

COVID-19 IMPACT AND RECOVERY: ONLINE AND OFFLINE MARKETING STRATEGY FOR VICTORY BUILDING MATERIALS STORE

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Abstract: The Covid-19 pandemic significantly disrupted various sectors in the third quarter of 2020, notably the construction sector, an essential contributor to Indonesia's Gross Domestic Product (GDP) growth. Located in Glodok, one of Jakarta's most populous and commercially active regions, the Victory Building Materials Store exemplified this disruption. Experiencing a sharp 38.62% decline in sales revenue in 2020, the store grappled with intense marketing competition and the sweeping changes brought about by technological advancements. This study aimed to recommend an integrated online and offline marketing strategy tailored to this specific context. The research was qualitative, classified under conclusive descriptive research, employed interviews, FGDs, and document analysis. External analyses capturing the macro environment, industry dynamics, and customer behavior were conducted, while internal evaluations centered on Victory's existing marketing tactics. The results provided insights into market attractiveness, competitive positioning, and Victory Store's SWOT informed our strategy formulation. By enhancing segmentation, targeting, and positioning, with a keen focus on online sales, we aimed to elevate buyer brand awareness. The designed marketing mix strategy, encompassing the 7Ps, was projected to bolster the sales revenue of Victory Store until 2025. This study underscored the increasing significance of online sales channels, especially e-commerce platforms.

Keywords: covid-19 impact, building materials store, e-commerce transformation, online marketing strategy, retail disruption

Abstrak: Sektor konstruksi, yang merupakan kontributor penting bagi pertumbuhan Produk Domestik Bruto (PDB) Indonesia, mengalami disrupsi signifikan akibat pandemi Covid-19. Berlokasi di Glodok, salah satu wilayah paling padat dan komersial di Jakarta, Toko Bahan Bangunan Victory menjadi contoh nyata dari disrupsi ini. Dengan penurunan pendapatan penjualan sebesar 38,62% pada tahun 2020, toko ini menghadapi persaingan pemasaran yang ketat dan perubahan besar-besaran yang disebabkan oleh kemajuan teknologi. Studi ini bertujuan merekomendasikan strategi pemasaran terintegrasi, baik daring maupun luring, yang disesuaikan dengan konteks spesifik ini. Penelitian ini bersifat kualitatif, diklasifikasikan sebagai penelitian deskriptif konklusif, menggunakan wawancara, FGD, dan analisis dokumen. Kami melakukan analisis eksternal yang mencakup lingkungan makro, dinamika industri, dan perilaku konsumen, sementara evaluasi internal difokuskan pada taktik pemasaran Victory saat ini. Hasilnya memberikan wawasan tentang daya tarik pasar, posisi kompetitif, dan SWOT Toko Victory yang menginformasikan formulasi strategi kami. Dengan meningkatkan segmentasi, targeting, dan positioning, dengan fokus pada penjualan daring, kami bertujuan meningkatkan kesadaran merek pembeli. Strategi bauran pemasaran yang dirancang, yang mencakup 7P, diharapkan dapat meningkatkan pendapatan penjualan Toko Victory hingga tahun 2025. Studi ini menekankan pentingnya saluran penjualan daring, khususnya platform e-commerce.

Kata kunci: dampak covid-19, toko bahan bangunan, transformasi e-commerce, strategi pemasaran daring, disrupsi ritel

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INTRODUCTION

The global pandemic of COVID-19 has undeniably reshaped various facets of the world economy, with sectors ranging from construction to retail bearing its brunt. Historically, pandemics have always influenced economic paradigms. The Black Death in the 14th century led to significant shifts in labor markets and trade patterns (Benedictow, 2004). Similarly, the Spanish Flu of 1918 had substantial economic consequences, affecting various sectors in different ways (Garrett, 2007). The Covid-19 pandemic gave a huge impact to the global economy for the whole year up to this day.

Based on a survey conducted by Badan Pusat Statistik (BPS), 66% of companies have experienced an income decrease, while 24% are still obtaining the same income as pre-pandemic, and the remaining 10% experienced income gain (BPS, 2020). The decline in incomes is mostly experienced by Indonesians in all industry sectors, with no exception for the construction industry. The ‘Disruption Theory’ by Christensen (1997) postulates that industries are often disrupted when they fail to adapt to changes in technology or market conditions. The construction industry, being labor-intensive and reliant on synchronized supply chains, is especially vulnerable to such disruptions.

Triyawan & Fendayanti (2021) stated that the construction sector became one of the sectors that was impacted significantly due to the loss of projects and funding from APBN and APBD reduced and diverted for Covid-19 countermeasure programs. The direct impact on the construction sector included project delays, increased budgets, and contract disputes (Wibowo, 2020).

