CHAPTER I PRELIMINARY

I.1 Background

Indonesia is one of the most active countries on social media, according to research by the Indonesian Internet Service Providers Association or APJII, nearly 197 million, or 74 percent, of Indonesia's population, have used the internet this year, up 8.9 percent from last year, due to the pandemic. Covid-19 accelerates the use of online learning among students and people in remote areas.

Marketing communications help businesses to deliver knowledge to potential consumers of what kind of product to choose, how to get it, what benefits will be obtained, and all information related to the product or service offered. The development of marketing communication today is done conventionally (Kingsnorth, 2022). Internet presence provides a new virtual environment for marketing practices. The presence of social media in marketing in the current digital era can be seen from two sides, namely the advertiser or marketer side and the social media user side. From the side of marketers and advertisers, social media offers a variety of content offerings. Content is not only produced in the form of text, but also in the form of audio, visual, and audio-visual. The use of social media also tends to cost less. Not only that, the target of potential consumers can also be determined based on the procedures from the existing devices on social media. Changes in people's lifestyles make marketers seem to be forced to quickly adapt to new trends or things related to online marketing. Following the rapid development of the internet network which led to an information revolution in the digital era, so that it can change various aspects of life, especially in marketing known as digital marketing. In this digital era of marketing, the internet is a medium for distributing marketing communications.

There are various types of things that can be marketed through the internet, especially the Instagram social network, such as fashion, services, gadgets, culinary, and animals. In a pandemic like today, many people order car or motorcycle washing services online. This car wash service will send workers to take the car or motorbike to the car owner's house if they do not want to come to the place.

(Source: Screenshot Instagram, Real-Time January 28th, 2022)

Figure I. 1 Vs Auto Detailing Instagram Account View

Vrans Studio Bandung (VSD) is one of the automotive detailing companies in Bandung which started in 2017. In the early 2017, the business started by detailing the car with only a few customers per day. Now, apart from detailing, VSD also offers washing, repainting, repairing, and coating for parts and whole of cars, motorcycles, and bicycles. In marketing the services, VSD employs social media such as Instagram and Whatsapp, with currently use more in their Instagram. VSD has an Instagram with the name "vsdautodetailing" with 889 followers, 1409 following, 417 posting, and 10 highlights. This account is an Instagram account officially created by VSD, with the aim of engaging people on Instagram to see and use their services. Currently, the VSD business can wash 70 vehicles per month. Seeing the sale, the owner aims to expand the market, especially the Bandung city area. However, in meeting its objectives, the owner has constraints, namely limited costs, labour, and marketing which is currently done only by marketing products on Instagram, conducting sales promotions, word of mouth

and the use of WhatsApp. With these obstacles, VSD business owners cannot achieve their goals. This can be seen in VSD sales from service data, which still look volatile because sales of the products produced depend on the marketing process carried out. Figure 1.2 is the result of the sale of VSD services.

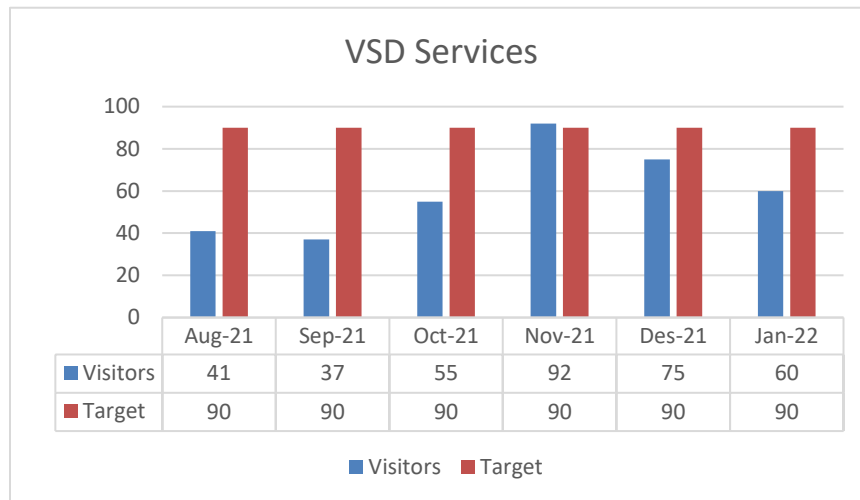|	Aug-21	Sep-21	Oct-21	Nov-21	Des-21	Jan-22
Visitors	41	37	55	92	75	60
Target	90	90	90	90	90	90

