

Product Positioning Analysis for “Frestea” of PT. Coca-Cola Distribution Indonesia Balinusa

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ABSTRACT

This study aims to (1) determine the similarities between ‘Frestea’ tea beverage products and competitors’ products, (2) consumer perceptions on the attributes of the ‘Frestea’ product and competitor products, (3) the advantages of ‘Frestea’ products compared to competitors’ products, and (4) the strategies that can be applied to the ‘Frestea’ product to strengthen its positioning. The sample size was 100, taken in 3 regions in Denpasar using proportional sampling, while the sampling technique was purposive sampling. MDS were used as an analysis model to know the similarity of ‘Frestea’ with its competitors, while CA analysis was used to identify consumer’s preference about product attribute of each tea product. The result of the study shows that the consumer perception about ‘Frestea’ differs from its competitors. The consumer preferences about product attributes of ‘Frestea’ is better than its competitors, which is at most of the product attributes except the beverage’s color. The CA analysis shows that ‘Frestea’ has competitive advantages on attractive bottle design, packaging, suitable taste, and benefit as a soft drink. One strategy that could be implemented is to make promotion at various medias, both printing and electronic media, that could provide information about the advantages of ‘Frestea’. Other strategy is that ‘Frestea’ uses a distribution channel that has a good performance, so that the company guarantees the availability of ‘Frestea’ at any time in the market place.

Keywords: *Advantages, Perception, Positioning, Product similarity, Strategy*

1. INTRODUCTION

Increasingly sharp competition causes each company to have different marketing strategies in an effort to mature products and adapt to the more selective costumers, making competition more competitive. Every company always tries to sell its products, but the company realizes that it is impossible to serve all consumers in the market. This is because the market has many buyers who vary in desirability, resources, location, nature of purchase, and purchasing practices. For this reason, the company first differentiates the market into separate groups of buyers according to different needs, characteristics or behavior, determines the target market that is considered potential to be served and then positions its existing products on the market. The product positioning strategy relates to how the company places a product in the minds of its consumers, so that target consumers have certain judgments, or a way in which product characteristics are formed to create a perception in the minds of consumers so that the products / brands offered are able to compete.

To get a strong product position, a company must make its product different from the products already on the market. If a product already has a strong position in the market, the product will be easy to recognize, remember and consumers become loyal to the product. this will cause consumers to always consume these products even though they are faced with similar choices.

One of the industries that is currently developing is the industry in the field of packaged soft drinks. The soft drink industry is one of the industries that grows and develops in Indonesia, where the products are secondary needs. Competition can be seen by the number of soft drink companies that want to fight for market share, causing the circulation of various soft drink products in terms of taste, shape and size, price and brands that are easily available at all in various places. In addition, each company establishes almost the same marketing strategy, such as sponsoring every activity, providing delivery facilities to buyers’ locations, and installing cooler facilities in each of its outlets. Seeing that there are so many market players, it is certain that the tea beverage business competition is

getting tougher and consumers will become increasingly critical in making their choice. This makes each producer have to fight harder to be able to reach the market, therefore inevitably they must have the right concept and marketing strategy planning in seizing the consumer's mind share to conquer the market.

The Coca-Cola Company realizes the importance of getting a clear and meaningful position in the minds of consumers for one of its products, 'Frestea'. This is done by means of the company entering the marketing network everywhere so that consumers can find 'Frestea' for sale anywhere, whether in stalls, restaurants, traditional markets, supermarkets, schools even in exclusive places. This shows that 'Frestea' can be enjoyed by the wider community, where the slogans are "Choose 'Frestea' Now", "Complete Your Dining Moments", "Better Relax for a Moment", "Just Try Here", "Choice of Fres Generation", and "Take the Delight of Just" makes this tea drink increasingly recognized and remembered by consumers. Efforts made by 'Frestea' to strengthen its position are by innovating the market mix, namely (1) The product creates a distinctive tea flavor judged by a thick taste made from selected leaves with the aroma of jasmine and fresh green tea and makes various packaging attractive, such as bottles and tetra packs (2) Prices apply a competitive pricing strategy along with types of product packaging and are adjusted to people's abilities (3) Distribution applies incentive distribution so that 'Frestea' is easy to get, whenever and wherever it is needed by consumers and strengthens the fleet distribution of incentives so that 'Frestea' is always on the market by means of effective performance of salesman who regularly visits its outlets (4) Promotion of making various types of advertisements both in print and electronic media and sponsoring various types of activities both commercial and non-commercial.