On the retail front, the industry was already undergoing a transformation with the rise of e-commerce and digital technologies. The ‘Innovator’s Dilemma’, proposed by Christensen (1997), suggests that established companies can be overtaken by newer, more agile competitors if they don’t innovate. The pandemic accelerated this shift. Retail industries were impacted by supply chain disruptions, changing customer behavior, and store closures, among other challenges (Akram et al. 2021). Micro, Small, and Medium Enterprises (MSMEs) were hit particularly hard. The impact on MSMEs can be analyzed through the lens of the ‘Resource-Based

View’ theory. This theory posits that firms with rare, valuable, and hard-to-imitate resources can achieve a competitive advantage (Barney, 1991). In the face of a pandemic, the management of these resources determines the adaptability of these enterprises. Mujianto et al. (2021) revealed that MSMEs with retail stores experienced a 63.98% profit decrease compared to the pre-pandemic period.

One of the retail stores that has experienced profit decline is Victory Store, a material/hardware store in West Jakarta. The store’s market segment is 60% B2C and 40% B2B. Pre-pandemic, Victory Store had consistent income growth. However, post-pandemic, there was a significant decrease in income, as shown in Figure 1. With the rapid advancement of information technology, it supports MSMEs in increasing sales and impacting their business activities (Ana et al. 2021). Omni-channel retailing, a strategy in the new retailing era, is transforming business models (Cai & Lo, 2020). If retail enterprises don’t adapt, they risk being left behind in the market (Zhu & Gao, 2019).

Despite these challenges, Victory Store is still striving to achieve growth. The store faces competition from other businesses that are leveraging technology and innovative marketing strategies. Companies with strong brands are easily recognized by the public and can thrive amidst competition (Shevany, 2018). In what ways can an integrated online and offline marketing strategy address the challenges faced by Victory Store in the current socio-economic landscape?. A comprehensive set of recommendations detailing an integrated online and offline marketing strategy tailored for Victory Store. This might include e-commerce initiatives, digital marketing campaigns, and strategies to enhance in-store experiences for customers.

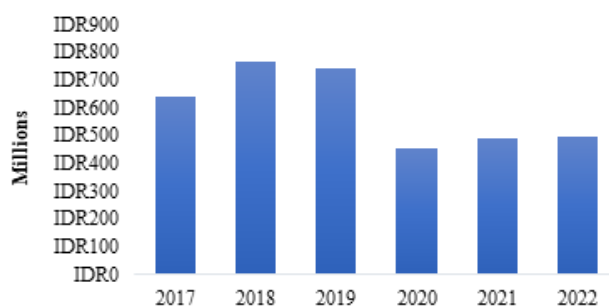


Figure 1. Sales revenue of victory store all segments year 2017–2022

METHODS

This study is qualitative research and falls into the conclusive descriptive category. Qualitative research builds multi-perspective interpretations as well from various input sources and not only from researchers, but also from the informants involved in the research (Sugiyono, 2014). Conclusive descriptive is a research approach that is conducted to solve existing problems systematically by providing alternative marketing strategies to increase the sales of Victory Store. This study uses primary data in the form of interviews and Focus Group Discussions (FGD) to the first- and second-generation owners of Victory Store. The interviews and FGD were conducted in Q1 of 2023 in Jakarta. In addition, this study also uses internal company data and various document studies as secondary data that includes observing the conditions of Victory Store.

To gather qualitative insights on the impact of the COVID-19 pandemic on the retail sector, particularly focusing on businesses like Victory Store, in-depth interviews were conducted. The aim was to delve into the experiences, perspectives, and adaptive strategies employed by stakeholders in the face of the pandemic.

Selection of Participants: participants were chosen based on their direct involvement with the retail sector. These included: owners or managers of retail stores similar to Victory Store; marketing and sales personnel involved in the strategic decision-making processes during the pandemic; regular customers to understand shifts in consumer behavior.

Interview Guide Development: a structured interview guide was prepared to ensure consistency across interviews. This guide encompassed: open-ended questions to understand the immediate and long-term impacts of the pandemic; probing questions that delved deeper into specific adaptive strategies; follow-up questions that sought clarifications or elaborations on initial responses.

Conducting the Interviews: each interview began with a brief overview of the research objectives. Participants were ensured confidentiality, and their consent was obtained before proceeding. With their permission, interviews were recorded to ensure accuracy in data collection. Active listening techniques were employed to encourage participants to share freely and in detail.

