build the Catering team with competent and experienced Human Resources. To guarantee the most delicious taste starts from the selection of the best raw materials, processed by professional chefs and accompanied by experienced nutritionists who graduated from the best State Campus in the city of Bandung.

4.2 Data Processing

Data processing in this research uses an additional method, the Analytical Network Process (ANP) which is used to weight the marketing communication program from potential benchmarking partners.

Table 4. 2 Alternative Benchmark Partner Ranking

| Criteria | Priority Vector | Hommy | D'Yummy | Ringkatering |
|--------------------------------------|-----------------|----------|----------|--------------|
| Advertising | 0.164 | 0.240 | 0.348 | 0.413 |
| Sales Promotion | 0.145 | 0.259 | 0.439 | 0.303 |
| Direct Marketing | 0.137 | 0.303 | 0.313 | 0.384 |
| Public Relation and Publicity | 0.141 | 0.374 | 0.291 | 0.334 |
| Event & Experience | 0.120 | 0.311 | 0.361 | 0.328 |
| Personal Selling | 0.103 | 0.332 | 0.329 | 0.339 |
| Mobile Marketing | 0.107 | 0.341 | 0.276 | 0.383 |
| Social Media Marketing | 0.084 | 0.383 | 0.313 | 0.303 |
| TOTAL | | 0.311 | 0.337 | 0.352 |
| RANK | | 3 | 2 | 1 |

After weighting, the next stage is the data processing stage by conducting the gap analysis stage by considering the key performance indicators.

Table 4. 3 Gap Analysis (Part 1)

| Marketing Communication Component | Tools (Media) | Key Performance Indicator | E'katering | Ringkatering | Gap |
|-----------------------------------|----------------|---------------------------|---|--|---|
| Advertising | Copywriting | Post Caption | Has implemented the appropriate copywriting | Has implemented the appropriate copywriting | There is no gap found because both company has implemented the appropriate copywriting |
| Sales Promotion | Promotion Type | Free Shipping | Has conducted free shipping promotional activities with unlimited duration but limited shipping area | Has conducted free shipping promotional activities with unlimited duration but limited shipping area | There is no gap found because both company has conducted appropriate free shipping promotional activities |
| | | Discount | Has not conducted discount promotional activities | Has conducted discount promotional activities such as 10% Discount for Students & Social Community | There is a gap because E'katering has not conducted discount promotional activities that provide 10% Discount for Students & Social Community |
| Direct Marketing | Google Review | Credibility Rate | There is no review on Google Review that gives rating to E'katering, so that the credibility can't be measured specifically | Very Good review on Google Review (Rating 5/5) | There is a gap because there is no review that gives rating to E'katering, while Ringkatering has very good review with rate of 5/5 |
| Public Relation and Publicity | Blog | Blog Content | There is no content posted by E'katering on its personal blog | Contents about social activities, how to order, menu listings, and services provided by Ringkatering | E'katering has not posted any contents on its personal blog if compared to chosen Benchmark Partners |

Table 4. 4 Gap Analysis (Part 2)

| Marketing Communication Component | Tools (Media) | Key Performance Indicator | E'katering | Ringkatering | Gap |
|-----------------------------------|------------------------|----------------------------------|--|---|---|
| Event and Experience | Seminar | Scale | Has participated in the event created by HIPMI Telkom University at the organizational level | Has participated in the event created by Tea Event Planner and De Nu Cokelat at the local level | There is a gap because E'katering has participated in the event at the organizational level, while Ringkatering has participated in the larger scale event which is at the local level |
| | | Frequency | Has participated in 1 event in 1 year | Has participated in 1 event in 1 year | There is no gap because both company has participated in 1 event in 1 year |
| Personal Selling | Sales Force | Number of Sales Force | No sales forces hired | Has hired 1 sales force | There is a gap because E'katering has no sales force hired if compared with Ringkatering |
| Mobile Marketing | Broadcast Message Apps | Number of Broadcast Message Apps | Has one broadcast message application (Whatsapp) | Has one broadcast message application (Whatsapp) | There is no gap found because both company has the same number of broadcast message apps |
| Social Media Marketing | Instagram | Instagram Content | Promotional content | Promotional content, Information content, Wedding content, Product content, Comedy content | There is a gap because E'katering is less innovative in content creation which has not uploaded Information content, Wedding content, Product content, and Comedy content if compared with Ringkatering |
| | | Posting Frequency | 1 post in 1 month | 31 posts in 1 month | There is a gap between E'katering and Ringkatering. E'katering is less active in posting contents on Instagram than Ringkatering. |

After conduct the gap analysis, the next stage is proposing improvement of E'katering's marketing communication programs based on future performance. Furthermore, there will be a decision making by stakeholders to decide whether to agree with the adjustment or not.

