

The Addition of Channel Distribution and Media Campaign in SME Abelarosa Collection

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Abstract—The predicament for retail business is not only experienced by large businesses, but small and medium-sized business also presents to feel its effects. Nowadays, every business should make the changes or development of its business in order to still be able to compete and survive. This research has been done on Abelarosa Collection, which is one of the Small and Medium Enterprises (SMEs) that focusing on retail trade. This research uses a business coaching method where researchers will observe and discuss the business processes directly to Abelarosa Collection. A series of structured interviews were conducted with the owner of Abelarosa Collection and the results showed that there are three the main problems facing Abelarosa Collection in this period, which are the issues of the location of the sale, the lack of promotion, and the absence of any program to maintain existing consumers owned by SME. This can be remedied in the following ways: 1) Adding a distribution channel that is owned by Abelarosa Collection 2) Adding and improving methods of promotion that is owned by Abelarosa Collection and 3). Developing a customer relationship program. This research offers section with the addition of the distribution channels and promotion development methods by creating a special brand of social media of Abelarosa Collection as well as the make an online store in E-commerce.

Index Terms—Business Coaching; channel; Promotion; Channel Development; Social Media Promotion

I. INTRODUCTION

The development of SMEs since 2015 can be said to grow rapidly and have a big enough contribution to the state income from data obtained from the Ministry of SMEs and Creative Industry. During the times, SMEs have contributed to 57-60% of the Gross Domestic Product (GDP) and the rate of absorption a workforce of around 97% of the national workforce (LPPI BI, 2015).

The fashion industry, including apparel and accessories, is now assumed to be very profitable and has a large enough market to the fact that this industry has the biggest contribution to GDP among the three National amounted to 1.21%. However, in 2017, the retail business has a number of obstacles faced by most businesses.

In 2017, the difficult circumstances faced by the retail industry have an impact on this business. As a retail trader in the field of conventional SMEs, according to the interview with Mrs. Lenny Handojo as the owner of Abelarosa Collection, the obstacles faced were his visiting store traffic dropped below the previous year. From the rough calculation, 50% of shoppers who came to the shop from one year ago are no longer visiting her shop. This also applies to the Pulogadung

Trade Center (PTC) traffic. PTC is currently not chosen by the public to shop. The customers who visit this shopping area have a low purchasing power that can be measured by how many customers can buy the accessories although the owners sell their products at a very low price compared to its competitors.

Given the fact that existed for the products of Abelarosa Collection, they offer an abundance of accessories for teens and youth. In addition to the research suggesting that at this time people tend to shop online, online shoppers are mostly consumers with a young age. Therefore, to attract and pick up the youth and teen market, SME Abelarosa Collection should create an online store with social media platforms. This social media will become the main platform in sales, but not only the only social media, Abelarosa Collection will use some familiar and user-friendly consumer marketplace so that the owner did not have any difficulties to upload products to the marketplace. With the online store, it is expected to make the owners of SMEs have a higher profit in order to cover operating costs due to the current stall the profits generated by SMEs has not been able to cover the costs, the costs incurred in running the business owners.

A. Profile and Analysis of SMEs Conditions

In accordance with the definition in the Law Number 20 Year 2008 on SMEs, Abelarosa Collection fit into the category of micro business because the wealth of businesses that is no more than 50 million rupiah and the income or turnover is no more than 300 million rupiah per month. For more details, profile of Abelarosa Collection refer to Tabel I

II. LITERATURE REVIEW

The definition of the business process is a structured approach to analyze and establish the fundamental activities such as manufacturing, marketing and other elements of the company's business operations. (Mohamed, 2006), Abelarosa Collection is engaged in the sale of accessories located in Pulogadung Trade Center. Abelarosa has a kiosk-sized 2x3 meters located on the ground floor of the mall. Its location is quite far from the main door, but close to the stage that is usually used for events organized by the mall. The main products of Abelarosa Collection are women's accessories such as necklaces, bracelets, earrings, rings, and hair ornaments.