The city of Denpasar is seen as a potential market for companies because it is the center of various activities in Bali, such as: office centers, education centers, tourism support facilities, trade centers, etc. so that many people outside Denpasar are invited to move and settle in the city. Denpasar. This is a very potential factor in marketing a product, because a dense population will open up opportunities to get more consumers. Besides seeing market opportunities that must be managed properly, another factor that is very important to be taken into account by the company is the competition in the marketing of 'Frestea' in the city of Denpasar. Various kinds of attributes such as: affordable price, attractive bottle design, bottle size, Ciaran color, packaging, taste that suits your taste, and the benefits of being a soft drink are very important considerations to be managed in order to win the competition. The competitors of bottled 'Frestea' beverage products in Denpasar are Fruit Tea, The Botol Sosro, The Kita, and S-Tea. Fruit Tea is a tea drink with

fruit flavors such as apple, strawberry, orange, guava, and wine with a contents of 235 ml. Teh Botol Sosro is the first tea drink marketed in Indonesia, has a distinctive taste, made from green tea leaves mixed with jasmine flowers with a content of 220ml. S-Tea and TeKita are tea drinks with more content than other tea products, namely 318ml. This competitive price fixing coupled with good product quality causes The Coca-Cola Company's product, 'Frestea' to position itself in high quality products at competitive prices. In positioning research, it is precisely carried out because there is competition, both in similar product categories and between product categories.

2. LITERATURE REVIEW

Segmenting is basically a strategy to understand market structure. According to [1], segmentation is the process of dividing a market into different groups of buyers based on basic needs, characteristics, or behaviors that may require different products or marketing mix. Therefore, a company must be able to implement the right marketing strategy in order to serve all customers, which are not small in number and have a variety of different needs and desires. The next step is to create a clear target market to market its products, so it can be said that segmenting is a matter of how to select, select, and reach the market. After the target market is selected, the next process is positioning.

Positioning is basically a strategy to enter the window of the consumer's brain [2]. Positioning is a strategy that seeks to create a unique difference in the minds of target customers, so that an image of a product is superior to that of competitors. According to [3], there are seven approaches that can be used for positioning, namely (1) Positioning based on attributes (2) Positioning based on price (3) Positioning based on aspects of use or application (4) Positioning based on usage (5) Positioning based on a certain product class (6) Positioning based on competitors (7) Positioning based on benefits. Things that need to be considered in making positioning, namely: (1) must consider what consumers like or something that is important in the eyes of consumers, (2) must be unique and clearly different from competitors' strategies and (3) must be supported by the product or company. alone [4].

According to [5], strategy is a fundamental pattern of current and planned goals, mobilization of resources and the interaction of the organization with markets, competitors and other environmental factors. Positioning strategy consists of selecting and defining the position that the company wants to occupy to achieve its marketing objectives. Strategic Management is that a set of managerial decisions and actions that determines the long-run performance of a corporation [6]. One of the previous studies used as a reference is research from [7], which both discusses the positioning

of competitors' products, but this study adds to the implications of positioning strategies based on competitive advantage.

3. METHOD

3.1. Research Method

This research used descriptive method, namely the problem-solving process investigated by describing the condition of the subject/object of the research (someone, institution, community, and others) at the moment based on facts that appear as they are.

3.2 Variable Identification

The variables used as a determinant attribute in evaluating the 'Frestea' soft drink product against its competitors are (1) affordable prices (2) attractive product design (3) bottle size (4) liquid color (5) packaging (6) taste that suits your taste and (7) benefits as a soft drink.

3.3 Research Location and Object

The location of this research was conducted in Denpasar City and questionnaires were distributed to residents of Denpasar City who met the requirements that had been determined as respondents. The object of this research is product position 'Frestea' based on the similarity with competitors' products and various attributes attached to the product compared to competitors' products.

3.4 Data Types and Data Sources

The population in this study were 100 people distributed in 3 sub-districts in Denpasar City. The method of sampling or respondent is to use the purposive sampling method, which means that the respondents taken as samples are consumers who have consumed 'Frestea' and its competitors' products (Fruit Tea, Sosro Bottle Tea, Tekitas, S-tea) in one month. last.

Data collection methods in this study consisted of interviews and questionnaires. Interviews were conducted to collect data by holding direct question and answer with the manager of PT. Coca-Cola Distribution Indonesia Balinusa concerning research data. While the questionnaire was used to obtain data using a list of questions distributed to respondents to be asked for information on something related to the problem under study.

3.5 Data Analysis Technique

The analysis technique used in this research is the multivariate analysis technique. Multivariate analysis is

one of the statistical techniques that is applied to understand the structure of data in high dimensions, where the variables in question are related to one another [8]. This multivariate analysis is related to statistical methods that jointly analyze more than two variables for each object [9]. To determine the interdependence between variables, it can be done by using Multi-Dimensional Scaling (MDS) and Correspondence Analysis (CA). Multi-Dimensional Scaling according to [10], is a procedure to describe consumer perceptions and preferences in a display. According to [11] states that Multi-Dimensional Scaling is meant as a technique for measuring objects in multidimensional space based on the similarity of respondents' assessments of an object. Object differences are reflected by the relative distance between objects in dimensional space.