Figure I. 2 Service Data of VSD

(Source: Owner VSD, 2021)

Based on Figure I.2, VSD visitors from August 2021 to October 2021 experienced fluctuations. There are services that do not reach the target in several months during this period. In the span of a period of 6 months, only 1 month of service reached the target, namely in November 2021. There was no achievement of the target, and the difference was the initiation to find out the cause of this.

Table I. 1 Service Quality Survey

No	Service	Total Visitor
1	Body Repair	42
2	Wash	281
3	Detailing	37
	Total	360

A survey on the quality of VSD services was conducted as the initiation of a review of the selected solutions. The survey reviews the opinions of customers who have used the services and repeat services at VSD. Based on the results of customer reviews and interviews with VSD owners from several of its services in Table I.1, the total visitors in the last six months were 360 people. The driving

factor of the product that resulted in such large visitors was that the customer was satisfied with the quality of service, good washing details, and friendly seller. Apart from the driving factor of service, several customers stated that the prices offered were affordable. Therefore, VSD services have proven to have the potential to be accepted in the market. Based on internal data, survey results to respondents and the media analytically, can explain systematically the problems that occur from the management of Instagram VSD social media, namely that it has not been able to increase brand awareness to attract new customers through Instagram social media with benchmarks for increasing the number of followers and engagement as well as other factors that will be investigated further. That is why the sales target of VSD is not achieved. Therefore, it is important to design improvements to the Instagram VSD social media by considering the criteria that must be considered.
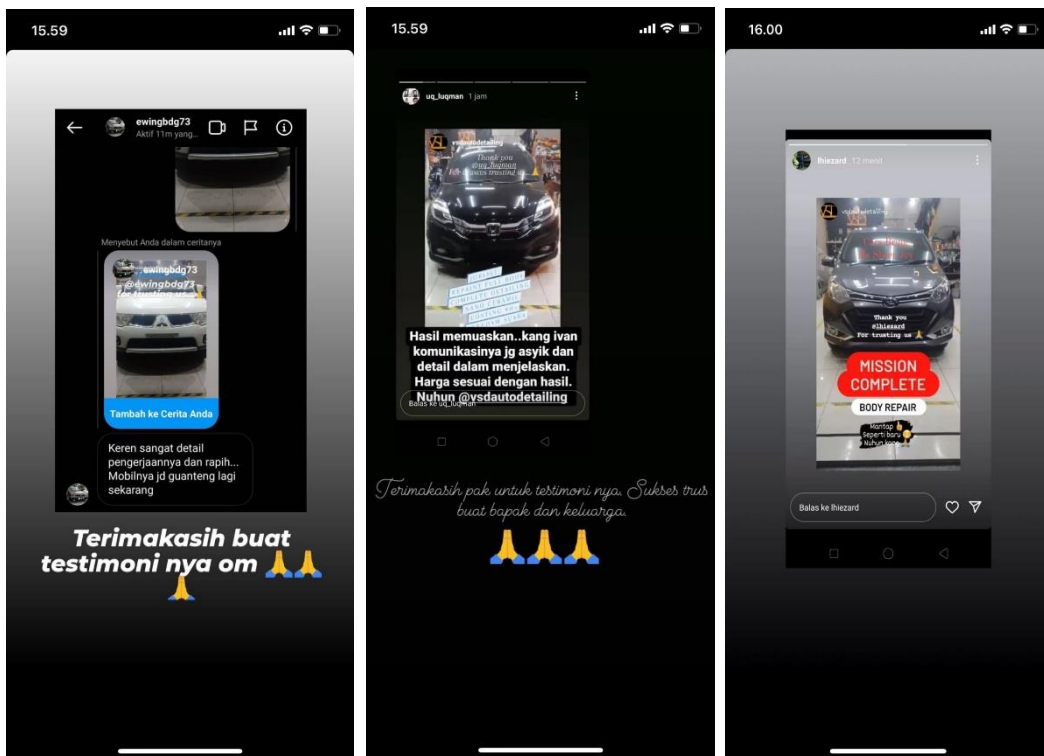

