



Enhancing the Local Brand Sneakers' Performance through a Formulated Marketing Strategy

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Abstract. Small and medium-sized businesses (SMEs) are among the more diverse groups of business actors operating online. NAH Project is one of the SMEs that use digital business as their model. The brand began to gain popularity among consumers across the country, including Indonesian President Joko Widodo, thanks to NAH Project's business approach and its up-to-date, fashionable footwear design. The company's revenues and brand recognition suffered as a result of the president's attention. However, the sales that have been made have been inconsistent and erratic. Thus, the purpose of this study was to identify the factors that contribute to inconsistent sales. In-depth interviews with corporate representatives, other business players, and customers served as the primary sources for this study. Secondary sources included firm internal reports and literature reviews. Because of the "Jokowi effect," the investigation showed that NAH Project has a strong brand recognition, but one of its shortcomings is that it is rarely active on social media to promote the product. The opportunity for NAH Project is to employ digital promotion to increase sales, but the threat that needs to be expected is the fierce competition in the footwear market. Launching classic model sneakers in response to customer demand is one solution strategy that can be suggested. Others include adding complementary value for customers, enhancing customer relationships as a competitive advantage, expanding the online marketplace, intensifying social media promotion, providing more information about product categorization, and using celebrity endorsements.

Keywords: marketing strategy, social media marketing, influencer marketing, NAH Project

1 Introduction

As one of the critical mediums in the millennium period, technology plays a significant part in a country's economic development. Today, the use of technology, particularly the internet, is unavoidable. Innovations are rapidly replacing outdated systems, resulting in the phenomena known as the digital disruption age. Digital disruption has now permeated the business domain. Digital-based businesses began to supplant traditional company models. The ease of use of the internet for all people can spur digital business

development by business players ranging from huge corporations to small and medium-sized businesses.

The potential for the footwear industry and trade in Indonesia, on the other hand, has been able to give employment possibilities for the supply of footwear items. The footwear industry has also established a strong business spirit, which is predicted to evolve into a strong entrepreneur capable of becoming a leading firm at the regional, national, and international levels in the future [1]. Given the importance of the footwear industry to the structure of the Indonesian economy, an integrated approach is required through continual and sustainable empowerment of company development [2], [3].

Conversely, according to the Indonesian Footwear Association (Aprisindo), footwear exports in Indonesia are expected to fall between 35 and 40% from \$7.74 billion in 2022 to \$4.64 billion this year. Orders from major export destinations such as the United States and Europe have already begun to fall sharply since early 2023. Aprisindo executive director stated that footwear exports have been booming despite the Covid-19 outbreak. Exports increased 8.96 percent to \$4.8 billion in 2020, then increased 28.76 percent to \$6.18 billion the following year. In 2022, Indonesia would export \$7.74 billion in footwear, a 25.15 percent increase over the previous year. According o [4] the footwear market in Indonesia will continue to raise for the next five years as seen on the table below.

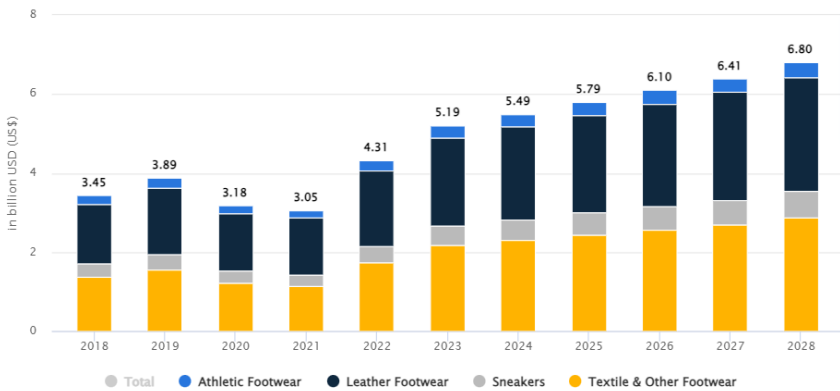


Fig. 1. Footwear Industry Market Revenue
(Source: [4])