TABLE I: Profile of SMEs

PROFILE	EXPLANATION
Name of the owner	Lenny Handoyo
Name & Type of Business	Abelarosa Collection
Background (motivation) establishments	Initially, due to retirement preparation, the owners prepare to make their own efforts to sustain life in old age
Investment / Capital	Investments from private savings accounts +/- Rp. 10.000.000
HR & Education	Have 1 employee, high school education background
Business facilities	
* Building	Rent (Pulogadung Trade Center)
* Page	3 x 1.5 Meters
* The existing product	Women's accessories
* Maximum production/month	No production - Retailer
* Turnover per Year	+ / - Rp. 13,500,000 nett
Availability of financial statements	No, only the sales report
Marketing	
* Area Segmentation	East Jakarta and surrounding areas
* The Customer Buying	direct SMEs

TABLE II: Market Segmentation Abelarosa Collection

Behavioral	Psychographics
* Liking a durable product	* Placing the primary needs compared to secondary needs
* Do not pay attention to fashion	
Demographic	Geographical
* Women	
* Aged 15-40 years	* East Jakarta, Bekasi Area
* Lower economic class	

Abelarosa Collection purchases are imported and purchase products in local stores.

After learning the business processes, the retail business should identify the target market, segment and decide how they will carry out the differentiation and positioning for their market. Points of segmentation of Abelarosa Collection can be seen in Table II.

Once the company or business venture choose which market segment that will be entered, a business must do differentiation and decide which position is taken in the segment. Abelarosa Collection is currently positioning its products into products that have variations that are very much in terms of product categories, handmade products into one superior with good quality and reasonably priced when compared with its competitors.

Retail marketing always relating to products and services that require stores to provide everything well to consumers in accordance with the program and the business manager adapted to store. Liebmann (2008), states that there are eight retail marketing components, namely assortment and private labels, price, communication, location, service, in-store management, and consumer loyalty. The details per component of Abelarosa Collection refer to Table III.

From Table III, it can be concluded that the main issues that emerged at Abelarosa Collection are the location and communication, or in other words the promotion as well as a bit about the In-Store Management. As for the advantages of the product being owned by an SME, in particular the handmade products, still has great potential to be in the broader market. The SME can multiply its handmade products

for sale to the market and the different market segments.

After seeing some of the analysis of the SMEs, according to Slavik & Bednar's (2014) business model is a system of activities and resources, to create something that has value and is useful for the customer and the value it can create money for the company. The importance of a business model canvas is to find and build a competitive value for the business. Business models canvas has nine components. These nine components are customer segments, customer relationship channels, value proposition, key activities, key resources, key partnerships, revenue stream, and cost structure as described in Table 4.

Barney (1991) states that VRIO analysis is used to identify the resources that companies have and assess the benefits for business. VRIO analysis is also useful to know the extent of the competitiveness of companies based on internal conditions. In the end, the factors which have been performing well will be maintained, while the weak factors will get improved and evaluation. The analysis of the SMEs Abelarosa VRIO Collection could be seen in Table V.

From the VRIO analysis conducted, it can be concluded that the resources of Abelarosa Collection have a competitive advantage in design. It should be developed in order to achieve long-term competitive advantage and keep the business sustained.

According to Gamble et al [1], a SWOT analysis is a tool to measure the company's internal strengths and weaknesses, opportunities in the market, and threats that could potentially affect the company in the future. A SWOT analysis is an important element in evaluating the company's overall situation that requires checking the resources and capabilities of the

TABLE III: Table Conclusion Retail Marketing Mix

Assortment		Price	
* Women's accessories		* The price is low	
* Category sold diverse		* Priced can compete with competitors	
* Unique (Handmade) packaging not attractive			
Location		Communication	
* Pulogadung Trade Center		* Word of Mouth	
* Less Strategic		* Store / Shop	
* Mall is very quiet			
Customer Loyalty		In-Store Management	
* The client has not had a club		* Less prioritize particular beauty shop interior	
* Not to have a program point			
Service			
* Personal Sales			