Figure I. 3 Customer's Review on Instagram

This is one of the examples that VSD can reach the target via Instagram, the customers are satisfied with the result of service. Improving the VSD's Instagram to gain more awareness of its brand.

The absence of the target visitor is influenced by several factors so that further observations need to be made using a fishbone diagram. The following is a fishbone diagram to find out the root cause of the low number of VSD visitors.
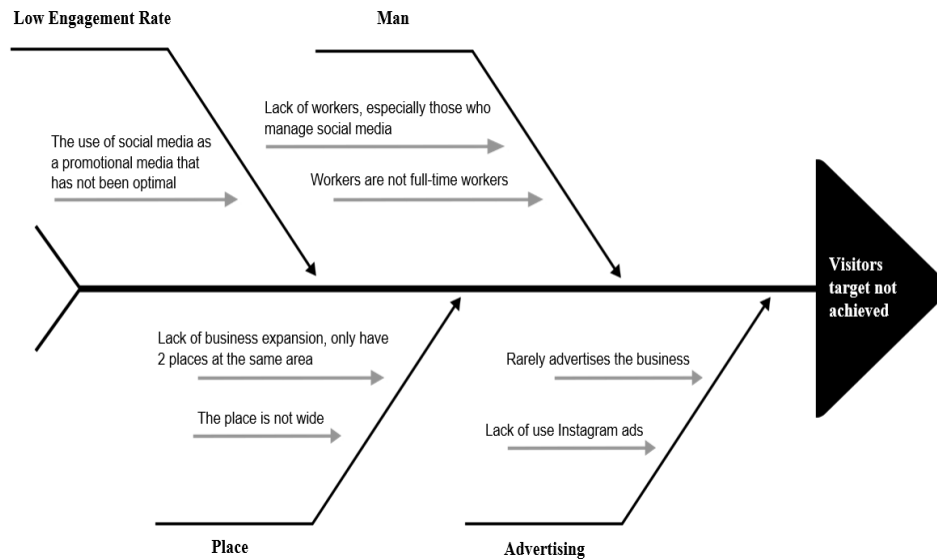

Figure I. 4 Fishbone Diagram

(Source: In depth-interview with Owner VSD)

In Figure I.3, the fishbone diagram shows some of the root causes based on interviews with VSD owners accompanied by customer reviews from Instagram. These four root causes affect the low number of VSD visitors. There are four root problems affecting VSD on visitor's target not achieved, which are: Low Engagement Rate, Man, Place, and Advertising. According to the root problems, the writer will be focusing on one root problem which is engagement rate. The engagement rate of VSD's Instagram is very low. It is only 0,32%. Low engagement rate can affect the VSD's Instagram being not followed, liked, commented, and viewed by the people. This is happening now on Instagram VSD and causing the sales target of visitors to decrease. So that with the root cause of the fishbone diagram, further review is needed on the best way to fix the problems that exist in the VSD.

I.2 Alternative Solutions

The fishbone diagram that has been designed to find out the factors causing the low number of VSD visitors needs to be observed further. Table I.2 contains the root causes of VSD with potential solutions that can fix these problems.

