MARKETING | RESEARCH ARTICLE

How Does the Implementation of Social Entrepreneurship Business-to-Business Marketing Strategy?

Melani Sukma Yuridis¹, Retnaningsih¹*, Febriantina Dewi¹

Abstract: XYZ as a social entrepreneur in Bogor, produces handicrafts from newspapers to raise public awareness of environmental and social issues. This study aims to identify the marketing mix applied by XYZ, analyze customer perceptions of the marketing mix, and formulate recommendations for XYZ’s marketing mix 4.0 to increase demand for newspaper craft products. Convenience sampling was used, and descriptive data analysis was performed. The respondents included three internal company representatives, 13 customers, and 12 prospective customers. According to the research findings, XYZ successfully implemented a 4P marketing mix strategy that covered product, price, place/distribution, and promotion. XYZ’s marketing strategy in these areas has been rated highly in the excellent category of product (100%), price (85%), place/distribution (77%), and promotion (92%). However, the research also suggests that a company could enhance its marketing tactics by adopting the 4C marketing mix (co-creation, currency, communal activation, and conversation) based on insights gathered from customers and potential customers to better cater to the market’s needs.

Keywords: business to business, entrepreneurship, marketing mix, social perception

JEL Classification: M11, M21, M31

ABOUT THE AUTHORS

Melani Sukma Yuridis Melani graduated from the Department of Business, School of Business, IPB University, Indonesia. She can be reached via melani.yuridis@gmail.com.

Retnaningsih is a lecturer at the School of Business, IPB University, Indonesia. Her areas of specialization include consumer behavior, business, and communication. She can be reached via retno_lkk@apps.ipb.ac.id.

Febriantina Dewi is a lecturer at the School of Business, IPB University, Indonesia. Her areas of specialization include consumer behavior, marketing, and entrepreneurship. She can be reached via febriantinade@apps.ipb.ac.id.

PUBLIC INTEREST STATEMENT

Social entrepreneurship is considered to contribute to overcoming social problems. Economic development and population have increased the consumption of goods/services, resulting in a large amount of waste. One of the social enterprises that tries to pursue the concept of recycling waste into creative products is XYZ. The products produced and offered are handicrafts, in the form of plaits made from used newsprint. In addition, XYZ also empowers women and girls. This research formulates recommendations for XYZ through the concept of marketing mix 4.0 to increase demand for newspaper craft products.
1. Introduction

The United Nations (UN) 2015 set 17 Sustainable Development Goals (SDGs). The targets and objectives of the SDGs are to mobilize the fields of humanity and the planet, including people, prosperity, peace, and partnership (United Nations, 2015). Several stakeholders such as ministries/agencies, academics, experts, civil society organizations, philanthropy, and businesses are involved in realizing the SDGs. Social entrepreneurship, which is initiated by social entrepreneurs, has emerged as a form of SDG participation.

Social entrepreneurship can effectively address social issues by utilizing social missions, empowerment programs, ethical business principles, and social impact monitoring (Haryanti et al., 2015). With its large population and status as a developing country, Indonesia presents a prime opportunity for social entrepreneurship to thrive and address social challenges (Firdaus, 2014; Utomo, 2015). However, the country's economic and population growth has increased waste production owing to the consumption of goods and services. This issue requires urgent attention from Indonesians in the future. According to the Ministry of Environment and Forestry and the Ministry of Industry, Indonesia generated a staggering 65.2 million tons of waste in 2016 alone (Central Bureau of Statistics, 2018). Despite efforts to manage national waste, only 67% has been effectively dealt with, leaving the remaining 33% in dire need of attention (Ministry of Environment and Forestry, 2018).

This study contributes 10% of society's waste (Suhardi, 2019). This waste consists of computer/writing paper, mixed waste paper, food wrapping paper, tissue paper, craft bags, cartons, boxes, magazines, books, and newspapers (Wahyono, 2001). To address the problem of paper waste, the government launched the Reduce, Reuse, and Recycle (3R) programme. Waste management through Reduce, Reuse, and Recycle (3R) is an excellent opportunity for social entrepreneurship.

XYZ is a social enterprise that attempts to pursue the concept of recycling waste into creative products. The XYZ was established in 2012. The products produced and offered are handicrafts in plaques made from newspapers. In addition, XYZ empowers both women and girls. Orders and product catalogs can be accessed online by customers through social media and the XYZ Website. Most customers come from private companies (educational institutions, foundations, and social institutions) with wholesale buying systems (Suryaningsih, 2018). This shows the potential of business-to-business marketing to reach a larger market. Business-to-business is a company's activity of selling business goods and services by facing professional buyers who are trained, knowledgeable, and skilled in assessing competing offers (Kotler & Keller, 2009).

The world of marketing has now developed into the era of 4.0. Technological developments have changed the entrepreneurial paradigm from owning to sharing (collaboration) (Prasetyo et al., 2018). Companies are no longer oriented to channel value in the market but also involve the market to create value. Marketing 4Ps has also changed and developed into 4Cs. The development of digital media creates a favorable environment for sociopreneurs (Lindawati, 2018). Social entrepreneurship has become prevalent with digital media, and social impact is more accessible for people to feel by strengthening their networks. Therefore, Marketing 4.0, combines online and offline interactions. Online and offline marketing has been carried out by XYZ; however, customer insight is needed for each mix, which is expected to increase the demand for XYZ newspaper craft products.
Efforts continue to be made for the development of the XYZ. However, the demand for newspaper craft products has never reached or approached maximum production capacity on an ongoing basis. According to the stakeholder XYZ’s marketing manager, the production of newspaper handicrafts has yet to reach a maximum capacity of 2000 units per month, so a marketing design is needed according to current conditions to increase demand. XYZ needs to evaluate and improve its marketing mix based on customer or target market perceptions. According to Kartajaya et al. (2016), all aspects of a marketing mix can affect product demand. Previous research has also found a significant effect of applying the marketing mix on purchasing decisions (Sangadji et al., 2019). Based on this background, this study was designed to identify XYZ’s marketing mix, analyze customer perceptions, and formulate recommendations for XYZ’s marketing mix 4.0 to increase demand for Koran craft products.

