

Proposed Marketing Strategy to Increase Customer Purchase Intention for Cluster House Residence

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ABSTRACT

Marketing strategy is a necessary business process to generate value and gain profitable relationships for customers. Some of the tools that guide the marketing strategy are the marketing mix and AI-DA model. The marketing mix helps the business to engage customers; satisfy customer needs, and build customer relationships (Kotler and Armstrong 2016). AIDA model is a marketing theory in a world of advertising based on the customer's perception (Hadiyanti 2016). This paper aims to propose a marketing strategy to increase customer purchase intention for cluster house residence that increases sales. The objective study of this research is a cluster house residence of Bukit Parama Regency. The research uses the analysis of the marketing mix and the AIDA model. The marketing mix covered in this study includes the product, price, place, and promotion. This study's AIDA model covers customer journey includes attention, interest, de- sire, and action.

Keywords: Marketing Strategy, Marketing Mix, AIDA, Cluster House Residence.

1. INTRODUCTION

The objective study of this research is Bukit Parama Regency. Bukit Parama Regency is a cluster house residence located in West Bandung Regency, West Java Province, Indonesia. The residence provides houses type 36/84 of 45 units, type 45/96 of 54 units, type 70/108 of 21 units, and a particular type of 7 units. After six years running on this project, the main issue that the residence faces is a slow business and a decrease in sales. The current average house sales per year at the residence are eight units per year or 5,77% of the residence's total units. Looking at the current condition, this study's research objective is to propose a marketing strategy to increase customer purchase intention at the residence that ends with an increase of sales to 20% sales of the total units available at the residence. The study uses a marketing mix for its analysis and AIDA model for its application. The analysis results of the marketing mix determine root problems of slow and decreased sales at Bukit Parama Regency. The marketing mix improvements are delivered in the AIDA model to provide the marketing strategy in the form of a customer journey. The marketing strategy based on the AIDA model as a guideline is expected for the business to understand more about the marketing process when the

customers are involved in the journey of marketing activities.

1.1 Marketing mix

A marketing mix is a conceptual tool that helps the marketing manager with the main decision in "organizing demand" to justify the customer needs [1]. The marketing tools of the marketing mix are called the four P's that covers product, price, place, and promotion [2]. Product can be interpreted as the combination of goods and services that the business offers to the target market [2]. Price - price as what has been given up to acquire a product/service. How much customers are keen to pay to fluctuate due to their distinctive needs. With this condition, the price sensitivities to the same service or product may differ among entities [3]. Place reference [3] quoted a definition of [2], who defines place as a set of interdependent organizations that delivers the process of making a product accessible to the consumers. Promotion – promotion helps customers be aware of many varieties of products and services [3]. The promotional activities include advertising, personal selling, and sales promotions [3].

1. 2AIDA model

AIDA model is a marketing theory in a world of advertising based on the customer's perception. AIDA indicates Attention, Interest, Desire, and Action [1]. Some definitions of the AIDA model's elements are as follows: Attention – relates with the statement that shows the interest of people, creates powerful words or visuals to make people notice and understand the message delivered [1]. Interest - the step where the people determine whether they have a will to take their time to read the message in detail [1]. Desire - according to refrence [1], the step of desire is essential to make people have the motivation to own a product, so the company needs to create the target market's need. Action as stated by [1], the company needs to direct and encourage buyers to purchase a product.

1. 3Marketing strategy

The marketing strategy is the marketing sense by which the company anticipates generating customer value and achieving profitable relationships. The company selects which customers it will operate (segmentation and targeting) and how (differentiation and positioning). It categorizes the overall market and then divides into smaller segments, chooses the most assuring segments, and emphasis serving and satisfying customer in the selected segments [2].

2. METHODS

The research of this study uses the qualitative research approach for data collection. The use of the qualitative research approach is expected to generate more in-depth information about Bukit Parama Regency's business. The data collection of the research uses primary data and secondary data. The primary data used is an observation of an objective study, an in-depth interview, and a focus group discussion. An observation of an objective study is done in order to analyze the current condition of Bukit Parama Regency related to the elements of the marketing mix. The sample of indepth interviews and focus group discussion will be the property developers, property consultants, property agents/community who have experience or knowledge in managing marketing strategy in a cluster house residence with a house sales performance of 20% sales units in one residence. The sampling method that is used in this study is purposive sampling. The purposive sample is often determined based on theoretical saturation, the point in data collection when the researcher is no longer gaining new insights on the research questions [4]. The sample of in-depth interviews and focus group discussion is displayed in Table 1.