Table I. 2 Alternative Solutions

No	Root Problems	Potential Solutions
1	Man (Workers)	• Conducting recruitment to increase the number of workers. • Workers who work are full-time workers. • Structured work division planning.
2	Low Engagement Rate	Optimizing the use of Instagram as a promotional media
3	Place	• Expanding business to areas where there are no washing and detailing areas • Expand the area on the existing place
4	Advertising	Optimal use of the Instagram ads features to advertise the business

These potential solutions can minimize or solve problems that exist in the VSD. The root of the problem has potential solutions with each consideration. The root of the problem chosen to be repaired is the root of the problem that has the most probable consideration for improvement. Therefore, a rating range is given with a rating scale with an agreement level of 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree) to find out the largest value or weight obtained from the root of the problem with the implementation of the solution that will be prioritized to be chosen. The process of assessing the implementation of the solution was carried out in discussions with the VSD owner. Table I.3 is a rating scale on the implementation of the solution.

Table I. 3 Solution Implementation Rating Scale

No	Root Problems	Solution Implementation Process				Total
		Easy	Cheap	Significant Change	Quick to Implement	
1	Man (Workers)	2	1	4	3	9
2	Low Engagement Rate	3	4	5	4	16
3	Place	2	1	4	1	8
4	Advertising	3	2	4	4	13

Based on Table I. 3, these root causes have potential solutions with each consideration. The root of the problem chosen to be repaired is the root of the problem that has the most probable consideration for improvement based on the total value of the rating scale with an agreement level of 1 (strongly disagree) to 5 (strongly agree). Therefore, the solution to the root cause of the problem is low engagement rate, this is because it requires a relatively easy process, relatively inexpensive financing, significant changes, and is fast to implement in improving it. In addition, the solution was chosen due to considerations of the resources and capabilities of the VSD. The choice of a solution from the root cause of the low engagement rate requires further observation and supporting data. In addition to a survey on service quality, the existence of VSD needs to be known how well VSD is known because the product can be accepted by the market. In conducting the review, a preliminary survey on brand awareness was conducted to 30 respondents who are people aged 17-30 years in Bandung, own a vehicle, and are active Instagram users.
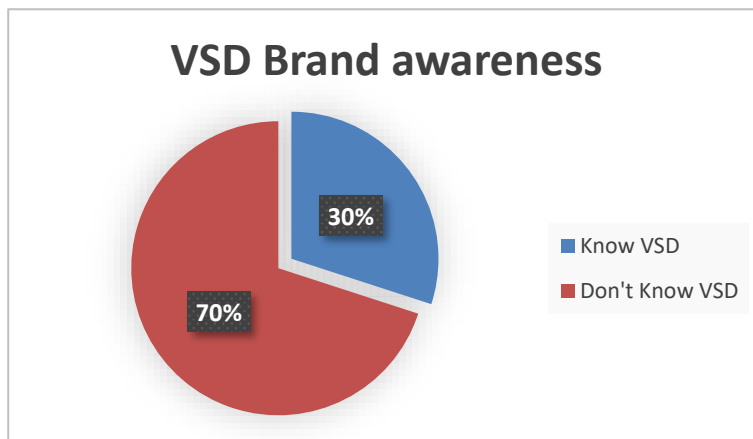