2. Literature Review

2.1 Social Entrepreneurship

According to Sofia (2015), social entrepreneurship is a form of entrepreneurship that helps solve community problems. Social entrepreneurship encompasses a range of practices and movements that seek to tackle social issues independently, meet needs through various initiatives, and affect positive societal changes (Maulinda, 2018). This involves innovating business development to create value that centers on social concerns, aiming to provide various social benefits to communities. Deloitte Insight (2018) defined social enterprises as organizations with a mission of growth/profit maximization to support the environment and their stakeholder relationships. According to Cukier et al. (2011), business entrepreneurship aims primarily to generate wealth and contribute to economic development. By contrast, social entrepreneurship focuses on positive social changes and the development of social capital. Social entrepreneurship can be an innovative (economic or non-economic) initiative (Dwianto, 2018). Organizations that solicit ideas and engage in decision making facilitate successful social innovation (Pittz et al., 2018). There are five basic criteria for social entrepreneurship: (a) social mission, (b) empowerment, (c) ethical business principles, (d) social impact, and (e) sustainability orientation (Haryanti, 2015).

2.2 Business Market

Business markets are local to international markets for products and services purchased by businesses, enterprises, and institutions for incorporation, consumption, use, or resale (Hutt et al., 2010). There are differences between business-to-business marketing (B2B) and business-to-consumer marketing (B2C). The characteristics of the B2B market are as follows: the business market refers to the direct relationship between the demand for an industrial product and the demand for consumer products; demand fluctuates more than consumer products; it is necessary to stimulate demand; price is sensitive, and demand is elastic; and it has a global market perspective.

The characteristics of B2B and B2C market customers are also different; namely, B2B customers consist of commercial companies, institutions, and governments; a single purchase of B2B customers is larger than that of individual customers; demand for industrial products comes from the final demand for consumer products; relationships between business marketers tend to be close and long-lasting; the buying process often involves multiple purchasing influences rather than a single decision; and when serving different customer types, B2B or B2C marketers have the same position. In addition, an organ also has a buying decision-making unit (buying center) in the buying
process. The unit consists of individuals or groups with common goals and risks owing to decisions (Kotler & Keller, 2016). The organizational decision-making process has seven roles: initiators, users, influencers, deciders, approvers, buyers, and gatekeepers.

The B2B customer in the purchasing process depends on the purchasing perspective of the organization. This perspective is influenced by environmental, organizational, group, and individual factors. Hutt et al. (2010) explained that environmental forces determine the boundaries of buyer-seller relationship development. The organizational buying perspective can be understood based on strategic priorities, purchasing in the executive hierarchy, and a company's competitive challenges. The typical organizational buying process involves several small decisions or is influenced by several individuals. Organizational members with a vested interest in purchasing decisions will act more strongly than other parties.

2.3 Marketing

Marketing refers to the identification and meeting of human needs through social needs. Marketing is defined as the art and science of selecting target markets and obtaining, retaining, and increasing customers by creating, delivering, and communicating superior value. Social marketing is the process by which individuals and groups obtain their needs and desires by creating and offering exchange products or services of value. First, the company's target market and value proposition are elaborated on in strategic marketing planning. At the second operating level, tactical marketing planning determines marketing tactics, including product features, promotions, merchandise, prices, sales, and service channels (Kotler & Keller, 2016).

The set tactical marketing mix is a mix of tactical marketing tools blended to produce responses according to the target market's wishes. The marketing mix originally consisted of the product, price, place, and promotion (four P's). A product combines a company's offerings of goods and services with the target market (Armstrong et al., 2017). The product aspect is used to meet customer needs and desires. In addition, its scope includes all attributes and services that have value (Asraf et al., 2018). A product refers to a physical product, its virtues, or its core services. Product decisions include packaging issues, brands, logos, and matters concerning the functional and symbolic dimensions (Hawkins et al., 2013). Furthermore, price is the amount the customer must pay to obtain the desired product (Armstrong et al., 2017). This aspect can also be interpreted as the price level of products and services offered by the company (Sumarwan et al., 2013). Low prices can result in higher sales than can high prices for the same product. However, prices can also reflect the quality of goods and services (Hawkins et al., 2013).

A place is an activity that handles product availability to target consumers (Armstrong et al., 2017). In addition, location can also be interpreted as determining the location of product and service distribution (Sumarwan et al., 2013). Distribution channels are institutions that use all functions to transfer ownership status and distribute products from producers to consumers (Nosika et al., 2016). Promotion provides product advantages and persuades customers to use products or services offered (Armstrong et al., 2017). The purpose of the promotional aspect is to inform customers of product availability and convince them to make decisions or actions based on the seller's objectives (Sumarwan et al., 2013). This marketing mix includes advertising, sales force, public relations, packaging, and signals about the company and its products the company provides (Hawkins et al., 2013).
Four P's marketing mixes have now changed to Four Cs, which involves more customer participation. These include co-creation, currency, communal activation, and conversation. The following is a further explanation (Kartajaya et al., 2017):

a. Co-creation
   The co-creation aspect involves the development of a product mix in the Four Cs marketing mix. For companies, co-creation is used as a new product development strategy. The company involves customers at this stage, starting with the ideation stage.

b. Currency
   The currency aspect involves developing a price mix in the Four Cs marketing mix. Currency mix is related to the pricing of products and services. In the four-Cs concept, pricing is flexible and tailored to the customer capacity.

c. Communal activation
   The communal activation aspect involves developing a mix of the Four Cs marketing mix. A communal activation mix is implemented to meet the demands of customers who want immediate product availability.

d. Conversation
   The conversation aspect can be used to replace the promotional mix in the Four Ps marketing mix, which tends to be one-sided. In the digital age, companies can provide opportunities for customers to channel the messages they want to convey (especially on social media).

