



Marketing Mix Strategy Using SWOT Analysis to Increase Market Share in PT Smartfren Telecom Tbk North Sumatera Area

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Abstract. The need for communication technology, especially internet data services, cannot be separated from people's lives. Almost all people now have internet data services to meet their internet access needs. However, the public is faced with many choices of internet data services offered by cellular network operators, one of which is Smartfren. PT Smartfren Telecom, Tbk, provides a wide selection of attractive data services and adapts to the needs of the community in order to increase the number of new customers and retain old customers. PT Smartfren Telecom, Tbk uses a 4P marketing mix strategy (Product, Price, People, Promotion) to increase and retain its customers. However, Smartfren is still inferior to other provider competitors, where Telkomsel has a market share value of 49.47%, XL 29.79%, Tri 16.49%, Indosat 10.64%, and Smartfren 5.85%. This shows that although there is a growth in customers every year, the market share (users) is still lagging behind other competitors. This study aims to increase market share using SWOT analysis. This study applied the 4P marketing mix theory and SWOT analysis to examine the issues raised. Data were collected by conducting interviews and direct observation. The results of this research will later show a marketing strategy to increase and retain the number of Smartfren customers.

Keywords: marketing mix · 4Ps · SWOT analysis

1 Introduction

Currently, the development of communication technology is rapidly growing. Communication technology is phenomenal because it offers the speed of exchange of information and the ability to reach all countries worldwide. In Indonesia, this rapid development can be seen in the increasing number of telecommunication companies, both domestic and abroad, competing to enliven the Indonesian telecommunication market.

The growth of mobile phone users in Indonesia is relatively rapid; this is indicated by the increasing level of mobile phone penetration. With a population of 260 million people, teledensity in Indonesia for mobile phones is around 91.7%, while other ASEAN countries, such as Singapore, reach 100%. According to data from the Director-General

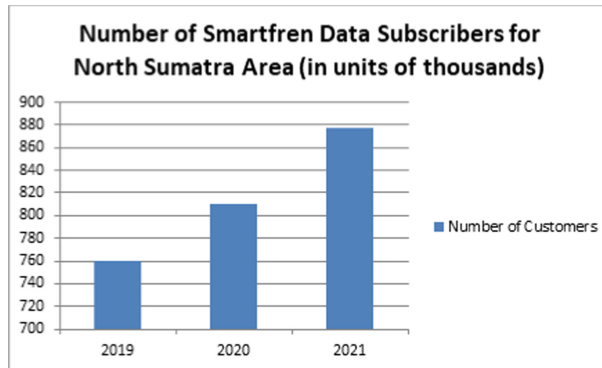


Fig. 1. Number of Smartfren subscribers

of Post and Telecommunication, in the 2016–2020 period, the average annual growth of mobile phone users in Indonesia was 31.9% per year.

By the end of 2020, the number of mobile phone subscribers reached 231 million, of which GSM operators dominated 95% of the market, and the remaining 5% was the CDMA market. Meanwhile, prepaid (94%) dominated the telecommunication payment scheme, and the remaining 6% was postpaid.

The need for communication technology, especially internet data services today, cannot be separated from people's lives. Internet data services are obligatory for today's society to meet internet access needs. However, the internet access needed by the community is faced with the many choices of internet data services offered by mobile phone network operators. Based on the data obtained, the number of Smartfren subscribers from 2019 to 2021 was 877 thousand in the North Sumatra area. There was an increase in Smartfren subscribers every year from 760 thousand in 2019 to 810 thousand in 2020, to 877 thousand in 2021 (See Fig. 1).

However, in terms of market share, Smartfren is still inferior to other provider competitors, where Telkomsel has a market share value of 49.47%, XL 29.79%, Tri 16.49%, Indosat 10.64%, and Smartfren 5.85%. This shows that although there is a growth in customers every year, the market share (users) is still lagging behind other competitors.

The marketing mix is a set of 4P (Product, Price, Place, Promotion) marketing tools used by the company in order to achieve marketing objectives following the predetermined target market [1].

The marketing mix is a set of integrated marketing variables that the company combines to get the desired attention and response in the target market [2].

1.1 Product

Products are offering of goods to consumers in order to get attention to be bought, consumed, and used, which ultimately can meet consumers' needs [3].

The scope of products includes product mix, brand, product quality level, product packaging, and services provided. The main objective of this product strategy is to strive

to achieve the intended target market by increasing competitiveness and maintaining a competitive position.

1.2 Price

Price is an element that aims to inform consumers about the product's value and its brand, which is expressed in money [4].

If consumers want to get and have the benefits of a combination of goods and services and a product's services. For companies, the way to differentiate from competitors is through pricing.

1.3 Place

In the marketing mix, placement or distribution is a very important part. Products must be available in places that are easily accessible to potential buyers. This comes with a deep understanding of the company's target market, understanding the buyers from within, and the company will find the most efficient position and distribution channel that can speak directly to the company's market [5].