Figure I. 5 Brand Awareness of VSD

Based on Figure I.4, the low number of respondents who know VSD reaches 30% when compared to the high number of respondents who do not know VSD. So, it is proven that VSD has not succeeded in doing brand recognition effectively. Meanwhile, if the company uses a well-managed Instagram, it will affect the effectiveness of brand awareness. As the main marketing platform, Instagram VSD has a big enough role to increase brand awareness. The low level of VSD brand awareness can be influenced by inappropriate social media management. To prove this, a preliminary survey was conducted using third parties, namely the analytical media socialblade.com and keywordtool.io to find out the engagement rate and Instagram analytics history on VSD Instagram. The results of the engagement rate on VSD Instagram can be seen in Figure I.5.
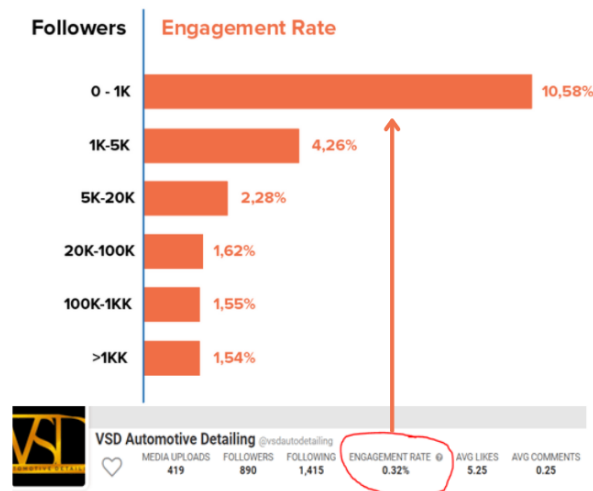

Figure I. 6 Engagement Rate of VSD's Instagram

(Source: socialblade.com, keywordtool.io)

Based on Figure I.5, the engagement rate on Instagram VSD is 0.32%. Engagement calculations on socialblade.com are based on the average level of followers engaged with VSD Instagram posts in the last 180 days. Engagement rate is generally used as a standard metric to measure content performance on social media by measuring audience engagement on each piece of content, including Instagram. On Instagram, the number of likes, comments, and saves greatly affects the engagement level of an account. The level of engagement can affect consumer brand awareness because the more consumers interact, the public's knowledge of a brand will increase. Based on Industry Standard

Indonesia's Engagement Rate, Instagram VSD which has around 890 followers should have an average engagement rate of 10.58% (0-1000 followers). So, it can be proven that the Engagement Rate of VSD is still very low. In addition, the results obtained from the social media index on Instagram VSD were obtained through socialblade.com analysis media as a third party. The Social Media Index is the total visual value of the Social Blade Rankings, based on data on follower ratings, follow ratings, engagement ratings, and media ratings. The following are the results of the social media index on Instagram VSD.
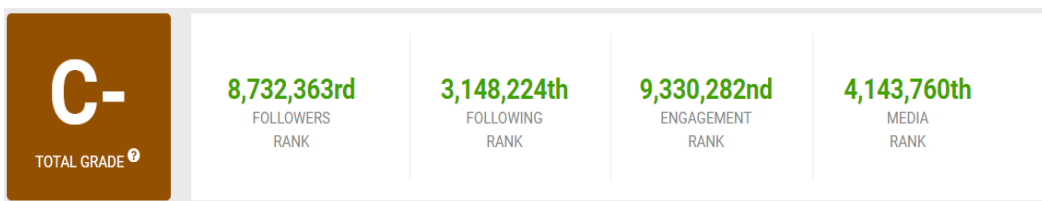

Figure I. 7 Instagram Index VSD

Based on Figure I.6, the social media index on VSD Instagram is at a total value of C-. This shows that Instagram social media managed by VSD is still not good enough. Not only that but also obtained Instagram analytic history regarding monthly follower data obtained by Instagram VSD for the last 6 months. The results of the data obtained can be seen in Figure I.7.
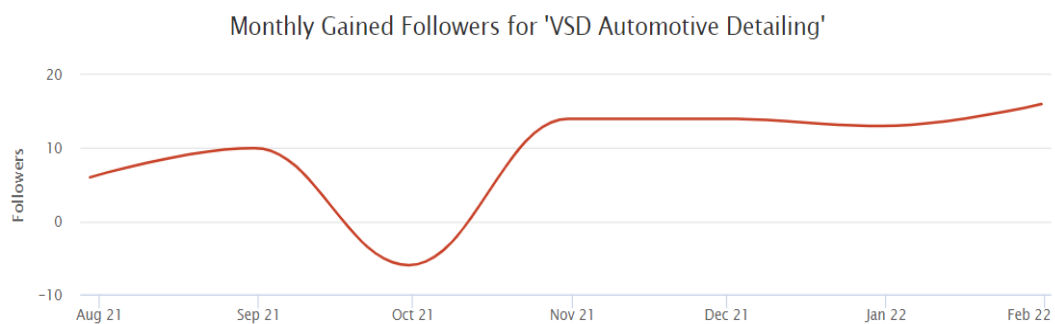