Interviews and FGDs were carried out to determine the weight for market attractiveness & competitive position matrix, whereas the interviews were done with the informants in a semi-structured manner by referring to the questions that have been prepared previously. So that it allows new questions to arise thanks to the answers given by the informants. While FGD was carried out with the guidance of a moderator to lead a discussion in a systematic and directed manner to discuss existing problems in Victory Store. The questions in the FGD had also been prepared in advance, without ruling out the possibility of developing other questions from the correspondent's answers. The example questions asked were: what items does Victory Store sell; where is Victory Store located and when was it established; who are Victory Store's consumers.

post-interview, recordings were transcribed and analyzed. Using a thematic analysis approach, responses were categorized into overarching themes and patterns that shed light on the retail sector's challenges and adaptive mechanisms during the pandemic. Secondary data was obtained from both internal and external parties. The internal data from Victory Store such as: company profiles, product types, sales systems, performance, and financial reports, while external data were collected from literature studies of various journals, books, and articles that are available online.

This research will follow the steps of analysis as described in Figure 2. The flow steps in the analytical framework above will be carried out as processes and stages to design a marketing strategy for Victory Store within a time 2023 – 2025. The first step is to analyse the current situation and conditions of various factors for both external and internal analysis. External and internal analysis is only done once without distinguishing the B2B and B2C segments. This is because external and internal analysis are applied equally to Victory Store as a materials retailer. From external and internal analysis would give a SWOT result from Victory Store which will become the input for future objectives.

The next step is portfolio analysis which will produce the values for Market Attractiveness and Competitive Position (MACP) which are divided into two segments, namely B2C and B2B. The MACP value will determine Victory Store's current position and what strategy needs to be taken. SWOT analysis was conducted in both segments, as SWOT serves as a tool to get an initial idea of future consequences at evaluation

stage (Benzaghta et al. 2021). Then it is followed by designing marketing objectives, whereas the goals are specific objectives related to volume and time (Kotler, 2016), finalized with an STP evaluation, and design a marketing mix strategy for the B2C and B2B segments, respectively.

RESULTS

External Analysis

One way that can be used to assess the attractiveness of an industry is by conducting five forces analysis. The competitiveness of a particular industry can be inferred by five important factors, which are: rivalry among competing firms, potential development of substitute products, bargaining power of consumers, potential entry of new competitors, and bargaining power of suppliers. From the five results of the respective force analysis, it can be obtained that the competition faced by Victory Stores is quite competitive overall. From the results of research conducted by Moh. Rifa'i (2021), an analysis of consumer needs can make a positive contribution to increasing retail store sales revenue.

Based on customer needs analysis for Victory Store, here are some important points for customers. First, are low prices with good quality products. Second, the wide variation of products. It makes it easier for buyers to buy all their needs in one place. Third, the availability of products. Customers will feel much more satisfied if they can get the product they want at any time. And fourth, the ease of payment, especially in this digital era. Customers tend to buy products at places that provide many types of payment.

Internal Analysis

Internal analysis is carried out using current performance analysis. This analysis is based on simple financial reports provided by Victory Store. The sales experienced a significant decline in 2020, around -38.62% due to LSSR enforcement during Covid-19 pandemic which limited business activities in Jakarta. Things are starting to get better in 2021 as many residents have been vaccinated and shops are slowly starting to operate normally. Even so, Victory Store's revenue in 2021 is still very much in decline compared to the previous years before the pandemic.