Currently, the Footwear Industry in Indonesia is dominated by foreign apparels, but indigenous apparels are produced more by large and medium industries, both in terms of value and quantity. According to the Indonesian Footwear Association (known as Aprisindo), in 2018, the footwear industry was centered in Java, with West Java having the most footwear industries, with 112 enterprises [5], [6]. NAH Project is a fast-growing garment company among the various companies in the footwear sector. NAH Project is a Bandung-based SME that operates in the footwear business, specifically shoes. The majority of NAH Project's activities are carried out online, including promotion, purchase, and customer service. NAH Project, as a SME industry actor, distinguishes sales techniques centered on digital marketing. All sales activities are conducted online

and through multiple channels, including the website and an online marketplace, sometimes known as e-commerce. The sales strategy that has been implemented is consistent with the strategies that have been developed.

Joko Widodo (also known as Jokowi), the President of the Republic of Indonesia, acquired three pairs of NAH Project YAS Series shoes in June 2018. The existence of the NAH Project brand became known to the public indirectly [7]. This prompted people to purchase NAH Project shoe products, resulting in a significant increase in NAH Project product sales. With the phenomena of the "Jokowi effect," the NAH Project encountered the consequences of a strong reliance on free endorsement by Jokowi. This has resulted in a decline in NAH's branding and marketing strategy implementation capabilities. This phenomenon has caused the NAH Project to reduce its marketing efforts and the implementation of its marketing plan. Nah Project goods have been utilized by several Indonesian celebrities. Najwa Shihab is one of them, who enjoys wearing sneakers. Najwa frequently posts images of herself wearing sneakers on her own Instagram account. Najwa wears a variety of local footwear in addition to well-known global brands. In the photo taken in the storytelling studio, Najwa appears to be quite happy of her Nah Project shoes, which appear to blend appealing hues [8]. Therefore, a comprehensive marketing strategy is needed to achieve business effectiveness and consistent in sales.

2 Method

The phenomenon in the NAH Project is studied via exploratory research in this study. Exploratory research is used to comprehend the state of the industry and the company, to seek fresh insights, and to assess novel phenomena. The qualitative approach was used for exploratory research. This final project's study topic is important informants and stakeholders associated with the company's business and strategic goals. The topics are the founder, the managing director, and the creative marketing team from within the organization. Customers, rivals, linked business partners, and governments are the subjects from the outside. This project includes the use of primary data gathered through in-depth interviews and focus group discussions (FGD) with research subjects. To achieve the research objective, the interview was performed with the intent of exploring and gathering information about the business, the shoe industry, SMEs, and any other associated field. This project also makes use of secondary data to supplement the original data, such as the company's internal report and any other relevant literature studies.

3 Results and Discussion

3.1 General Environment Analysis

The general environment analysis in this project is conducted with PEST analysis to identify the external factors that will affect NAH Project's business development. These external factors are Political and Legal, Economic, Social, and Technological.

Political Aspect. For a few years now, the creative economy sector in Indonesia has evolved and is still growing. This industry played an essential part in strengthening the country's economic base by 7.44% in 2016. President Joko Widodo formed new non-ministerial institutions named Creative Economy Agency (Badan Ekonomi Kreatif or known as Bekraf) on January 25th, 2015, to support this sector through Peraturan Presiden Republik Indonesia Nomor 6 Tahun 2015 Tentang Badan Ekonomi Kreatif. This agency oversees the development of Indonesia's creative economy. Bekraf is in responsible of aiding the president in developing, creating, coordinating, and synchronizing creative economy policies. Bekraf envisions Indonesia becoming one of the world's economic powers in the creative economy by 2030.