TABLE IV: Abelarosa Collection Business Model Canvas

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
Supplier China Market store Asemka Delivery service Transport Online business Mall	Import China Home-Based production Offline Sales (Store)	Feminine accessories Affordable prices Design Limited (Handmade)	Direct Contact product Knowledge	Market Segmented Gender: Female Age: 15-40 Years East Jakarta and Bekasi region
	Key Resources		Channels	Lower economic Behavior interested in products that are durable
	The series of tool accessories Manual clerk database Customer		Direct Sales: Shop PTC Social Media Personal Whatsapp Chat	
Cost Structure		Revenue Stream		
Purchase of Raw Materials Employee salary rental Shop Rent tax		Product Sales Abelarosa Collection		

TABLE V: Analysis VRIO

Resource	Valuable	Rare	inimitable	Organization	Type of Competition
Product variations	Yes	Yes	No	No	Temporary competitive advantage
Design (Handmade)	Yes	Yes	Yes	No	unused competitive advantage
Financing	Yes	No	No	No	Competitive Equality
Locations	Yes	No	No	No	Competitive Equality
HR / Employee	Yes	No	No	No	Competitive Equality

TABLE VI: SWOT Analysis

Strength	Weakness
* The product has a fashionable design	* Limitations of capital owned
* Affordable prices	* Do not have a promotional budget
* Products Limited (Specialty Products Handmade)	* The lack of use of technology
	* The lack of ability of the owner of the technology
Opportunities	Threats
* Market segmentation can be expanded demographically	* Many competitors who sell the same product
* The public switched shop online	* The high price of rental kiosks
* Community, especially young people have more appeal to the fashion world	* PTC Mall Low Traffic

TABLE VII: Pareto GAP

No.	GAP	Value	Weight	Value x Thickness	%	% Cumulative
1	Distribution channel	10	9	90	35%	35%
2	Offline and Online Media Campaign	9	9	81	32%	67%
3	Customer Database & Customer Relationship	7	7	49	19%	86%
4	Employee competency	3	3	9	4%	89%
5	Capital	3	4	12	5%	94%
6	Packaging	4	4	16	6%	100%

company. Integration has a great opportunity in the market and can survive in the face of an external threat. The SWOT analysis of Abelarosa Collection can be summarized as in Table VI.

Of all the existing analysis to be carried out, a gap analysis determines the priority which can be done by business owners to take their business to a more advanced stage in accordance to the target. It can be seen that there are some common problems that cause gaps. To make it easier to reduce or even eliminate the gap, the gap will be grouped into several common problems. Then a priority scale is made based on the level of urgency and readiness of the SME to solve it by using Pareto analysis. Based on Table 6, we can conclude that Abelarosa Collection has the following problems and its priorities as can be seen in Table VII.

From the analysis obtained and the percentage of Pareto, the focus of the implementation is to create a new distribution channel and develop a media campaign, which have been held back in this current time.

III. RESEARCH METHODOLOGY BUSINESS COACHING

Business Coaching process will be determined from a Gap Analysis. After a GAP analysis is done and gets results, we conducted the preparation of solutions for Abelarosa Collection. Preparation of the solution is done in consultation with the owners of SMEs and author of recording and made a priority scheme for implementation. Here are the stages of the implementation process of business coaching in SMEs Abelarosa Collection. The first stage of the business coaching process is to do distribution channels development, which is through Tokopedia, Shopee and Social Media. Another stage in the implementation process of the development of distribution channels and social media are as follows: create social media Instagram and Facebook, make online store at Tokopedia and Shopee, determination of target market and target sales, usage training of social media and online store, process business coaching with Ad Campaign in Social Media. Stages in the implementation process of business coaching include: to do promotions with advertising on social media, determination of consumer targets to be achieved in advertising, budget determination, creation of Ad content, training in advertising in social media, Process Business Coaching in making Customer Relationship Program. The stages in the implementation of business coaching process include: to perform Customer Relationship program, Budget Determination, and determination scheme.

With the business coaching program, the development of distribution channels owned by Abelarosa Collection will be done with a scheme described as Figure 1. From the distribution development schemes as seen in Figure 1, there will be two distribution channels which will be owned by Abelarosa Collection. The first is a store that is still owned by Abelarosa Collection. The second is a distribution channel with the use of social media and online shop in which will be created, as well as reselling program to be undertaken by Abelarosa Collection.