The goal of MDS is to transform consumer ratings of similarity or preference into the distances used in a multidimensional space. Meanwhile, Correspondence Analysis is used to measure consumer preference and to determine the effect of an attribute on the 'Frestea' tea beverage product and its competitors. The difference between Multi-Dimensional Scaling (MDS) and Correspondence Analysis (CA) analysis is that MDS can analyze nonmetric data (nominal and ordinal) or metric data (intervals and ratios), but CA can only analyze nonmetric data.

4. RESULT AND DISCUSSION

Multi-Dimensional Scaling (MDS) deals with the creation of graphics (maps) to describe the position of an object with other objects, based on similarities. Based on the questionnaire given to respondents who are customers of 'Frestea' tea drinks in the city of Denpasar who are assumed to know the information and have consumed four competitor products, the respondents are asked to provide an assessment of the similarities of one product to another. Respondents' assessment regarding the similarity of 'Frestea' with its competitors' products is based on the assessment criteria using a Likert scale with a value range of 1 to 5 where a scale of 1 means that the two products being compared are very similar or very similar. A scale of 2 means that the two products being compared are similar to the other. A scale of 3 means that the two products being compared may or may not be similar. A scale of 4 means that the two products being compared are not similar or different. A scale of 5 means that the two products being compared are very insignificant (different) from one another. The results of the Multi-Dimensional Scaling (MDS) analysis can be seen in Table 1.

The results of the analysis in Table 1 are the results of filling in one first respondent who compares the similarities between the products based on his observations where:

The assessment of 'Frestea' with its competitors, namely (a) the similarity between 'Frestea' and Fruit Tea can be seen in row two column one, with a scale value of 1 which means that both are very similar. (b) the similarities between 'Frestea' and Bottle Tea Sosro can be seen in row three column one, with a scale of 4 which means the two are not similar. (c) the similarity between 'Frestea' and TeKita can be seen in row four column one, with a scale value of 2 which means they are similar. (d) the similarity between 'Frestea' and S-Tea can be seen in row five column one, with a value of 3 which means that both may or may not be similar.

The assessment of Fruit Tea with its competitors, namely (a) the similarities between Fruit Tea and Sosro Bottle Tea can be seen in row three column two, with a scale value of 4 which means that the two are not similar. (b) the similarity between Fruit tea and TeKita can be seen in row four of column two, with a scale value of 2 which means they are similar. (c) The similarity between Fruit tea and S-Tea can be seen in Row Five column two, with a scale value of 4 which means that the two are not similar.

The assessment of Teh Botol Sosro and its competitors, namely (a) the similarities between Teh Botol Sosro and TeKita can be seen in the fourth row of toga columns, with a scale value of 3 which means that the two may or may not be similar. (b) the similarity between Teh Botol Sosro and S-Tea can be seen in row five column three, with a scale value of 3, which means that the two may or may not be similar.

TeKita's assessment with its competitors, namely (a) the similarity between TeKita and s-tea can be seen in row five column four, with a scale value of 2 which means the two are similar. And so on for the respondent's assessment with the same analysis to a number of 99 other respondents. In the table, zero occurs because the comparison is made between the

products themselves (such as 'Frestea' with 'Frestea') which makes no difference.

The map of the positioning of tea beverage products based on consumer preferences can be found through *Correspondence Analysis (CA)*. To obtain this position map, it is necessary to carry out further data processing, namely data from the highest value given by consumers for each tea beverage product. The use of *Correspondence Analysis (CA)* with SPSS is not done through a dialog box, but by using syntax facilities.

Based on the data above, it can be seen that the five 'Frestea' tea beverage products have the best perception on all product attributes except for the liquid color attribute. Where in the color attribute of this liquid, Sosro bottled tea has the best perception, and for other competitor products with the same attributes are almost as valuable as one another. From the input above, we can also see the positioning of 'Frestea' products compared to other tea beverage products as well as what attributes the respondents consider to be good or have the attributes of 'Frestea' products compared to other tea beverage products.

4.1 Advantages of 'Frestea'

Based on the results of *Correspondence Analysis (CA)*, it is known that the attribute that is the advantage of 'Frestea' is an attractive bottle design. The shape of the bottle and the features in the design are as attractive as possible, there is a round logo in light green and white and white and dark green writing so that people are easy to remember and recognize. With a bottle shape that has an indentation at the bottom, it makes 'Frestea' easy to hold and enjoy. In addition to the attractive bottle design attributes, there are three other attributes that make 'Frestea' superior because it lies in one quadrant, namely packaging, a taste that suits your taste and its benefits as a soft drink.