Table 1. Profile of Interviewees

No	Name	Profile
1	Taslinudin	Vice-Chairman of Association of National Developer and Home Marketer for Marketing Division - West Java Branch Property Consultant Management of Beverly Park and Easton Park
2	Roshan	Developer. Director of Pertiwi Land Group. House residence projects include Cimahi City View, Nevada Downtown, and Bandung City Light. Other projects include Beverly Park Jatinangor, Plumeria Cafe, and Gemala Guest House.
3	Yoga Gandara	Director of Property Lovers. A property community that has managed 20-25 residences per year. Average house closing is 400-500 per year. Owner and CEO of Lagi Kreatif (Digital Marketing Consultant) Coach of SMEs at Bandung Creative Hub (Marketing Division)
4	Ilmi	Real Estate Agent. Building independent Instagram account of @rumahbandungcimahi. The average closing house turnover is 8-10 billion/year, 15-20 houses/year.
5	Haryono	Developer of Pratama Asri Residence 1, 2, and 3.
6	Hardimana, Agus, Sadir, Ghea, Lucky, Yoga	Focus group discussion with property community in Bandung

An in-depth interview and focus group discussion is done as a guide to provide marketing strategy by proposing improvements of the marketing mix in the AIDA model. An in-depth interview and focus group interview is delivered by asking some critical questions

related to the marketing mix elements. The interview guideline for the interview is described in Table 2

Table 2. Interview Guideline

No	Author	Theory	Factor	Elements
1	Boom and Bitner	Marketing Mix	Product	Design
				Quality
				House & residence facility
			Price	Price list determination
				Price comparison with competitors
				Discount/cash back
			Place	Convince methode
			promoti on	Advertising strategy
				Sales promotion
Personal selling				
2	E. St. Elmo Lewis	AIDA	Attention	Target audience
				Awareness method
			Interest	Active customers
				Persuasion technique
			Desire	Information system and persuasion technique
			Action	Problem-solving
				Sales promotion

3. RESULTS AND DISCUSSION

3.1. Analysis of marketing mix

After observing the study's objective, the study identifies the root problems of slow and decreased sales

at Bukit Parama Regency related to the marketing mix elements. The marketing mix elements' root problems include unmatched products, unmatched pricing strategy, and low promotion activities.

3.1.1. Product

The study finds that the unmatched product arises because the house features are standard, the social facilities are not optimal, and the improvement of house design is low. The house's feature is considered to be standard include legal documents availability, open space, and after-sales service. The social facilities are not optimal as the company has not completed other public facilities around the residence, including a park, playground, and praying place. The design, however, has been made in 2013 and has not been re-evaluated since then. The company needs to modify the building's features and designs to follow the market trend in the property.

3.1.2. Price

The company's unmatched pricing strategy is caused by a less variety of price sales and payment methods. The company currently do not provide installment for a down payment. The company also does not offer specific periodic payments for customers who want to buy a house through a cash system. The sale price of houses is fixed in every house type, whether the house is bought through a cash system or through a credit system, so there is no discount offered for the sale price. The variety of payment methods at the residence still need to be improved to a more flexible option to help the customers purchase the houses.

3.1.3. Place

The study finds that the place element does not promote an issue to the slow and decreased sales at Bukit Parama Regency. The residence is surrounded by facilities that include schools, grocery stores, hospitals, and other central facilities. The unfavorable point regarding the residence place is the distance between the residence and the public transportation that is not within walking distance. However, online transportation such as Go-Jek and Grab has become a solution for this condition. Thus, no change or improvement was applied to this element.

3.1.4. Promotion

The company's low promotion activities lead to low attractiveness in the promotion and low awareness of customers. The low attractiveness in promotion is caused by the low sales promotion such as special offers. The company ended its sales promotion programs in 2014. Another reason for low attractiveness in promotion is because of no design and content improvement for banners, brochures, and online platforms. Customers' low awareness arises because the Internet advertisements

are not optimal, no banner and billboard installed, and no exhibition or launching event.

3.1.5. *Application of aida model*

The root problems mentioned in the marketing mix analysis help the study create changes and improvements needed in the elements of the marketing mix. The changes and improvements in the marketing mix elements are delivered in the AIDA model to be the proposed marketing strategy of this research study. The elements of the AIDA model have a relation with the elements of the marketing mix. As reference [1] stated, the company that establishes a marketing mix strategy has to consider the AIDA model that assists in the decision-making process in purchasing products. AIDA model provides a structured form of marketing strategy that helps the business to create an implementation plan on a timeline basis. The marketing strategy is as follows.

3.1.6. *Marketing strategy to increase attention*

Bukit Parama Regency needs to improve the amount of time, and the use of platforms in advertisement activities include social media, market- place, website, and banner. Social media platforms include Facebook, Instagram, WhatsApp, Youtube. In social media, it is essential to apply ads and apply the broadcast message to groups to lead visitors as much as possible. The marketplace platforms include RumahDijual, OLX, UrbanIndo, Rumah123, Rumah.com, Lamudi. It is also critical to apply paid promotions so the product can emerge frequently. The advertisement activities should be done regularly, especially on the weekends. Other times to ad

vertise include in the morning, before work, during the lunch break, and after work.

As the billboard and banner need budgets, this advertisement can be applied but may be limited. The billboard and banner can be placed in strategic locations within the target market of the residence. Additionally, Bukit Parama Regency can collaborate with property agents or the property community. The company also needs to evaluate property agents' performance or the property community before choosing to collaborate with them. This advertisement activity is an improvement of the "promotion" element in the marketing mix.