Economic. According to Sucipto (2018), the Ministry of Industry is also accelerating the expansion of the industrial sector of leather, leather goods, and footwear by deepening the industry structure and increasing investment and exports. Indonesian footwear consumption has usually increased every year over the last five years, with a tiny drop in 2015. This signifies that the footwear market has grown, which has influenced the increase in footwear potential customers or repurchased customers. This also implies that the demand for footwear products is increasing and that they may become economic contributors to the country. The growth of the footwear market is also reflected in the increase in export value. The high value of footwear exports vs low import values suggests that, in the global footwear trade, Indonesia is more of a producer than a consumer. [4] also projected the continuum growth of product sold.

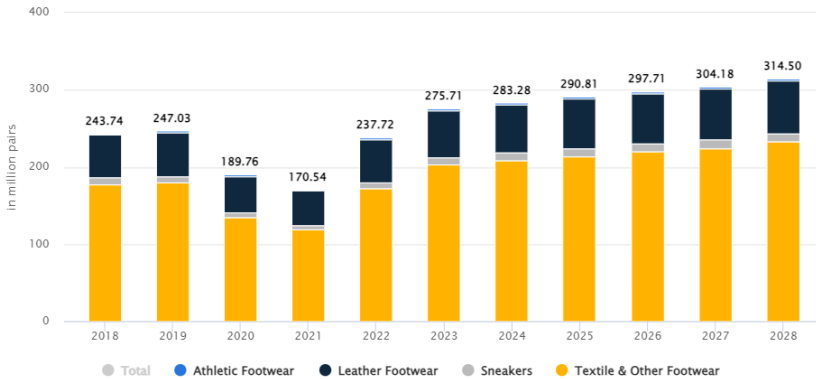


Fig. 2. Footwear Industry Growth
(Source: [4])

Sociocultural. In recent years, urban societies have become more cognizant of the importance of adequate living conditions. Yoga, healthy food catering, and other healthy lifestyle options are popular among city dwellers. Urban communities regularly utilize social media to interact, trade info, and keep up with current events. A healthy living trend has a significant impact on fashion development. The fashion industry strives to capitalize on the possibilities of these lifestyle trends by innovating in the creation of

sportswear that no longer prioritizes the functional features of the trend actors. Until then, the trend of ready-to-wear sportswear appears, also known as activewear (Larissa & Arumsari, 2017).

Technological. There were 212.9 million internet users in Indonesia in January 2023. Indonesia’s internet penetration rate stood at 77.0 percent of the total population at the start of 2023. Kepios analysis indicates that internet users in Indonesia increased by 10 million (+5.2 percent) between 2022 and 2023. For perspective, these user figures reveal that 63.51 million people in Indonesia did not use the internet at the start of 2023, suggesting that 23.0 percent of the population remained offline at the beginning of the year.

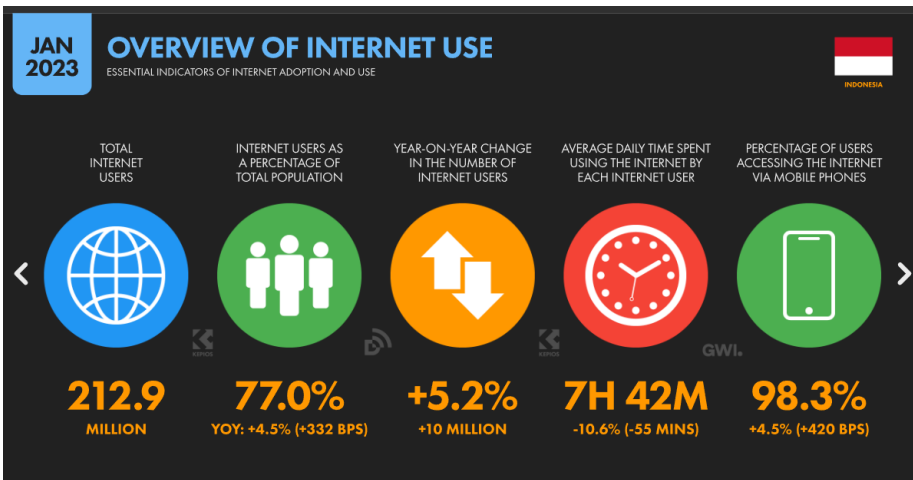


Fig. 3. Internet User in Indonesia
Source: We Are Social (2023)