3. Conceptual Framework

XYZ offers premium-quality handicrafts made from recycled ingredients. In addition, as a social entrepreneur, XYZ participated in realizing the SDG's targets.

![Conceptual Framework Diagram]

The SDG’s targets that XYZ wants to achieve are the environment and women’s empowerment; therefore, this business is interesting to choose and study further, especially regarding its marketing. This concept was developed based on the aforementioned problems and research. An explanation of the research concept is shown in Figure 1. Marketing strategies are necessary to sustain the social entrepreneurship of the XYZ. The evaluation was performed by knowing the firmgrams of customers and potential customers. Additionally, the 4P marketing mix tool was
used to identify the strategies used by social entrepreneurship. Kotler and Keller (2016) state that the 4P marketing mix comprises product, price, place, and promotion variables. Each mix contained components and indicators.

The product mix comprises the components of variety, quality, design, features, brand, packaging, size, product service, guarantee, and return. The price mix includes listed price components, discounts, allowances, payment periods, and credit terms. The promotion mix includes sales promotions, advertising, the sales force, public relations, and direct marketing. Finally, the place mix consists of distribution channels, location, scope, availability of product varieties in each channel, transportation, and inventory. In addition, potential customers and customers are evaluated to determine their perception of the XYZ marketing mix. According to Robbins et al. (2013), perception is the process of interpreting the impressions captured by the five senses in the environment. Perception largely influences how individuals make decisions and the quality of their choice. Individuals are an important part of organizational decision-making, so the evaluation supports the formulation of alternative business-to-business marketing mix strategies in the 4.0 era.

4. Methods

4.1 Participant

This study was conducted at the XYZ Gallery (Jl Hasanah IV, Tanah Baru, North Bogor, Bogor City). XYZ was chosen because it positively impacts the environment and socioeconomic community. In addition, there has not been much research related to XYZ, especially research related to marketing mix reviews analyzed from the perspective of producers and consumers. This was a cross-sectional study. Respondents were selected using non-probability and convenience sampling techniques. The non-probability sampling method is intended to obtain elements from a population without the probability of sample selection. Convenience sampling is conducted on members of the population who are easy to meet and can provide information for research. The respondents of this study consisted of three internal company representatives, 13 company customers, and 12 prospective company customers. The involvement of prospective respondent companies in this study is expected to enrich the marketing mix recommendations of the XYZ.

4.2 Measurement

This study specifically formulates recommendations for the 4.0 marketing mix of XYZ as a marketing strategy to increase the demand for newspaper craft products. The marketing mix in this study included products, prices, places, and promotions. Product is an offering of both goods and services from the company to the target market, price is the amount of money that needs to be paid to obtain products from the company, place is an activity of handling product availability, and promotion is an activity that demonstrates product advantages and persuades customers (Armstrong et al., 2017). Based on the definition and concept of the marketing mix, researchers compiled a list of questions to identify the marketing mix and analyze customer perceptions of the XYZ marketing mix (Table 1).
Table 1. Type and method of data collection

<table>
<thead>
<tr>
<th>Type of data</th>
<th>Data</th>
<th>Method of data collection</th>
<th>Data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Data</td>
<td>• Marketing mix of XYZ</td>
<td>• Observation and interview</td>
<td>• Marketing, finance, export, and production manager of XYZ</td>
</tr>
<tr>
<td></td>
<td>• Perceptions of customers and potential customers</td>
<td>• Interview</td>
<td>• Companies customer and prospective companies customer</td>
</tr>
<tr>
<td>Secondary Data</td>
<td>• Amount, management, and sources of waste in Indonesia</td>
<td>• Literature Study</td>
<td>• Central Bureau of Statistics, Ministry of Environment and Forestry, Media Indonesia newspaper</td>
</tr>
</tbody>
</table>

4.3 Analysis

Descriptive analysis was used to transform the raw data into something that was easier to understand (Putri et al., 2017). This study conducted a descriptive analysis to determine the XYZ marketing mix and analyze the perceptions and insights of prospective customers. First, the customers were asked to provide Likert-scale score weights. Next, the weighting (score) of the Likert scale of customer perceptions of the marketing mix was carried out based on five scales: strongly agree (5), agree (4), disagree (3), disagree (2), and strongly disagree (1). The data were processed using Microsoft Excel 2007 with a frequency table to determine the perceptions of each mix and attribute.

The level of customer perception for each mix was analyzed by summing the weight of each respondent and indexed on a scale of 100. Respondent scores of 1 to 5 produce an index worth 20 to 100 with a range of 80. Based on the calculation of the three-box method, the range of index values is divided by three so that the level of customer perception is categorized as follows: good (high) \((73.3 < \text{score} \leq 100)\), moderate \((46.7 < \text{score} \leq 73.3)\), and less (low) \((20.0 < \text{score} \leq 46.7)\).

Each marketing mix attribute is interpreted by calculating the scale range of the average value. The following formula determines the scale range used in the interpretation of the marketing mix attributes:

\[
Rs = (m - n)/b
\]

Note:
- \(RS\) = scale range
- \(m\) = highest number (5)
- \(n\) = lowest number (1)
- \(b\) = number of classes (5)

Based on the above formula, a class interval of 0.8 is obtained. The respondent's statement on each attribute can be categorized as shown below: strongly disagree \((1.00 < \text{score} \leq 1.80)\), disagree \((1.80 < \text{score} \leq 2.60)\), neutral \((2.60 < \text{score} \leq 3.40)\), agree \((3.40 < \text{score} \leq 4.20)\), and strongly agree \((4.20 < \text{score} \leq 5.00)\).