3.1.7. *Marketing strategy to increase interest*

Bukit Parama Regency needs to provide high-quality contents to create interest in the target audience. The company should use a visual designer and copywriter to meet high-quality content according to various platforms. The contents need to highlight information about the product, price, place, and sales promotion. The highlight information of the houses at Bukit Parama Regency includes its design and facility. The proposed design to fit with the target market is a modern minimalist concept. The house and residential facility's improvement, which can add value to the residence, includes smart home systems and smart security systems

such as CCTV and one gate RFID card system. The highlight information of price can be the lowest sale price offered or sale price average at Bukit Parama Regency.

The highlight information needs to provide access information from the residence to public facilities. At the residence itself, the advertisement can emphasize that the residence is close to the government office, traditional market, toll access, hospital, mall, and schools. The highlight of promotion consists of discount and bonus programs. The special discount can be a reduction in the house price or a discount on the down payment of the house. The bonus programs need to relate to property amenities, for example, house gate, canopy, kitchen set, water heater, and air conditioning. The bonus program budget needs to be within 1% of the sale price, and the discount should not be more than 5% from the sale price. One thing to keep in mind, this sales promotion needs to be delivered during special holidays such as Independence Day or Eid or through a special event such as a grand opening.

The company needs to apply Search Engine Optimization (SEO) by adding crucial keywords related to Bukit Parama Regency to gain organic Internet traffic. A mastery of the keyword of one product can optimize pages on the website to come up on the first page of Google Search. All of the improvements stated in the interest step relate to the product and promotion element in the marketing mix.

3.1.8. *Marketing strategy to increase desire*

The company at Bukit Parama Regency should deliver product knowledge to interested people. The product knowledge can be done through email marketing, open house invitation, or grand launching event. Email marketing allows people to provide full information of houses at Bukit Parama Regency to those who may not have time to survey the residence directly. From this email marketing, the company should also emphasize the whole value of the residence to the target audience.

The open house invitation can be scheduled every day if it is possible. The open house invitation enables prospective customers to see the house built directly and residence facilities, including a security system, playground, praying place, and road. Thus, the quality and the appearance of the house and residence are important to create the desire for the potential customers who come to see it. The company should select, supervise, and review sub-contractors to meet the quality expected. The position of site manager should be filled at the residence. The company should also create an official contract with explicit provisions between the company and sub-contractors include house material needed, work breakdown task, work schedule, and after-sale service within three months to maintain the expected result of houses at the residence.

The grand-launching event is usually held on the weekends. The grand launching event also encourages the customers to visit the location, especially with the

discount and bonus programs offered during the grand launching event. Besides house quality and facility, the company needs to emphasize other values of the houses at the residence, including location access, competitive price, and available sales promotion, to create desire during the open house and grand launching event. It is also critical for the company to provide marketing employee and customer service and give soft skill training to them to deliver information and persuade potential customers, which eventually can create a desire of potential customers to purchase a house. The strategies mentioned in the desired step are the improvement of promotion activities.

3.1.9. Marketing strategy to create action

Bukit Parama Regency can offer variable payment methods, which include cash payment, cash installment payment, one-month express credit payment, and six-month regular credit payment to encourage potential customers to turn into purchase action. The flexibility and variety of payment methods help the customers to finally make a purchase deal as it can lighten up the burden in paying the products they aim to. The sample of the full price list suggested is displayed in Tables 3 and Table 4. This improvement is categorized as an improvement in the price element of the marketing mix

Table 3. Sample of Price List for Cash Payment Method (in rupiah)

Type	1 moth express cash		8x cash installment		
	Sale price	Discount 25-40 million	Sale price	1 st payment (50%)	2 nd -8 th payment
45/96	575 million	550 million	615,25 million	543,75 million	76,392 million
70/108	880 million	840 million	941,6 million	818,4 million	116,914 million

Table 4. Sample of Price List for Credit Payment Method (in rupiah)

Type	1 month express credit			6 month regular credit		
	Sales price	10% down payment	Credit plafond	Sales price	10% down payment	Credit plafond
45/96	575 million	57,5 million	517,5 million	592,25 million	59,23 million	533,03 million
70/1	880	88	792	906,	90,6	815,

08	milli on	milli on	milli on	4 milli on	4 milli on	7 milli on
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4. CONCLUSIONS

The marketing mix study guides the company to determine root problems of slow and decrease of sales at Bukit Parama Regency. After the analysis, the marketing mix elements that should be improved to increase customer purchase intention to increase sales performance are the product, price, and promotion. The improvements in the marketing mix elements are proposed in the form of the AIDA model as the concept also delivers the elements of the marketing mix in a more structured way, so it will be easier for the company to create an implementation plan later on a timeline basis. This study is limited to covering the exploration of generating marketing strategy methods and finally locates the best marketing strategy methods to fit in the market and apply it to Bukit Parama Regency. The result of how this research does not cover marketing strategy methods work. The study realizes that sample size depends on the nature of the research problem. Different treatment and utilization of a larger sample size could have more significant results of the analysis.

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