The number of social media users in Indonesia in the beginning of 2023 was equivalent to 60.4 percent of the entire population, but it's also worth noting that social media users may not represent unique persons (for more information, see our extensive data comments). Meanwhile, according to data provided in the ad planning tools of main social media platforms, there were 153.7 million people aged 18 and up using social media in Indonesia at the start of 2023, which was like 79.5 percent of the total population aged 18 and up at the time. In January 2023, 78.5 percent of Indonesia's overall internet user base (regardless of age) used at least one social media site.

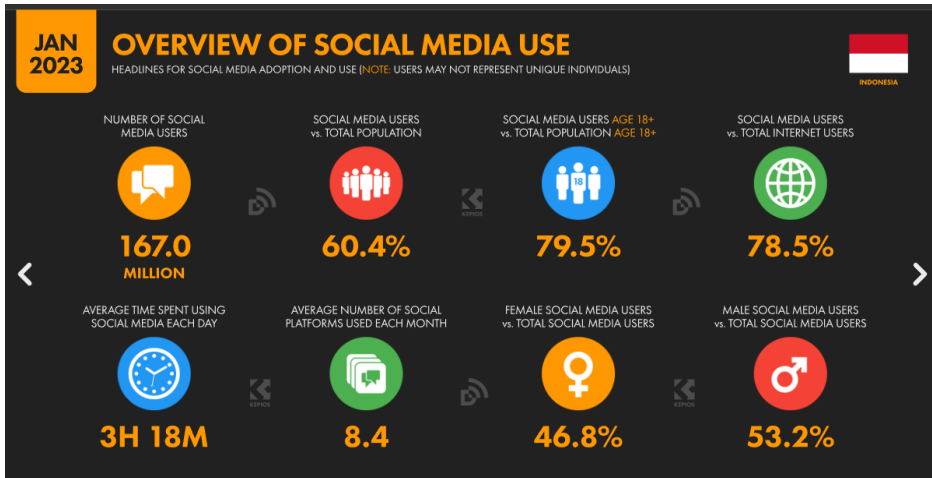


Fig. 4. Social Media User in Indonesia
(Source: We Are Social 2023)

Competitor Analysis. In this situation, NAH Project interacts with several similar brands, both from the world of shoes and from different business levels. Competitor analysis was carried out by comparing the marketing mix of different brands. NAH Project's competitors were evaluated based on product resemblance, business size, and product prices. The current competitors of NAH Project are 910 Shoes, Piero, League, and GeoffMax. The table below shows a comparison of the marketing mix.

Table 1. Competitor Comparison

Brand	910 Shoes	Piero	League	GeoffMax
Product	For men and women	For men and women	For men and women	For men and women
Price	IDR200.000 – IDR450.000	IDR250.000 – IDR600.000	IDR250.000 – IDR600.000	IDR150.000 – IDR450.000
Place	Offline website Online market-place Official store Marketplace Consign-ment/depart-ment store	Offline website Online market-place Official store Marketplace Consign-ment/depart-ment store	Offline website Online market-place Official store Marketplace Consign-ment/depart-ment store	Offline website Online market-place Official store Marketplace
Promo-tion	Digital market-ing Price discount Giveaway	Digital marketing Trade-in promo Price discount	Digital marketing Price discount	Digital marketing Bundling product Free shipping Merchandise Event booth

(Source: Author Analysis)

Customers Insight. Customers' thoughts about the product are associated with the likelihood of simple color tone items in terms of brand opinion. The website's product display must include an all-angle view capability. When it came to the price, the client thought it was reasonable for the level of local brand sneakers. In terms of location, the client considered NAH Project should have more channel possibilities. Social media should have been more active in terms of promotion. Customers believed that the Jokowi impact would improve brand awareness, resulting in increased sales [9]. However, this is underutilized because social media engagement is noticeably low.