5. Findings

5.1 Respondent Characteristics

Ownership and line of business were analyzed to provide an overview of XYZ's and potential customers' organizational characteristics. Based on the form of ownership and line of business, the XYZ's (B2B) customers and limited liability companies amounted to 61.53%, and foundation customers amounted to 38%, as well as 12.5% are State-Owned Enterprises (BUMN). The research was also conducted on potential company customers who followed XYZ's Instagram account in the form of individual ownership (66.7%), foundations (16.7%), and limited liability companies (16.7%). The
respondents (customers and prospective customers) come from various business fields. Based on the results obtained, most customers and prospective customers came from companies in the fields of education (30.8%), consulting and environmental services (23.1%), food and beverage (15.4%), and community empowerment (15.4%).

A company's location significantly influences the likelihood of customers and potential customers' purchases. Bogor City had the largest number of XYZ customers (53.8%). This is supported by the location of the XYZ in Bogor. Customers are also scattered across the main road area of the business center or shopping center (financial district) in South Jakarta (30.8%) and Central Jakarta (15.4%). Prospective company customers of XYZ were spread across Bogor Regency (25%), Bogor City (16.7%), Tangerang (16.7%), Bekasi (16.7%), South Jakarta (8.3%), West Jakarta (8.3%), South Jakarta (8.3%), and Depok (8.3%).

5.2 The Buying Center's Role

When making decisions, a company has a purchasing regulator called a buying center. The buying center comprises initiators, users, influencers, deciders, approvers, and gatekeepers. The role of the buying center in each customer respondent company is different. This is because the decision-making culture and organizational structure required by each business are different. In addition, in buying centers, some members of the company's organization can play more than one role. Table 2 shows the role of the buying center for XYZ newspaper craft products from the respondent companies (customers).

<table>
<thead>
<tr>
<th>The role of the buying center</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiators</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General manager</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>Director/CEO</td>
<td>4</td>
<td>30.8</td>
</tr>
<tr>
<td>Manager (CSR, shop, evaluation of social environment and environmental services)/ principal</td>
<td>5</td>
<td>38.5</td>
</tr>
<tr>
<td>Division member (CSR)/grade guardian</td>
<td>4</td>
<td>30.8</td>
</tr>
<tr>
<td>Assisted community</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>User</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event speakers &amp; guests</td>
<td>4</td>
<td>30.8</td>
</tr>
<tr>
<td>Corporate partners</td>
<td>4</td>
<td>30.8</td>
</tr>
<tr>
<td>Government agencies</td>
<td>5</td>
<td>38.5</td>
</tr>
<tr>
<td>Consumers</td>
<td>2</td>
<td>15.4</td>
</tr>
<tr>
<td>Customers (VIP)/tenants</td>
<td>5</td>
<td>38.5</td>
</tr>
<tr>
<td>Partner organizations</td>
<td>4</td>
<td>30.8</td>
</tr>
<tr>
<td>Students/assisted community</td>
<td>2</td>
<td>15.4</td>
</tr>
<tr>
<td>Company employees</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>Influencers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>4</td>
<td>30.8</td>
</tr>
<tr>
<td>Accounting</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>Division member (CSR, revenue &amp; merchandise)/ class guardian</td>
<td>4</td>
<td>30.8</td>
</tr>
<tr>
<td>Director</td>
<td>3</td>
<td>23.1</td>
</tr>
<tr>
<td>Event organizer</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>Procurement</td>
<td>3</td>
<td>23.1</td>
</tr>
<tr>
<td>Vice Principal</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>Administration</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>Manager (store &amp; marketing communication)/principal</td>
<td>3</td>
<td>23.1</td>
</tr>
<tr>
<td>Deciders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General manager</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>Procurement</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>Finance</td>
<td>2</td>
<td>15.4</td>
</tr>
</tbody>
</table>
Initiators are those who request the procurement of XYZ newspaper craft products from the company. Based on the research, the organizational members who play the most important roles as initiators are managers and their level (38.5%). Users are those who use XYZ products after purchase. Most XYZ newspaper crafts are government agencies (38.5%). Influencers identify and consider the company’s need to purchase XYZ products. Based on the research, the most influential parties are the finance department (30.8%) and division members/level (30.8%). Deciders decide to choose XYZ newspaper craft products for the company. The results show that more than half of the company customers’ deciders are managers/levels (61.5%). Buyers are the parties in charge of buying XYZ newspaper craft products. Division members/levels (38.5%) were the most common parties that acted as buyers.

5.3 Product Purchase Motivation

The purchase motivation attracts potential customers and encourages them to buy XYZ newspaper craft products. The biggest purchasing motivation for customers was the upcycling process and environmentally friendly basic materials in XYZ products (76.9%). Community empowerment programs also influenced almost half of the respondents (46.2%). In contrast to customers, the reasons for prospective customers’ interests are slightly limited because they do not know about XYZ products. Using the upcycle process and environmentally friendly basic materials (58.3%) was the main reason for prospective customer interest.

5.4 Information Sources

Companies require sources of information and an evaluation of interest to prepare for effective communication. The distribution of the respondents’ sources of information is presented in Table 3.