Table 4. 5 Future Performance (Part 1)

| Marketing Communication Component | Tools (Media) | Key Performance Indicator | Gap | Future Performance | Stakeholder Response |
|-----------------------------------|----------------|---------------------------|---|--|----------------------------------|
| Advertising | Copywriting | Post Caption | There is no gap found because both company has implemented the appropriate copywriting | Maintain the appropriate quality of copywriting for every posts | - |
| Sales Promotion | Promotion Type | Free Shipping | There is no gap found because both company has conducted appropriate free shipping promotional activities | Maintain the duration of free shipping and shipping area | - |
| | | Discount | There is a gap because E'katering has not conducted discount promotional activities that provide 10% Discount for Students & Social Community | Conduct discount promotional activities that provide 10% Discount for Students & Social Community | Owner agrees with the adjustment |
| Direct Marketing | Google Review | Credibility Rate | There is a gap because there is no review that gives rating to E'katering, while Ringkatering has very good review with rate of 5/5 | Put a review on Google Review with very good category with rate of 5/5 | Owner agrees with the adjustment |
| Public Relation and Publicity | Blog | Blog Content | E'katering has not posted any contents on its personal blog if compared to chosen Benchmark Partners | Post contents about social activities, how to order, menu listings, and services provided by the company | Owner agrees with the adjustment |

Table 4. 6 Future Performance (Part 2)

| Marketing Communication Component | Tools (Media) | Key Performance Indicator | Gap | Future Performance | Stakeholder Response |
|-----------------------------------|------------------------|----------------------------------|---|--|----------------------------------|
| Event and Experience | Seminar | Scale | There is a gap because E'katering has participated in the event at the organizational level, while Ringkatering has participated in the larger scale event which is at the local level | Gain partnertship with well-known event planner in Bandung and increase the event scale to local level | Owner agrees with the adjustment |
| | | Frequency | There is no gap because both company has participated in 1 event in 1 year | Maintain the frequency of seminar participation | - |
| Personal Selling | Sales Force | Number of Sales Force | There is a gap because E'katering has no sales force hired if compared with Ringkatering | Hire 1 sales force to sell the product directly to customers | Owner agrees with the adjustment |
| Mobile Marketing | Broadcast Message Apps | Number of Broadcast Message Apps | There is no gap found because both company has the same number of broadcast message apps | Maintain the number of broadcast message apps | - |
| Social Media Marketing | Instagram | Instagram Content | There is a gap because E'katering is less innovative in content creation which has not uploaded Information content, Wedding content, Product content, and Comedy content if compared with Ringkatering | Increase the creativity of the content and put the additional contents such as Information content, Wedding content, Product content, Comedy content | Owner agrees with the adjustment |
| | | Posting Frequency | There is a gap between E'katering and Ringkatering. E'katering is less active in posting contents on Instagram than Ringkatering. | Increase the frequency of posting on Instagram to 31 posts in a month to make the E'katering's Instagram more active | Owner agrees with the adjustment |

5. Conclusion

Based on the results of research that has been done, the following conclusions are obtained:

1. Based on the results of data collection, the following are Marketing Communications that have been implemented by E'katering:
 - Advertising
 - Sales Promotion
 - Event & Experience
 - Mobile Marketing
 - Social Media Marketing
2. Based on the results of data processing, the following are importance level rank of marketing communication based on priority vector calculation that can be implemented by E'katering:
 - Advertising
 - Sales Promotion
 - Public Relations and Publicity
 - Direct Marketing
 - Event & Experience
 - Mobile Marketing
 - Personal Selling
 - Social Media Marketing
3. Based on the data processing that has been done using the Analytic Network Process (ANP) method, E'katering's benchmark partner is Ringkatering.
4. Based on the Benchmarking process carried out on E'katering with Ringkatering resulted in several improvements to the marketing communication program for E'katering:
 - Sales Promotion
 - Direct Marketing
 - Public Relations and Publicity
 - Event & Experience
 - Personal Selling
 - Social Media Marketing

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