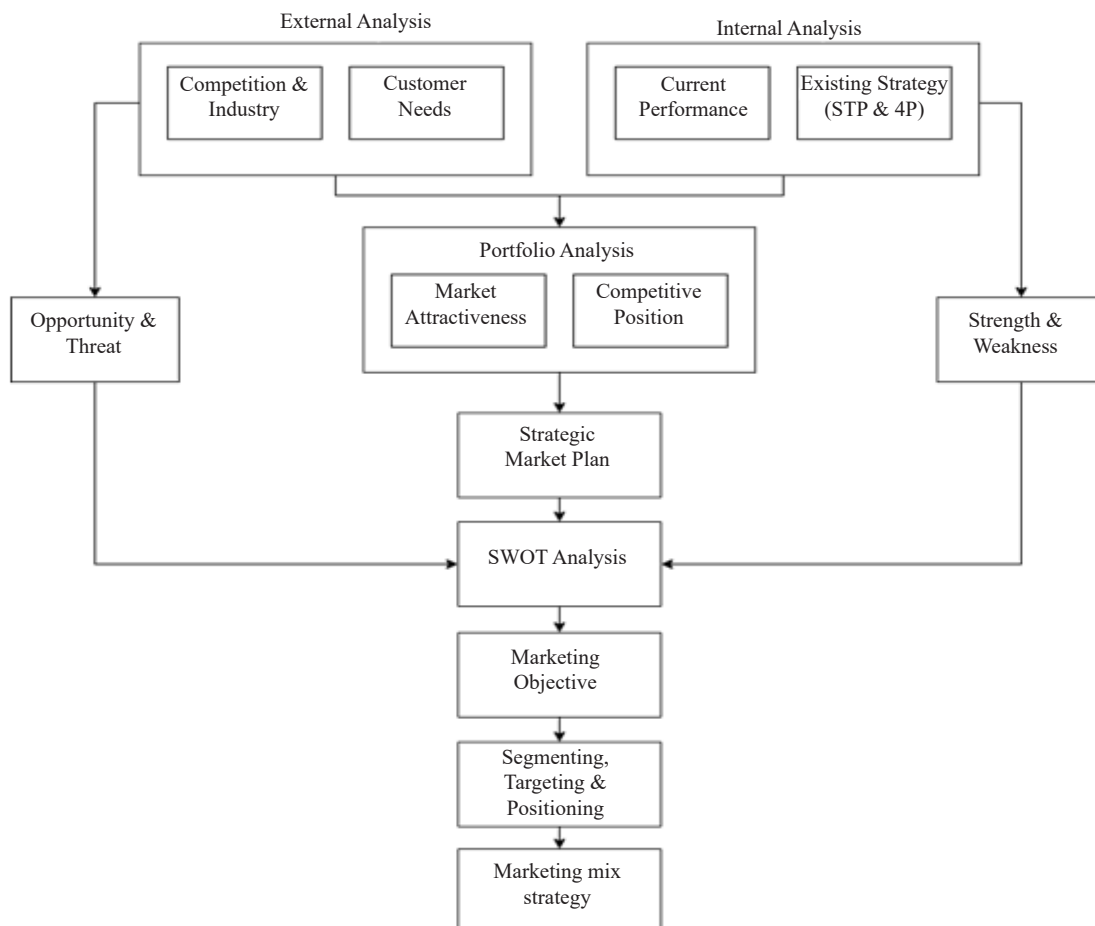


Figure 2. Analytical framework

Growth in 2022 is also not too significant yet, hence Victory Store must continue carrying out marketing strategies to increase sales. The current segmenting, targeting, positioning and marketing mix strategies in Victory Store are considered not suitable and ineffective, so there is a need to develop new strategies. In terms of storage capacity, it is also not sufficient to increase the variety of products sold. The current condition of the Victory Store is filled with products so it is not possible to increase product variations at this time.

Strategic Market Plan

Portfolio analysis is carried out as part of strategic market plan for B2B & B2C segments of Victory Store, the analysis calculates Market Attractiveness Index and Competitive Position Index of each segment from the previous portfolio analysis. Based on the calculations in Figure 3, the obtained market attractiveness index result is 45.6, hence it can be concluded that the market for materials retail industry Jakarta is considered attractive. Based on Figure 4, it can be inferred that the market attractiveness index of Victory Store for B2B segment is 49.6, hence the market for materials retail industry in Jakarta is considered attractive.

The competitive position index assessment for B2C segment based on the results of the analysis that has been carried out. Based on these calculations with the results on Figure 5, the competitive position index score is 47,6 for B2C segment. It can be concluded that the building materials retail industry market in DKI Jakarta is quite attractive. Same goes on Figure 6, competitive position index score of B2B segment is 50. It can be concluded that the retail industry is quite attractive.

From the results, the portfolio strategy for the B2C segment is the relevance of improving position and optimize position strategies. The same strategy also needs to be implemented by the B2B segment. Improving position is included in the offensive strategy, while protecting position is included in the defensive strategy. Looking at the condition of the Victory Store with sales turnover that has tended to decline in recent years due to the pandemic, and the desire to increase sales, revenue and growth, the right strategy to take is an offensive strategy. Offensive strategy is focused on investing to improve and strengthen competitive position in the market.