<table>
<thead>
<tr>
<th>Sources of information</th>
<th>Customer</th>
<th>%</th>
<th>Prospective consumer</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media and XYZ website</td>
<td>7</td>
<td>53.8</td>
<td>6</td>
<td>50.0</td>
</tr>
<tr>
<td>Socialization to communities or institutions</td>
<td>5</td>
<td>38.5</td>
<td>3</td>
<td>25.0</td>
</tr>
<tr>
<td>Gallery</td>
<td>5</td>
<td>38.5</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Partner business recommendations</td>
<td>4</td>
<td>30.8</td>
<td>4</td>
<td>33.3</td>
</tr>
<tr>
<td>Mass media</td>
<td>0</td>
<td>0.0</td>
<td>2</td>
<td>16.7</td>
</tr>
<tr>
<td>Salesperson/internal company</td>
<td>13</td>
<td>100.0</td>
<td>2</td>
<td>16.7</td>
</tr>
</tbody>
</table>
5.5 Overview of XYZ Social Entrepreneurship

XYZ produces and designs old newspapers into premium-quality handicrafts. The business began with the Sekolah Alam Bogor Waste Bank program in 2009. The programme was designed to increase public attention to environmental issues. Over time, ideas have emerged regarding recycling waste as an innovative product. Newspaper waste became the main base material because it was the most readily available waste at the time. These recycled newspaper handicraft products continue to receive considerable appreciation and orders. ANN and TDP, as founders, established XYZ in 2012. The XYZ was formed to maintain business sustainability and expand its environmental impact. While producing and designing newspaper crafts, XYZ empowers mothers from low-income households to become weavers.

The housewives came from Sindangsari village, Bogor, and Koran village in Palmerah, West Jakarta. Initially, XYZ invited the mothers of Sindangsari village, Bogor, as weavers because they saw many families living in poverty with an income of less than $2 per day. People used to work as casual laborers, such as yam peelers. In 2015, Gramedia proposed a partnership to expand the community empowerment program in an area of Palmerah, West Jakarta. This area is now known as the village of Korea. Along with this development, XYZ set business goals. These goals include financial, social, and environmental balance.

5.6 Community Empowerment

XYZ designs empowerment activities according to the community needs. Artisans are trained in weaving and encouraged to become individuals who can benefit their families and communities. Weavers are also trained in leadership, organization, and financial planning to increase their capacity. In addition, the Bank Sampah program is still being conducted to teach artisans and the general public about responsible waste management. XYZ also created a savings book for each individual (see Figure 2). The results of waste deposits to the Garbage Bank and woven newspaper crafts were recorded in the residents' savings book. The function of this savings book is to manage residents' income by depositing garbage and woven newspaper craft.

![Figure 2. Citizen savings book](image)

Other programs established by XYZ for community empowerment include ‘Sekampung Berkebun (Sekebun)’ and urban farming (Figure 3). Sekebun is a collaboration between XYZ’s social project and the IPB Alumni Association, whereas urban farming is a collaboration between XYZ’s social project and Kompas Gramedia. The urban farming project was implemented in Kampung Koran, Palmerah, West Jakarta, and Sekebun in Kodir Alley, Sindangsari Village, Bogor City. These two programs aimed to build a culture of environmental community care.
The Sekebun project between XYZ and the HA IPB also introduced a new programme. The program is called Pasar Dongko (Dagangan Orang Gang Kodir) and is held at the same location as the Sekebun Project (Figure 4). With a touch of locality, in Pasar Dongko, residents sell their plantation and processed products. Moreover, the community shows zero-waste commitment by not providing plastic to buyers (zero plastic waste). The programme was implemented once a month at the end of the month.

5.7 Organizational Structure of XYZ Social Entrepreneurship

XYZ, as a social enterprise, has a simple organizational structure. Everyone in the structure helps each other perform certain jobs. One person may even have more than one responsibility. The organizational structure of the XYZ is shown in Figure 5.
5.8  Marketing Mix of XYZ

5.8.1 Product Mix

XYZ social entrepreneurship produces unique premium handicrafts. The uniqueness of the product lies in the basic material of the craft, namely, old newspapers. In the production process, XYZ pays close attention to customers’ wishes, thus opening opportunities for customers with certain needs to customize their products. One form of customization is product packaging, which involves placing the name and logo of the company/organisation in each product ordered. Newspaper crafts are usually packaged with environmentally friendly packaging and include name, logo, and company contact, making it easy to contact potential customers. XYZ also expresses its social mission by adding the slogan ‘crafting hope’ to every product packaging. The packaging, labeling, and co-branding of XYZ products are shown in Figure 6.

![Figure 6. Packaging, labeling, and co-branding of XYZ products](image)

In addition, to fulfill customer desires, XYZ has provided several variations of handicraft products. XYZ created three product categories and themes of several shapes and sizes. These categories include (1) home deco, which is used to beautify and enhance room decoration; (2) houseware for organizing household items; and (3) souvenirs for giving or gifts.

B2B customers can also order customized product designs according to their needs. The woven handicrafts of XYZ are usually combined with non-cast materials to form certain features or knickknacks to increase the selling value and function of the product. Additional materials were used, such as zippers, buttons, and wood. In
addition, in some products, there is a background story for the establishment of XYZ, with a QR code formed to make it easier for people to read the story through online media.

Figure 7. Background story of XYZ and weavers in notebooks and QR code products

5.8.2 Price Mix

XYZ's pricing strategy sets the total profit for a newspaper craft product to 42.5% of its selling price. The total profit is used to fund 30% of the social programs, whereas the remaining 12.5% is used by the company. The overall selling price of these products ranges from IDR 10,000 to IDR 1,500,000, whereas for the home deco category it is around IDR 330,000 - IDR 1,500,000, houseware around IDR 35,000 to IDR 900,000, and souvenir around IDR 10,000 to IDR 400,000. XYZ attempts to summarize the prices of these newspaper crafts in a product catalog that is already available offline and online. Online catalogs can be accessed on websites and social media accounts, whereas offline catalogs can be directly seen at the XYZ gallery or bazaar stand. In addition to pricing based on normal calculations, XYZ created special pricing strategies (discounts) for customers.

5.8.3 Place/Distribution Mix

The XYZ is located in the Jalan Pangeran Ashogiri Kav. Al Hasanah IV, Tanah Baru, North Bogor, Bogor City. In this area, XYZ has an office and gallery to display newspaper craft designs that have been made. XYZ's office and gallery are made of natural nuances with buildings made of bamboo and plywood. In addition, XYZ also relies on communication media, such as telephones, websites, and social media (especially WhatsApp applications) to facilitate ordering. Several partners and customers also assist with the distribution channels. Some customers and partners voluntarily help or bundle with their products.