Proposed Strategy. After reviewing and studying the business issue, NAH Project should apply numerous alternative methods to tackle the existing business challenge. TOWS Matrix analysis can be utilized as the first step in providing the organization with an alternate solution.

Table 2. TOWS Matrix

	Strength	Weakness
	1. Most of the products are suitable with the current fashion trend and customer preferences.	1. Rarely active in social media
	2. NAH Project is always open for customer criticisms and suggestions.	2. Not have many online channels option to purchase the product.
	3. Strong engagement with sneakers communities and other local brands by actively involved in community event.	3. Not having offline store
	4. Affordable price by keeping the price in medium level.	4. Financially non-independent (Brodo majority ownership).
	5. The customers have been loyal throughout that time.	5. Haven't thoroughly categorized the product.
	6. High brand awareness because of Jokowi purchase	6. Not maximizing public figure endorsement as part of marketing strategy.
		7. Not maximizing future potential customers.
		8. Unstable organizational resources.

Opportunity	<ol style="list-style-type: none"> 1. Government support on the SME industry and creative economy industry. 2. The rise of digital business shape Indonesians to shop more. 3. The use of digital technology in Indonesia is high (social media, messenger, online shop, digital payment) 4. High demand for classic model sneakers. 5. Public figure endorsement can effectively influence potential customers. 6. There are still potential customers that are curious about NAH Project. 7. Additional values are important for customer engagement. 8. Strong engagement from customers that potentially become repeat customers. 	<p>SO Strategies</p> <p>SO1. Launch special classic model to answer high demand.</p> <p>SO2. Adding additional value as complimentary for customers</p>	<p>WO Strategies</p> <p>WO1. Adding more online marketplace</p> <p>WO2. More intense promotion on social media</p> <p>WO3. More detail on categorizing products.</p> <p>WO4. Conduct analysis on maximizing potential repeat customers</p>	
	Threats	<ol style="list-style-type: none"> 1. The increased number of SME actors, especially in fashion and sneakers industry. 2. Competitors may imitate what NAH Project does in the future. 3. Competitors made the best of public figure endorsement. 	<p>ST Strategies</p> <p>ST1. Strengthen customer relation as company's competitive advantage</p>	<p>WT Strategies</p> <p>WT1. Use more public figure endorser to capture wider market</p>

(Source: Author Analysis)

Formulated Strategy. SO1. Launch special classic model to answer high demand. According to the consumer analysis, the majority of FGD participants felt that shoes with traditional old-school models are ageless and preferred by a broader variety of customers (all ages and genders). Most firms that have classic model shoes can rely on one model while also developing other models.

SO2. Adding additional value as complimentary for customers. Points/rewards systems are key instruments in digital marketing strategy these days. Customers' loyalty can be increased by using rewards. Customers were given points for their first purchase. Sales will increase as buyers purchase more products.

In the present digital industry, online newsletters or e-mail subscriptions are used. An online newsletter is an email that is sent out on a regular basis (weekly or monthly)

to give readers informative content. The NAH Project's official website should have a subscribe feature.

ST1. Strengthen customer relations as company's competitive advantage. NAH Project frequently interacts with customers via social media. They usually interact through small debates, comment answers, photo tags, and private messages. Consumers' willingness to connect with NAH Project's social media activities demonstrates that they are interested in what NAH Project has done. This could be one of the advantages that other brands lack. By utilizing a customer relationship strategy, this can potentially create a competitive advantage for the organization.