← Market Attractiveness →					
Very Unattractive	Unattractive	Somewhat Unattractive	Somewhat Attractive	Attractive	Very Attractive
0	20	40	60	80	100
Market Forces		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 20%					
Market Size		30%	80	24	
Growth Rate		30%	60	18	
Buyer Power		40%	60	24	
		100%		66	
Competitive Environment		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 40%					
Price Rivalry		40%	60	24	
Ease of Competitor Entry		30%	40	12	
Number of Competitors		30%	60	18	
		100%		54	
Market Access		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 40%					
Customer Familiarity		35%	40	14	
Channel Access		35%	20	7	
Sales/Service Requirements		30%	20	6	
		100%		27	

Figure 3. Market Attractiveness Index B2C Segment of Victory Store

← Market Attractiveness →					
Very Unattractive	Unattractive	Somewhat Unattractive	Somewhat Attractive	Attractive	Very Attractive
0	20	40	60	80	100
Market Forces		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 20%					
Market Size		30%	80	24	
Growth Rate		30%	60	18	
Buyer Power		40%	60	24	
		100%		66	
Competitive Environment		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 40%					
Price Rivalry		40%	40	16	
Ease of Competitor Entry		30%	40	12	
Number of Competitors		30%	60	18	
		100%		46	
Market Access		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 40%					
Customer Familiarity		35%	40	14	
Channel Access		35%	40	14	
Sales/Service Requirements		30%	40	12	
		100%		40	

Figure 4. Market Attractiveness Index B2B Segment of Victory Store

← Market Attractiveness →					
Very Unattractive	Unattractive	Somewhat Unattractive	Somewhat Attractive	Attractive	Very Attractive
0	20	40	60	80	100
Market Forces		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 20%					
Product Quality		40%	80	32	
Service Quality		30%	40	12	
Brand Image/Reputation		30%	40	12	
		100%		56	
Competitive Environment		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 40%					
Cost of Goods Sold		50%	60	30	
Marketing & Sales Expense		20%	20	4	
Overhead Expenses		30%	80	24	
		100%		58	
Market Access		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 40%					
Market Share		30%	20	6	
Brand Awareness		40%	20	8	
Distribution		30%	40	12	
		100%		26	

Figure 5. Competitive Position Index B2C Segment of Victory Store

← Market Attractiveness →					
Very Unattractive	Unattractive	Somewhat Unattractive	Somewhat Attractive	Attractive	Very Attractive
0	20	40	60	80	100
Market Forces		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 20%					
Product Quality		40%	80	32	
Service Quality		30%	60	18	
Brand Image/Reputation		30%	40	12	
		100%		62	
Competitive Environment		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 40%					
Cost of Goods Sold		50%	60	30	
Marketing & Sales Expense		20%	20	4	
Overhead Expenses		30%	80	24	
		100%		58	
Market Access		Relative Importance	Attractiveness Rating	Attractiveness Score	
Factor Importance: 40%					
Market Share		30%	20	6	
Brand Awareness		40%	20	8	
Distribution		30%	40	12	
		100%		26	

Figure 6. Competitive Position Index B2B Segment of Victory Store

Offensive Strategy of B2C Segment

Improve Customer Loyalty and Retention

A strategy is required to strengthen loyalty and retention from buyers outside Glodok area. This can be performed by increasing online sales to enhance awareness from buyers domiciled far away from the main coverage area.

Improve Differentiation Advantage

For the B2C segment, the service quality offered by Victory Store is still lacking compared to other competitors because Victory Stores do not provide consultation or advice via chat media. Consultation and giving advice are only served offline with buyers coming directly to the store. Indirectly, product and service quality will affect brand image whereas the quality of products is good already and only need to be improved in terms of service to the customers. Therefore, Victory Store can improve its service by providing customer service that is active in assisting buyers, both offline and online (WhatsApp & e-commerce).

Improve Marketing Productivity

For this strategy really needs to be improved further considering there is no specific marketing strategy that is carried out by Victory Store offline and limitation in online marketing. One of the effective strategies in online marketing is to be active in sales promotions through digital creators and digital features (Priscila et. al, 2023). Therefore, a marketing strategy needs to be designed and implemented to increase buyer awareness and increase the sales of Victory Store.

Build Marketing Advantage

In terms of market share, it is still very small because Victory Store is still considered as SMEs with the total income of approximately 500 million IDR per year, hence the strategy to increase market share is not relevant. Brand awareness needs to be strengthened by creating a logo or a billboard ad for Victory Store. Besides that, social media networks should be optimized to the fullest therefore buyers can be fully aware of Victory Store's existence with the products it sells.

Offensive Strategy of B2B Segment

Improve Customer Loyalty and Retention

For the B2B segment, the level of loyalty and retention from the customers of Victory Store is quite good since many buyers subscribe and buy regularly at Victory Store. However, it is necessary to take required actions to get new customers outside Glodok area and its nearby surroundings as well as to establish good relations with these customers.