Table 1. Respondent's assessment of similarities between tea drink products

Respondent Name	Product Brand	Fresh tea	Fruit Tea	The Sosro	Te Kita	S-Tea
RP	Frestea	0				
	FruitTea	1	0			
	Teh Sosro	4	4	0		
	TeKita	2	2	3	0	
	S-Tea	3	4	3	2	0

Table 2. Consumer preference for the attributes of each tea drink product

Atribut	Fresh tea	Fruit Tea	The Sosro	Te Kita	S-Tea
An affordable price	90	66	83	59	69
Attractive bottle design	97	75	60	50	38
Bottle Size	80	52	35	47	35
Liquid Color	60	55	80	45	43
Packaging	94	60	70	55	35
Taste to suit your taste	93	65	70	40	32
Benefits as a soft drink	96	70	73	50	40

4.2 'Frestea's Strategy for Strengthening Positioning

The Coca Cola Company chose a tea drink with a distinctive taste of jasmine to communicate the positioning of 'Frestea' with the hope that 'Frestea' customers can enjoy the freshness of jasmine flowers anytime, anywhere by consuming 'Frestea'. The main strategy implication that must be applied by 'Frestea' to strengthen its positioning is to maintain and further develop the attributes that become 'Frestea's' excellence, such as the attributes of bottle and packaging design. Companies must always innovate by designing bottles that are more attractive and simpler and of various types of packaging.

Another strategy is promotion through advertisements in print or electronic media. In each of its advertisements, 'Frestea' tries to show its image as a high-quality tea drink that is reflected in slogans such as: "Choose 'Frestea' now", "Complete your relaxing moments", "It's better to relax for a moment", "Just try here", "Generation's Choice. Fresh ", and " Just take the delicious ". In addition, the strategy that can be applied is to collaborate with "Branding 'Frestea'", namely painting walls at certain outlets such as in food stalls or in restaurants that are crowded with customers. With this effort, it is hoped that consumers who enjoy a meal in that place will buy 'Frestea' to quench their thirst.

5. CONCLUSION

Based on the results of the analysis and discussion carried out on the research data, conclusions can be drawn that support the following problems: (1) Based on consumer perceptions about the positioning of 'Frestea' compared to its competitors, the results show that 'Frestea' is different from tea beverage products such as tea. Botol Sosro, S-tea, TeKita because they are far away and are in different quadrants. Meanwhile, 'Frestea' and Frui tea can be said to be similar because they are located close together and are in the same quadrant. (2) Consumer preferences for all product attributes 'Frestea' are good. Almost all of these

attributes are considered better than other tea products except for the attribute color of the liquid. Teh Botol Sosro has a consumer preference for the attributes of the color of the liquid which is better than 'Frestea'. (3) Based on the CA analysis, the advantages of 'Frestea' are the attractive bottle design, packaging, taste that suits your taste, and benefits as a soft drink. . Likewise, Fruit tea has the same advantages as 'Frestea'. S-tea has the advantage of an affordable price attribute. TeKita has an advantage in the attributes of bottle size and Teh Botol Sosro has an advantage in the attribute of liquid color. (4) The main strategy that can be applied to 'Frestea' products to strengthen its positioning so that it can win the competition is to maintain and develop the attributes that become 'Frestea' advantages. Another strategy is 'Frestea' using distribution channels that have a good performance, so that the company has the courage to guarantee the availability of 'Frestea' at any time in the market.

Based on the above conclusions, several suggestions can be given to increase the superiority of 'Frestea' products, namely: (1) Based on the results of MDS the positioning of 'Frestea' is different from other tea products. The existence of fierce competition and the increasingly critical information of today's consumers who tend to choose lower prices, the management of 'Frestea' is able to get a place in the minds of consumers. (2) From the results of Correspondence Analysis it can be seen that the advantages of 'Frestea' are in the design attributes. attractive bottles, packaging, taste that suits your taste, and benefits as a soft drink, the main strategy implication that must be applied by 'Frestea' to strengthen its positioning is to maintain and develop the attributes that are the advantages of 'Frestea' such as bottle and packaging design attributes, the company must always innovate by designing bottles that are increasingly attractive and simple, with increasingly varied types of packaging. Recognizing taste attributes that suit your taste, strategies that can be developed are maintaining the distinctive flavour quality of thick flowers, as well as developing a different aroma. Currently 'Frestea' has released "'Frestea' Green" which began to be marketed since early 2006. Regarding benefits as a soft drink, the company can

provide more value than just relieving thirst, but can be useful for replacing ions in the body as an energy booster.

Companies need to periodically evaluate the position of their products, because market conditions can change very quickly, thus as well as consumer purchasing behaviour, technology, and increasingly developing lifestyles. The evaluation carried out still refers to the rules of the PT Coca-Cola Company Head Office. Companies must always be the first to develop technology and always innovate their tea beverage products. If the company is wrong in determining its product positioning strategy, competitors will be able to easily seize the market share that has been built.

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