5.8.4 Promotion Mix

XYZ, in the promotion mix, focuses on five components: sales promotion, advertising, sales force, public relations, and direct marketing. This promotion also relies on online and offline media. XYZ offers a 10% discount for every purchase of 100 units of craft product. In addition, XYZ was advertised by installing billboards around the Bogor Outer Ring Road (BORR) toll road. The sales force of XYZ comes from internal company members. XYZ also builds relationships with the community and publicity through several activities, such as filling events/receiving coverage from agencies, television, radio, and newspapers; updating activities on social media; conducting weaving training; and sponsorship. In addition, XYZ directly markets Korean handicraft products to customers and potential customers through various national and international events and exhibitions, such as the Trade Expo Indonesia (TEI) and Inacraft.
5.9 Purchase of XYZ Newspaper Crafts by Customers

Product purchase data can help companies to evaluate products based on customer needs. In addition, the data is a source of information for marketers to determine effective marketing strategies. Data on the distribution of product purchases by XYZ B2B customers during 2019-2020 are contained in Table 4.

Table 4. Data on product purchases by XYZ B2B customers in 2019-2020

<table>
<thead>
<tr>
<th>Product purchase</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product usability/function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company souvenirs</td>
<td>8</td>
<td>61.5</td>
</tr>
<tr>
<td>Learning/training tools</td>
<td>5</td>
<td>38.5</td>
</tr>
<tr>
<td>Office Supplies/displays</td>
<td>4</td>
<td>30.8</td>
</tr>
<tr>
<td>Co-branding/bundling</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>Spreading the value of environmentalism</td>
<td>4</td>
<td>30.8</td>
</tr>
<tr>
<td>Product type purchased (year)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note</td>
<td>490</td>
<td>25.8</td>
</tr>
<tr>
<td>Parcel package</td>
<td>45</td>
<td>2.4</td>
</tr>
<tr>
<td>Tissue holder</td>
<td>7</td>
<td>0.4</td>
</tr>
<tr>
<td>Customized product (coffee folder)</td>
<td>370</td>
<td>19.5</td>
</tr>
<tr>
<td>Pencil case</td>
<td>38</td>
<td>2.0</td>
</tr>
<tr>
<td>Jewelry holder</td>
<td>13</td>
<td>0.7</td>
</tr>
<tr>
<td>Agenda cover</td>
<td>300</td>
<td>15.8</td>
</tr>
<tr>
<td>Hampers</td>
<td>435</td>
<td>22.9</td>
</tr>
<tr>
<td>Others (office displays)</td>
<td>200</td>
<td>10.5</td>
</tr>
<tr>
<td>Total</td>
<td>1898</td>
<td>100</td>
</tr>
</tbody>
</table>

As shown in Table 4, XYZ newspaper craft products are highly popular as corporate souvenirs, accounting for 61.5% of their usage. These souvenirs are usually given as tokens of gratitude during the last agenda of apprenticeship (school), new student admissions, or Eid al-Fitr. The product most requested by customers was notebooks (25.8%). Companies commonly purchase these newspaper craft products once or more than three times per year.

5.10 Customer Perception of XYZ Marketing Mix

5.10.1 Product Mix

This review was conducted to determine the level of customer perceptions and views on the product aspects of XYZ. The level of customer perception of the XYZ product mix is good (100%). This perception can be explained by customer assessment of each product attribute. Product attributes in this study include variety, quality, design, features, brand, packaging, and size of newspaper crafts offered. Based on the results, respondents rated the product mix attribute statements between "Strongly Agree" and "Agree." The design and availability of various sizes of newsprint crafts received the highest average scores among product attributes. This was followed by classy, neat, and environmentally friendly product packaging; premium craft quality; diverse and appropriate product variations; easily recognizable/remembered trademarks; and product features that add appeal and function correctly. These results indicate that customers have a favorable view of the product attributes.
5.10.2 Price Mix

This mixed review was conducted to determine the level of customer perceptions and views regarding the pricing of XYZ craft products. Customers rated the level of perception of the XYZ price mix as good (85%) or moderate (15%). Customer ratings of each price attribute explain these perceptions. The price attributes in this study included price lists/catalogs, discounts, product prices, and payment procedures for newspaper craft products. The statements of the price mix attributes were rated as agreeable by customers. Payment procedures are the price attributes with the highest average score. This is followed by an attractive and easy-to-understand price list (catalog), suitability of product prices to customer demand and capacity, and discounts that make customers feel more efficient and happy to shop. The assessment shows that the customer's view is good to moderate regarding the price attribute.

5.10.3 Place/Distribution Mix

This review was conducted to determine the level of customer perceptions and views of the place aspect. Customers consider the level of perception of XYZ's place mix as good (77%) and moderate (23%). Perception is explained by a customer's assessment of each place attribute. In this study, place attributes include distribution channels (places), gallery locations, transportation access, storage locations, and product availability arrangements. The statement of the place mix attribute was rated between strongly agree and agree by customers. Product availability arrangements are attributes with the highest average scores. It will then be followed by distribution channels that make ordering easy, storage locations that are easy to reach, access to product delivery transportation that is cheap, easy, and has many choices, and gallery locations that are close or easy to find. This shows a good to moderate customer view of the place attribute.