Improve Differentiation Advantage

For the B2B segment, the quality of services offered by Victory Store has to be improved again so that customers could remain loyal and not shift to buy at other competitors. Victory Store can provide customer service numbers that are active in assisting buyers, both offline and online (WhatsApp & e-commerce).

Lower Cost/Improve Marketing Productivity

There is also no marketing strategy in the B2B segment. There are many marketing strategies that can be implemented for the B2B segment, such as: marketing emails, store websites, content, and social media marketing. Therefore, a marketing strategy needs to be designed and implemented to increase buyer awareness and sales.

Build Marketing Advantage

Brand awareness also needs to be increased for Victory Store. Besides that, utilizing social media networks

is a good alternative so buyers could be aware of the existence of Victory Store and the products it sells.

SWOT Analysis

The B2C segment and B2B segment have the same SWOT analysis, with slightly significant differences in opportunities and threats. The focus of the B2C segment is to serve individual customers and the opportunities and threats deemed suitable for the B2C segment. The B2C segment in question is a buyer who will use the product directly or use it himself without reselling it. The SWOT analysis will also be used as input and guideline for Victory Store's marketing objectives. The following SWOT analysis of Victory Store for the B2C segment is presented in Table 1. In Table 2, the following is an analysis of the strengths, weaknesses, opportunities, and threats of Victory Store for the B2B segment.

Marketing Objective

Increase sales and revenue

It is necessary to increase the brand awareness of buyers who are outside the Glodok area. Increasing brand awareness can lead to increased sales and revenue. In addition, providing a unique selling point to customers that can attract them to buy products. BCI Central predicts growth in the construction economic sector in 2023 will increase by 5-6 percent (Faizal, 2023). Based on the growth in the construction sector, the increase every year is set at 20% and is greater than 5-6% because the new strategy designed is able to increase sales more quickly.

Table 1. SWOT of B2C Segment

B2C Segment	
Strength	Weakness
Prices tend to be competitive with other retail stores	Digital sales have not been maximized
The location is quite strategic	No promotion carried out, either offline or online
The products sold are quite diverse	Lack of customer coverage
Have several loyal customers because the store has been established for a long time	Limited warehouse storage of goods (only 1 physical store)
Opportunity	Threat
Build customer experience	Many factories/distributors sell directly to end customers
Growing sales digitally on online platforms/websites	More suppliers from abroad
Increase the types of products to be sold	Newcomers who have more complete distribution channels
Development growth in Jakarta	Consumers are increasingly selective in purchasing decisions

Table 2. SWOT of B2B Segment

B2B Segment	
Strength	Weakness
The location of the Victory Store is quite strategic	Digital sales have not been maximized
The products sold are quite diverse	Not many relationships or work with contractors
Have several loyal customers because the store has been established for a long time	Customer coverage is only in Glodok and its surroundings
	Limited warehouse storage of goods (there is only 1 physical store)
Opportunity	Threat
Build various partnerships with contractors or other business partner	More importers that get the products from abroad
Growing digital sales	Newcomers who have more complete distribution channels
Increase the variety and number of products	Consumers are increasingly selective in purchasing decisions

Build Digital Presence

One of the weaknesses of Victory Store that has been presented in the SWOT analysis is that there are no sales in online stores widely. Digital presence can be done by having an existence in the digital world such as creating websites, marketplaces, social media, and other possibilities. The following digital presence targets for Victory Stores can be seen in the Table 3.

Segmenting, Targeting, Positioning of B2C Segment

UMKM business owners need to divide groups of buyers with different needs, characteristics or behaviour in certain markets (Manggu & Beni, 2021). The segmentation design for B2C segment is focused on big cities within Java Island and for both men and women in Gen Y and Gen Z category. Meanwhile the new targeting will be focused on Jabodetabek, Surabaya, Bandung and Semarang and Gen Y. Positioning strategy is to be a provider of various materials and hardware products as well as consulting services to meet the demands from various types of customers in big cities in Java Island, supported by accessible online and offline stores.

Marketing Mix Strategy of B2C Segment

Product

Adding more variety of products such as: foundation brick, steel, wood, gravel, roof tiles, and other heavy and large items that are currently not available for sale. Victory Store also needs to further improve and ensure the product quality from suppliers or distributors where the products are sourced. In addition, Victory Store

can also provide a guarantee for a certain period for customers to submit claims or to exchange products.

Price

Competition among material retails is quite competitive. Currently Victory Shop buys products from various suppliers, from first hand to second hand. Therefore, Victory Store needs to try to obtain products from first-hand suppliers.