WO1. Adding more online marketplaces. NAH Project's online marketplace is now limited to Lazada. When comparing the marketplaces of competitors, it is clear that some have more than one marketplace. Because each marketplace has its own set of specialties, and qualities, each has its own set of advantages and disadvantages. This means that consumers are given options for determining which marketplace is best for them.

WO2. More intense promotion on social media. NAH Project currently has some social media accounts on a different platform: Instagram, Facebook, and YouTube. NAH Project uses social media as a promotion and marketing channel for their online business platform. However, due to the extended time span of posts, low frequency of posts, and inconsistent post schedule, NAH Project is not making the best use of social media. As a result, a more regular post schedule with higher post frequency should be implemented.

WO3. More detail on categorizing products. Basically, there are many different types of sneakers with various meanings. According to Larissa and Arumsari (2017), sneakers are classified into three types based on the occasion and user's usage: sportswear, athleisure, and activewear. There are misconceptions concerning product classification based on user responses to the product. NAH Project positioned their product as Athleisure sneakers, but this message was not adequately presented to customers, which could lead to customer confusion. As a result, a campaign or unambiguous declaration of the product's classification and positioning is required.

WO4. Conduct analysis on maximizing potential repeat customers. Up to this point, the NAH Project has not classified the sort of clients, whether they are new or recurring customers. As a result, they need to execute client classification in order to optimize and sustain sales numbers. The greater the number of purchases from repeat consumers, the easier it is for the company to sustain the sales figures. And the benefit of this point is that they can concentrate on developing a campaign for new customers.

WT1. Use more public figure endorser to capture a wider market. Public figure endorsers are becoming a significant aspect of marketing strategy, particularly for fashion products. It is commonly referred to as influencer marketing in the business world. The

objective is to include celebrity endorsements in a modern content-driven marketing strategy. The primary difference between this style of marketing and others is that the campaigns are generally collaborations between brands and influencers. The strongest predictor of brand image is the charisma of the brand ambassador. As a result, choosing brand ambassadors must take into account a person's popularity with the general public, familiarity with local hot topics, attractiveness, ability to draw attention, and intelligence [8].

NAH Project previously used this strategy for their goods. However, they are no longer using that. As a result, they should employ this strategy again to maximize promotional activities.

4 Conclusion

The footwear industry and trade in Indonesia has been able to give employment possibilities for the supply of footwear items. The footwear industry has also established a strong business spirit, which is predicted to evolve into a strong entrepreneur capable of becoming a leading firm at the regional, national, and international levels in the future. NAH Project is a fast-growing garment company among the various companies in the footwear sector. NAH Project, as a SME industry actor, distinguishes sales techniques centered on digital marketing. To create a marketing effort and campaign that is more successful, fresh STP that targets more particular markets is required. Utilizing a new marketing mix strategy will help with the new marketing plan. From a product perspective, it is necessary to categorize the product range more precisely in accordance with the shoes category. Classic sneakers with an old-school aesthetic are one design option to meet consumer desire. For both small and large size users, wider shoe sizes are also required. This also aligned with the research conducted by [10] that NAH Project may create items that satisfy the comfort and support, product quality, and product design preferences of their customers through innovating. The convenience of the consumer, the store's location, the staff, and the presentation are the aspects that affect customer preferences in decision-making while purchasing sneakers from places.

In terms of pricing, Indonesia's purchasing power and the current price range are both adequate. Maintaining a price reduction is also necessary to reach sales targets, draw in new and returning customers, and enhance brand recognition. The NAH Project needs to include more market channels from the location perspective, particularly from e-commerce. Their goal should be to increase market share among Indonesia's top 10 most active users of e-commerce. From a promotion standpoint, increasing sales through discounts and giveaways can be the method to increase consumer involvement. Making the most of online advertisements from search engines, social media, and messaging platforms is a need that must be upheld. MPR is also necessary to advance and safeguard the brand of the business.

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