Figure I. 8 Monthly Average followers of VSD's Instagram

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Based on Figure I.7, the average monthly data for Instagram VSD followers, Instagram VSD has experienced an unstable increase and decrease in the number of followers since October 2021. However, after that month, Instagram VSD experienced an increase in the number of followers but only slightly around 10-15 followers. course, although still not stable. Within one month from September 2021 to October 2021, Instagram VSD experienced a significant decrease in the number of followers. This shows that the VSD marketing program is still less effective in attracting new visitors, so VSD brand awareness is still quite low. Based on the results of interviews from the owner, the data is influenced because the uploads made by VSD only focus on serving people's vehicles without adding other content that affects engagement. The number of followers on Instagram that is owned is useful for calculating and increasing engagement rates because Instagram is one of the social media used to interact. This shows that Instagram social media as a marketing communication medium used by VSD is not effective in reaching visitors. Therefore, based on a preliminary survey and socialblade.com media analytics, VSD is proven to have a low brand awareness value in Instagram social media reviews. The low value of brand awareness and effectiveness of Instagram management can be caused by influence or pressure from competitors. Therefore, observations were made to compare the quality of Instagram VSD against local wash and detailing business actors. The following is a comparison of the quality of Instagram VSD with SA Carwash, Speed Place, and Wash Inc. The selection of three competitors is determined based on local brands that have best practices in using Instagram as a focused marketing medium.

Table I. 4 Instagram Comparison of VSD and Competitors

Brand	Instagram Account	Followers	Total Grade	Engagement Rate
VSD	@vsdautodetailing	890	C-	0,32%
SA Carwash	@sa_carwash	1337	C-	2,04%
Speed Place	@speedplaceid	1123	B	7,09%
Wash, Inc.	@wash.inc_id	3204	C-	0,50%

(Source: Social Blade, Real-Time January 20th, 2022)

Based on Table I.4, VSD has a low Instagram grade, namely grade C-. VSD has the lowest number of Instagram followers compared to other competitors who

have exceeded 1000 followers, such as Wash Inc. which ranks first with the number of followers of 3204. The low number of followers also affects the low engagement rate of Instagram VSD, which is 0.32% when compared to other competitors. VSD also has the lowest engagement rank compared to its competitors. So, we can see that VSD's Instagram account (@vsdautodetailing) has the least overall performance compared to its competitor. The low number of followers, and Instagram's engagement rate can be an indication that VSD has the lowest level of brand awareness compared to other competitors. Therefore, a further preliminary survey was conducted by conducting in-depth interviews. In-depth interviews regarding VSD Instagram social media were conducted to eight respondents in Bandung who have criteria for frequently using Instagram, knowing VSD's business, and being followers of VSD Instagram accounts and competitors. This survey was conducted to review and explore the criteria that need to be considered and the weaknesses in Instagram VSD.

Table I. 5 Result of In-Depth Interview

No	Criteria to be considered	VSD's Instagram Weaknesses
1	Frequency of uploads in stories on Instagram.	Not regularly uploading Instagram stories.
2	Frequency of uploads in Instagram feeds.	Not regularly uploading Instagram feeds.
3	Take advantage of profile features.	Do not take advantage of the profile feature.
4	Take advantage of reels features.	Do not take advantage of the reels feature.
5	Interesting and informative highlights.	Less interesting and informative highlight.
6	Feeds on Instagram must be varied.	Less varied Instagram feeds.
7	Feeds on Instagram must be attractive.	Less attractive Instagram feeds.
8	Stories on Instagram must be interactive.	Less interactive Instagram stories.
9	Captions should be more informative and match with the contents uploaded.	Less informative and do not match the caption with the contents uploaded.