Place

Digital marketplace really needs to be improved considering current technological developments. Some strategies can be implemented, such as: building online store, joining materials sales platform/community, increasing storage capacity, renting a warehouse, and building a website.

Promotion

The type of communication method that is suitable for Victory Store's promotion strategy is pull communication method which is triggered from Victory Store directly to the end customers. The strategies can be: media advertising, existence on social media, and sales promotion.

Physical Evidence

One of the strategies that can be carried out by Victory Store to increase its physical evidence is creating the Victory Store logo and placing banners that represent the store.

Table 3. Digital Presence projection of victory store for 2023 – 2025

Year	Online Store
2022	E-Commerce: Tokopedia (B2C & B2B)
2023	E-Commerce: Tokopedia, Shopee (B2C & B2B)
2024	E-Commerce: Tokopedia, Shopee, Lazada (B2C & B2B) Platform Digital: Juragan Material (jual beli bahan bangunan) (B2C)
2025	E-Commerce: Tokopedia, Shopee, Lazada (B2C & B2B) Platform Digital: Juraganmaterial.id, tokban.com (jual beli bahan bangunan) (B2C) Website: tokovictory.com (pribadi) (B2C & B2B)

People

Basic knowledge of the products being sold, product functionalities, product prices, even hard skills such as cutting pipes, cutting chains, installing water faucets, using paint and so on have to be taught, communicated, and practiced by the employees/staff. Apart from it, soft skills are also necessary in a form of training on how to deal and engage with customers and serve them, come up with new ideas for the development of Victory Store, and so on. In addition, new employees have to be recruited as customer service to answer all questions and complaints from buyers.

Process

Victory Store needs to make improvements by providing chat services via WhatsApp and online shops to respond to customer questions in order to increase customer satisfaction and customer loyalty. In addition, Victory Store needs to have an Electronic Data Capture (EDC) machine to support the process of accepting payments from consumers who use debit or credit cards.

Segmenting, Targeting, Positioning of B2B Segment

The segmentation plan for the B2B segment will also be focused on big cities on Java Island with small and medium types such as: construction projects, houses, shop houses and roads. While the new targeting will be focused in the areas of Jabodetabek, Surabaya, Bandung, and Semarang with the subject focus on contractors, construction workers, contractors, architecture, interior design, and project construction managers. The new positioning is to be a provider of various material and hardware products as well as consulting services to meet the demand of buyers who act as sales intermediaries in major cities on the island of Java, supported by easy access through physical and online stores.

Marketing Mix Strategy of B2B Segment

Product

For the B2B segment, the more varied and complete the products that are being sold, the more loyal the contractors and wholesalers will become. This is because they do not need to look for other suppliers to meet their requirements and demand. For improvements, in terms of product quality Victory Store can provide a guarantee for certain time.

Price

Victory Store should buy products from first-hand suppliers to get lower prices. Not only that, many retail sellers buy imports in large quantities at much cheaper / discounted prices. Therefore, Victory Store needs to consider importing as an alternative to save cost whereas giving wholesale prices to buyers in large quantities can also attract customers.

Place

Joining a platform for selling all kinds of materials and hardware on the internet that can increase buyer awareness. It's the same principle as building a website as a long-term option for Victory Store to sell all its products.

Promotion

The type of communication method that is suitable for the promotion strategy of Victory Store for the B2B segment is push communication. As sales of Victory Store keeps increasing, having an image presence on various social media is important to increase buyer's brand awareness. Suitable social media which Victory Store can use, can be in the form of: Facebook, Instagram and TikTok. In addition, Victory Store needs

to hold regular gathering/eating events with its buyers to increase customer loyalty.

Physical Evidence

It is essential for Victory Store to have a logo which represents its materials store. Banners need to be installed in front of the store area along with information on contact numbers that can be dialed to for customers to communicate easily, especially for them who want to buy in large quantities.

People

Employees need to be given a basic understanding of products being sold, product functionalities, product prices, even hard skills such as: cutting pipes, cutting chains, installing water faucets, using paint and so on. In addition, the soft skills of employees also need to be trained. The need to recruit new employees assigned to focus on making sales on online platforms.

Process

Victory Store needs to have an Electronic Data Capture (EDC) machine that functions as a machine to support the process of accepting payments from consumers who use debit or credit cards. From the shipping side, currently we do not provide product delivery via courier services. This makes buyers need to come directly to the store to pick up and pick up goods. Therefore, in the future it is necessary to create a product delivery system or service that can make it easier for buyers.