5.10.4 Promotion Mix

This review was conducted to determine the level of customer perceptions and views on the promotional aspects of XYZ's newspaper crafts. Customers rated the perception level of XYZ's promotional mix as good (92%) or moderate (8%). Perception is explained by the customer's assessment of each promotional attribute. This study's promotional attributes include sales promotions, advertising, events or activities, social media, sales force, public relations and publicity, and direct response or response. Promotional mix attribute statements were rated between strongly agree and strongly agree. According to customer feedback, public relations and publicity are the most highly valued attributes, followed by salespeople, who can provide informative and direct responses, memorable events, sales promotions, up-to-date and interactive social media, and persuasive advertisements. Overall, customers have a positive-to-moderate view of these promotional attributes.

5.11 Marketing Mix Design 4.0

Marketing mixes 4.0 recommendations are obtained from the customer and prospective customer insights. After obtaining customer and prospective customer insights, strategy improvements are recommended within the framework of the 4C marketing mix (co-creation, currency, communal activation, and conversation).

5.11.1 Co-creation

The co-creation mix represents a company's efforts to involve customers in its product development. There are three recommendations for the XYZ Co-creation Mix. These recommendations include product collaboration, product compilation with digital and
online media, and collecting data/product analytics. XYZ can collaborate with other MSMEs to develop or use new materials. They can also collaborate in creating parcels with specific content to solve the problem of high customer prices.

XYZ seeks recommendations for compiling product designs using digital and online media to better understand and increase customer insights. Customers reported precision and practicality issues in their tissue holders and book-cover products, which caused usage problems. Additionally, incomplete drying of the adhesive was observed in the hamper products. To address these issues, it is advised that XYZ improve its quality control to meet customer requirements and specifications. Respondents also mentioned that packaging for their notepads was considered uninteresting due to its size, so it was recommended that they customize their packaging design. XYZ can optimize its customized products through online media, especially its website, to streamline the design process and make it easier for customers to convey their desired designs.

Data collection/product analytics trends need to be followed by XYZ to fulfill or improve customer insights that mention product variations that are less likely to follow people’s daily lives, designs that are simple and easy to imitate, and products that are less elegant to use for weddings. Based on this, XYZ is recommended for collecting data so that the development of designs and variations is based on the daily trends of the community.

5.11.2 Currency

The currency mix represents dynamic pricing based on market demand and capacity utilization. In this study, four recommendations for the currency mix were obtained. These recommendations provide discounts, dynamic pricing, cooperation with financial technology companies, and improvements in the quality and information of the catalog. According to customers, the price of XYZ products is relatively high and less competitive. This has caused potential customers to prefer competing products. On the customer side, pricing issues are also felt by those who combine XYZ’s newspaper craft products with other products or use them as teaching media (social and environmental issues) for the community. XYZ can provide dynamic pricing to potential customers. In dynamic pricing, personalized selling, cross-selling, and up-selling marketing automation can be applied to satisfy the demands of the market. In addition, discount programs can be carried out at several special prices that XYZ can apply. For potential customers, XYZ can provide special prices (discounts) for holidays and referral codes.

XYZ, in its marketing strategy, can work with financial technology service companies in the payment and transfer categories to provide practical, fast, and cheap payment transactions. The types of financial technology that XYZ needs to use in the payment and transfer category are e-commerce payments, mobile banking, and mobile and online wallets. Additionally, XYZ can work with crowdfunding companies such as Kolase.com, which provides a crowdfunding platform for the creative industry when holding certain events.

A company profile catalog is required because some customers have complained about the quality and information of the product catalog. XYZ is advised to include a small-company profile to make the catalog design more attractive and supported by premium quality (soft and hard files). Product descriptions and pricing information are also challenging to find on social media or web pages, so it is recommended to include them.
5.11.3 Communal Activation

The communal activation mix represents a peer-to-peer distribution concept that makes it easy for customers to access products and services with the help of their partners. There are several recommendations for the XYZ’s Communal Activation Mix. These recommendations include opening and informing the program and location of resellers (official partners), making signage designs for gallery locations, using delivery courier services, optimizing the website as an e-commerce and online ordering center, using business accounts for social media, and using marketplaces. Although today is entirely digital (online), offline distribution channels are optional.

Customers and potential customers often require assistance with physical channel issues, particularly those outside Bogor. XYZ needs to notify customers of the nearest official reseller/partner’s program and location, as customers/prospective customers often need more time to see the product in person at the XYZ Gallery in Bogor. To integrate offline and online distribution channels, XYZ must optimize digital channels for business activities. Many customers choose to order online owing to time and distance constraints. However, they complained about the slow response to online orders and the need for more information on the progress/stages of production lead times/product availability. To solve this issue, the XYZ webpage should be prepared as a centralized online buying and selling transaction and ordering media (e-commerce) with its social media. Additionally, the use of business accounts on social media is recommended to improve digital channels. Finally, XYZ should consider becoming a marketplace merchant since many potential customers are individuals with low purchasing power.

5.11.4 Conversation

The conversation mix represents Internet and social media platforms that allow customers to communicate and discuss marketing messages with the company. There are several recommendations for XYZ for the conversation mix, namely, creating advertisements on online media, using hashtags for social media posts, direct mail marketing, creating database/analytical data of customers and prospective customers, creating and managing marketing content, building community networks and events, collaborating events (workshops) and programs with other businesses or organizations, and adding marketing teams. This conversation mix recommendation has much to do with XYZ’s marketing information, which is not well conveyed to customers or prospective companies. Therefore, it is necessary to determine the effectiveness of XYZ’s B2B marketing strategy.

Advertising on online media, such as Google and Facebook ads, can streamline B2B marketing because it has data analytical features. The data analysis feature helps companies deliver information according to the target market and evaluate the target market. In addition, using hashtags for social media posts, direct mail marketing, and creating databases/analytical data can help with promotions/programs that are more noticeable to customers and potential customers.