In Table I.5, the results from the in-depth interview show the criteria that must be considered by a business that uses Instagram social media and are presented in order of the most chosen criteria, especially the weaknesses in Instagram VSD. All respondents stated that the shortcomings of Instagram VSD were that they did

not meet several criteria that must be considered. This data supports the owner's opinion regarding the low increase in the number of followers who have decreased, and the engagement rate is low.

Based on internal data as a starting point in digging for information, interviews with owners regarding the problem of visitors who have not achieved their targets, reviews of service quality, survey results to respondents and socialblade.com analytical media in reviewing brand awareness that has low values, it can be concluded that there are several problems what happened to the Instagram social media used by VSD as a marketing communication media. Instagram VSD has not been able to convey the benefits and uses of the service which is one of the brand awareness to increase the number of followers and engagement. In increasing awareness, the right method is needed to increase the effectiveness of Instagram management, especially for Instagram as a social media used and focused by VSD. Therefore, it is important to design improvements to Instagram used by VSD as an appropriate online marketing communication media to increase public awareness about VSD by considering the criteria that must be considered.

I.3 Problem Formulation

Based on the research background above, it is concluded that VSD's Instagram still has problems in its engagement rate performance. In the alternative solutions, it is concluded that the main potential solution is to design more varied content on Instagram. Therefore, the formulation of the problem to be studied is as follows.

1. What are the criteria and sub criteria which need to be considered on Instagram VSD?
2. What is partner benchmark for VSD that matches the criteria for each Instagram?
3. What is the gap between Instagram VSD and benchmark partners?
4. What are the right recommendations to improve the VSD's Instagram brand awareness?

I.4 Research Purposes

Based on the problem formulation above, the research objectives of this final year project are:

1. Identify the criteria and sub criteria which need to be considered on Instagram VSD.
2. Identify the benchmark partner for VSD which fits on each Instagram criteria.
3. Identify gaps between Instagram VSD and benchmark partners.
4. Formulate appropriate recommendations for improvement on Instagram to increase VSD's brand awareness.

I.5 Benefit of Research

The benefits obtained from this research are:

1. To improve VSD's Instagram content variation in hopes that it would improve its brand awareness.
2. To improve the social media engagement on Instagram VSD.
3. To provide the recommendations for the design of Instagram improvements to VSD based on priority criteria and sub criteria.
4. To improve the future researcher's knowledge regarding Instagram content marketing design based on the real-life case of VSD.

I.6 Writing Organization

This research has research systematic as follows:

CHAPTER I Introduction

> This chapter describes the background of the problems faced by the VSD with preliminary surveys, formulation of the problem, research objectives, the benefits of research, and systematic writing.

CHAPTER II Theoretical Basis

In the chapter on the theory of literature which forms the basis for getting the solution of the problems in this study. The relevant literature studies in this research include online marketing, social media, Instagram marketing, comparison methods, Voice of Customer (VoC), criteria and sub 8 criteria for evaluating Instagram marketing media, as well as Benchmarking and Analytic Hierarchy Process (AHP) which are the references in this research solution to problem.

CHAPTER III Research Methodology

This chapter describes the steps of the final project used in detail regarding the problem-solving systematics and the conceptual model used in the final project.

CHAPTER IV Integrated System Design

This chapter describes in detail the activities for designing an integrated system, including collecting data through questionnaires with certain criteria, processing questionnaire data aimed at obtaining best practice from alternative benchmark partners from observations, determining gaps, and designing improvements to the integrated system.

CHAPTER V Result Analysis and Evaluation

This chapter presents the results of the design, findings, analysis, and validation of the integrated system improvement design. So that the results of the design can be proven to solve problems or reduce the gap between existing capabilities and best practices to be achieved.

CHAPTER VI Conclusion and Suggestion

This chapter describes the conclusions from the results of the final project and solving problems in the introductory section. Suggestions for solutions are presented in this chapter for the next final project.