1.4 Promotion

Promotion is a company's various business activities in conveying information about the advantages of its products aimed at target consumers. These promotional activities include advertising, personal selling, sales promotion, publicity, etc. If the company is more aggressive in carrying out promotional activities, the greater the chance for the producer to be known by consumers. This condition can encourage consumers to make purchases because consumers already know the benefits of the promoted products [6].

SWOT analysis is the identification of various factors systematically to formulate corporate strategy. This analysis is based on the logic that can maximize strengths and opportunities while minimizing weaknesses and threats.

The strategic decision-making process is always related to developing the company's mission, goals, strategies, and policies. Thus, strategic planning must analyze the company's strategic factors (strengths, weaknesses, opportunities, and threats) in the current conditions. This is called situation analysis. The most popular model for analyzing the situation is the SWOT analysis.

A marketing strategy is a set of appropriate, consistent, and loyally implemented by the company to achieve the target market (target market) in the long term. There is a reference strategy or marketing mix in this marketing strategy, which determines the best composition of the four marketing variables. To be able to achieve the intended target market while at the same time achieving the company's goals and objectives.

The conceptual framework that has been developed in this research shows in Fig. 2, in which a SWOT analysis was carried out using price, product, place, and promotion variables. Then the marketing mix variable was generated for the company.

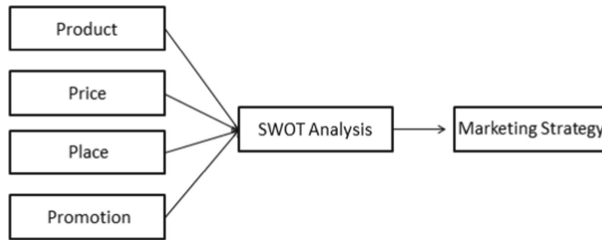


Fig. 2. The Conceptual Model

2 Research Method

The type of research used in this research is descriptive research with an approach qualitative. Descriptive research is concerned with collecting data to provide an overview or affirmation of a concept or symptom and answers questions related to the status of the subject of current research, such as attitudes or opinions towards individuals, organizations, etc.

Qualitative research does not recognize the existence of a population and sample. The research subject will provide the information needed during the research process. Research informants provide information about themselves or another person or an event to the researcher, or in-depth interviewers are expected to have much experience regarding the background of the research conducted. The study used interview data collection techniques [7].

The data collection method in this study was carried out based on observation and interviews. Observation is making direct observations of the object to be studied and carried out systematically to observe and record behavior and events as shown happens in real situations. Interviews are direct dialogues between researchers and research respondents. The data collection method is carried out using direct, in-depth dialogue with informants to find out something related to the problem being studied.

The research location was PT Smartfren Telecom Tbk. And took place between March-April 2022.

3 Results and Discussion

The SWOT matrix is a structured to describe how the external opportunities and threats faced by the company can be adjusted to the strengths and weaknesses of the company. The SWOT matrix can produce four sets of strategies that PT. Smartfren Telecom Tbk.

3.1 Strength

1. Low prices and very competitive.
2. Has many types and choices of quotas.
3. Massive promotion, especially on social media.
4. Even distribution in all outlet partners.

3.2 Weakness

1. Lack of customer service to serve consumers.
2. The network is still not evenly distributed to remote areas of the city.
3. Marketing strategy is not optimal.
4. Difficult to retain customers when acquired by other providers.

3.3 Opportunity

1. Many new areas can be explored by adding BTS.
2. Many partnerships with agencies.
3. Community needs for internet needs.
4. Giving new promotions is always up to date.

3.4 Threat

1. Consumers who are more concerned with the brand than a provider.
2. Lack of trust with the signal.
3. Aggressive promotion from competitors.
4. Mutual customer acquisition

From the SWOT matrix above, several alternative strategies can be implemented at PT Smartfren Telecom Tbk:

3.5 SO Strategies (Strength – Opportunity)

1. Working on new areas by utilizing the cheapest products.
2. Cooperating with mutually beneficial institutions.
3. Promoting products actively and continuously.
4. Distributing to new areas and adding BTS.

3.6 WO Strategies (Weakness – Opportunity)

1. Opening a branch office for customer service in a small city.
2. Expanding the Smartfren network coverage area.
3. Doing branding optimally in the new area.
4. Promotions to retain customers.

3.7 ST Strategies (Strength – Threat)

1. Increasing direct promotion to consumers.
2. Giving a test signal first before buying.
3. Making maximum use of promotional materials and platforms.
4. Maintaining customer loyalty with promotions when top-up.

3.8 WT Strategies (Weakness – Threat)

1. Carrying out continuous improvement so that the service is getting better.
2. Maintaining signal strength in areas where customer acquisition is frequent.
3. Promotion must be more attractive than competitors.
4. Conducting product development and innovation.

4 Conclusion

This study results show that to increase sales, PT. Smartfren Telecom Tbk needs to carry out product marketing activities, including market penetration into new areas, product development and promotion, expanding network coverage, and providing education to consumers.

Based on the conclusion above, the suggestions can be given to PT. Smartfren Telecom Tbk is as follows:

1. The company must evaluate and improve its marketing strategies to maintain market share and increase sales.
2. The company can add networking divisions to the organizational structure so that activities for adding network areas can run optimally.

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