Content marketing is an approach with helpful content for a defined audience group, so that it becomes the subject of discussion and conversation in the group. In this research, XYZ is recommended to create social motivation/campaign content (current environmental and social issues, company activities and weavers’ mothers, benchmarking, and creating campaigns to support MSME products), customer testimonials, product knowledge, education and availability, company background and mission, endorsements, and two-way interaction content (giving away, guessing, and light questions on social media).
As a social entrepreneur, XYZ must create a community network to increase customer engagement and support its social mission. The community network can be developed online or offline by existing or potential customers interested in XYZ, respectively. In addition, XYZ can expand its marketing by collaborating with several partners related to social or environmental events. Finally, to implement several recommendations for the conversation strategy, a marketing team with performance capabilities is needed, according to the company's interests.

6. Discussion

XYZ social entrepreneurship produces unique handicrafts made from newspapers and premium quality. In this study, the characteristics of the respondents were analyzed to obtain an overview of XYZ’s customers and potential customers. Kotler and Armstrong (1994) mention that the relationship between business customers and suppliers is closer to the consumer market and has more geographically concentrated consumers. This condition also occurs in XYZ’s largest customers in Bogor. Most XYZs and prospective customers come from companies in the educational sector. The role of the buying center in each customer respondent company is different. These results show that internal customers are complex in terms of decision making (Kotler & Armstrong, 1994). One of the reasons customers make purchases at XYZ is that the products sold include upcycled and environmentally friendly products.

The products offered also pay attention to customer desires by providing customization opportunities and product categories according to usability. This is necessary because, based on the results of Alipour et al. (2018) and Murpraptomo et al. (2019), marketing mix elements including products have a significant effect on satisfaction. The promotion and sales processes were conducted both offline and online. Previous research states that online marketing can increase revenue by 10-32% (Setiawan et al., 2018).

The highest source of customer information is obtained from the explanation of salespersons or internal companies because before ordering products, there must be a direct interaction between internal companies and customers. These results align with previous research, which found that marketing mix significantly affects word-of-mouth (Suryani, 2013). In contrast, the most dominant sources of information for prospective customers are social media and the XYZ website. The social media and websites in Setiawan et al. (2018) were included in the five priorities of online marketing strategies.

According to Robbins et al. (2013), perception is the process of organizing and interpreting impressions captured by the five senses in the environment. The research results related to customer perceptions of the marketing mix show good results regarding the product mix, price, place, and promotion of XYZ. Companies must develop pricing strategies that can adapt to market conditions; therefore, understanding customer perceptions is an important priority in marketing (Kotler & Keller, 2016). Other studies have found that consumer perceptions significantly affect product purchases (Ryu et al., 2023).

According to Janiszweska (2013), consumer/customer insight is a description of the attitudes, opinions, and values of a target group. After obtaining the customer and potential customer insights, the formulation of strategy improvements is recommended within the framework of the 4C marketing mix. This is done to adjust to changing market conditions. According to Kartajaya et al. (2017), today's business
landscape is more inclusive, horizontal, and social than in previous conditions. There are three recommendations for the co-creation mix: product collaboration; designing product compilation with digital and online media; and collecting data/product analytics. Marketers in the digital economy era must utilize big data analysis to personalize products and services more personalized (Kartajaya et al., 2017).

There are four recommendations for the currency mix: providing discounts, dynamic pricing, cooperation with financial technology companies, and improving catalog quality and information. Kartajaya et al. (2016) mentioned that dynamic pricing is flexible to market demand or capacity (customers and potential customers). In addition, the distribution process involves offline and online interactions side by side and complements each other (Kartajaya et al., 2016), Physical and digital channels are equally important and need to be considered by XYZ. Furthermore, the conversation mix has much to do with XYZ’s marketing information, which is not well-conveyed to the customer/prospective customer company. Therefore, recommendations are required to determine the effectiveness of XYZ’s B2B marketing strategy. This research is limited by the small number of respondents because XYZ is a social enterprise that is still in development. This study did not conduct a comparative study of the strategies used by other social enterprises. Comparisons can be made for further research to provide more robust recommendations on the marketing strategy for XYZ.

7. Conclusion

Based on these results, XYZ implemented a 4P marketing mix strategy consisting of product, price, and place/distribution. Each mix has different attributes. For example, product mix attributes consist of variety, quality, design, features, brand, packaging, and size of newspaper crafts; price mix consists of price lists/catalogs, discounts, product prices, and payment procedures; place mix consists of distribution channels (places), gallery locations, transportation access, storage locations, and product availability arrangements, and price attributes consist of sales promotion, advertising, events or activities, social media, sales force, public relations and publicity and direct response or response. XYZ’s marketing strategy for each customer was rated as good to moderate.

Improved recommendations for XYZ’s marketing mix were developed using the 4C framework to adapt more effectively to changing market conditions. First, in product mix/co-creation, XYZ needs product collaboration or the development of other environmentally friendly materials, designing product compilation with digital and online media, and collecting data/product analytics that match the daily trends of society. In the price/currency mix, XYZ needs to expand the discount program, use financial technology, and create a company profile catalog. After that, in the place/communal activation mix, XYZ needs to open and inform the program and location of official resellers/partners, create a signage design for the gallery location, use delivery courier services, optimize the website as an e-commerce and online ordering center, use business accounts for social media, and market products in the marketplace. Finally, in the promotion/conversation mix, XYZ needs to create advertisements on online media, use hashtags for social media posts, conduct direct mail marketing, create database/analytical data for customers and prospective customers, create and manage marketing content, build community networks and events, collaborate events (workshops) and programs with other businesses/organizations, and add marketing teams.
8. Recommendation

Along with market development, XYZ must intensify online marketing and implement a 4C marketing mix strategy. Therefore, future researchers should discuss the development of online marketing in the XYZ. The discussion can be conducted by analyzing the customer path so that the customer stages from awareness to advocacy are known in detail, and XYZ marketing in the digital era is more productive. In addition, future researchers can also discuss Search Engine Optimization, so that visits to the XYZ website and public attention to social and environmental issues will increase.

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