Managerial Implications

This study has important managerial implications to the building materials retailers. First, this study shows the impact of the Covid-19 pandemic on the retail industry such as supply chain disruptions, changing customer behaviour, and store closures. The retail industry needs to innovate in their marketing strategy to keep on track with the transformative changes. Second, marketing in the retail industry is becoming more and more creative and sales using online media is increasing, especially in e-commerce. Therefore, Victory Store needs to design STP and 7P in order to increase sales revenue, which dropped significantly during the pandemic. Victory Store needs to determine the STP for both of their buyer segments to focus on the target market that will be approached. Apart from STP, a marketing mix needs

to be designed especially those that focus on online sales. The target market range for Victory Store has become wider in various big cities on the Java Island. In addition, creative marketing ideas will also be needed to be developed.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

In the ever-evolving retail landscape, Victory Store finds itself at a critical juncture. The need for an effective marketing strategy is pressing, especially in light of the competitive pressures highlighted in the industry analysis. The decline in sales over the past years and the absence of a previously implemented marketing strategy underscore this urgency.

The B2C segment, with its emphasis on direct consumers, presents a ripe opportunity. By capitalizing on the burgeoning potential of online sales, Victory Store can tap into a broader audience. Complementing this with enhanced customer service through digital channels, such as WhatsApp and e-commerce platforms, can set the store apart from its competitors. The importance of brand recognition in today's digital age cannot be overstated. Through distinctive logos, banners, and targeted advertising campaigns on digital platforms, Victory Store can etch a robust presence in the minds of its target demographic. This demographic predominantly comprises urban residents in major Javanese cities, with a particular focus on the Millennial generation. Catering to their buying behavior and preferences can be instrumental in shaping product offerings and marketing strategies. Tactical measures like product diversification, comprehensive digital promotions, the introduction of online chat services, the adoption of cashless payments, and an emphasis on employee training on product knowledge will further solidify the store's position.

Shifting the lens to the B2B segment, the strategy should pivot around deepening relationships with existing intermediary customers while branching out to new ones. In today's digital age, even businesses seek a seamless online experience. Victory Store can carve a niche by offering diverse online customer services. With the B2B buying process undergoing a transformation, a robust online marketing presence is paramount. The store's focus on businesses involved in

building projects in prominent Javanese cities is astute. By introducing a diverse product range, especially larger items like tiles and bricks, the store can meet their specific needs head-on. Operational enhancements are also in order. Renting additional warehouses for storage due to the introduction of larger products, mulling over direct imports for cost optimization, and forging collaborative partnerships with shipping agencies can ensure a smooth supply chain.

In essence, the road ahead for Victory Store is paved with challenges and opportunities. With a judicious blend of strategic foresight and tactical execution, the store can not only navigate this terrain but also emerge as a market leader.

Recommendations

In light of the findings, it's evident that Victory Store stands at a crossroads with ample opportunities for growth and refinement. Embracing a digital transformation is of paramount importance. By enhancing the online shopping experience and potentially implementing AI-driven customer service bots, the store can cater to the tech-savvy generation while optimizing for mobile users. Moreover, as the market dynamics shift, diversifying product offerings is crucial. Introducing sustainable or eco-friendly building materials might not only cater to a broader clientele but also resonate with the increasing global emphasis on sustainability.

Partnerships and collaborations emerge as powerful tools in this landscape. Strategic alliances with suppliers, shipping agencies, or even fellow retailers can carve out competitive advantages, facilitating bulk purchase discounts, expedited deliveries, or exclusive product lines. But as we zoom in on the customer, engagement programs take center stage. Instituting loyalty programs, feedback mechanisms, and regular customer-centric events can foster a sense of community, retaining existing patrons and magnetizing new ones. Complementing this external focus, the internal machinery of Victory Store also demands attention. Regular and rigorous staff training ensures that every customer interaction is informed, efficient, and memorable.

Delving deeper into the realm of research, the evolving behaviors and preferences of customers, especially in a world reshaped by the pandemic, beckon scholarly

attention. How has the customer psyche transformed, and what does this mean for retailers like Victory Store? On another tangent, optimizing the supply chain emerges as a pivotal research area. Best practices tailored to building materials retail can unveil cost-saving strategies and efficiency boosters.

The drumbeat of sustainability grows louder each day. Hence, a focused exploration of sustainable building materials and their market trajectory is both timely and pertinent. In tandem, the technological revolution in retail cannot be ignored. The potential impacts of emerging tech wonders like Augmented Reality or Virtual Reality on the shopping experience hold immense research promise. And as the scales between traditional brick-and-mortar stores and the sprawling world of e-commerce continually shift, a comprehensive comparative study can shed light on the strengths, weaknesses, and synergies of both worlds.

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