The development of social media as a selling media for Abelarosa Collection becomes the main thing that is developed. The social media used are Facebook and Instagram. Social media has been chosen because of several factors; the ease to have instant popularity, the ease of access and the ability to allow direct communications with the consumers in the media. From the data in 2018 (statista.com, 2018) social media users in Indonesia have reached 98.1 million which is increasing 30% from the previous year. Based on the data obtained, the number of Instagram users reached 45 million people and it is the highest marker in Southeast Asia. After the development of social media and online stores of Abelarosa Collection, this SME builds a simple program called Resellers program. Two of the most desirable platforms is Facebook and Instagram. It is also to be considered as a mode of sales for Abelarosa Collection.

To enhance Abelarosa Collection, the writer proposed a business model canvas with changes expected to impact on the business growth of the SME. Explanation of the new business model canvas could be seen in Table 8.

IV. RESULT

Collecting data in business coaching is done with an interview method. The writer met directly with the owners of Abelarosa Collection. Interviews were conducted in the form of semi-structured interviews where the interviewer has prepared basic questions as a guide to ask the business conditions of Abelarosa Collection. Implementation of business coaching to Abelarosa Collection began in September 2017 and ended in April 2018. The business coaching process is carried out in accordance to Gap analysis. The result of the following analysis is the implementation of methods that have been designed before.

One of the plans is to make the distribution channel by using social media, for the first time it was social media Instagram. Previously, the SME had no social media. Instagram is used for the manufacture of a new distribution channel as well as for the media campaign. Facebook page made for Abelarosa Collection consists of two types, which are regular Facebook account and Facebook page. Facebook page is created so that Abelarosa can create advertisement or promotion relating to the products it sells. In addition to social media channels, another distribution made for Abelarosa Collection is the Online Store or E-commerce. The e-commerce selected were Tokopedia and Shopee because based on data, both e-commerces have the most users, and have a fairly easy way of usage. Abelarosa Collection will use the way of promotion through social media advertising and one of them is facebook ads. In addition to promoting the product via Facebook, Abelarosa Collection can use Instagram as well. Instagram ads offer more interesting features that show ads on the dashboard of any Instagram users.

Influencer endorsement is the celebrity, blogger, or someone popular in social media, which is sponsored by the products, and advertise their products on their personal social media accounts. People who are selected to become endorsers are

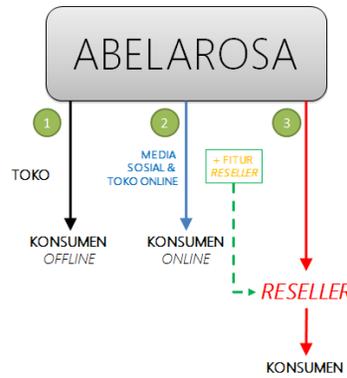


FIGURE 1: Distribution Channel Level Abelarosa Collection

TABLE VIII: Proposed Business Model Canvas Collection SMEs Abelarosa

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
Supplier China Market store Asemka Delivery service Transport Online business Mall	Import China Home-Based production Offline Sales (Store)	cost Leadership Fashionable design Design Limited (Handmade) Feminine accessories	Direct Contact product Knowledge membership Program	Market Segmented Gender: Female Indonesia Region Primary Target: Medium Down Age 15-30 Years Secondary Target: Intermediate to top Age: 31-50 Years Behavior like fashion and accessories
	Resources The series of tool Clerk Customer database Competence Use of Technology		Channels Direct Sals: Shop PTC Social Media E-commerce: Tokopedia	
Cost Structure Purchase of Raw Materials Employee salary rental Shop Rent tax Cost Social Media Campaign		Revenue Stream Product Sales Abelarosa Collection		

TABLE IX: Results of Quantitative Development Instagram

Aspect	Information
Join Date	11 January 2018
total Followers	441
Age Range	13-54
Age Dominant	18-24
Most City	Jakarta
Reach	Av. 800 / Week
Aspect	Information
Engagements	Av. 68 / Week
Profile View	Av. 47 / Week

usually the people who are known in the association or active in an organization or community. Endorser or influencer is expected to increase word of mouth from people who become their followers in the on the Instagram application. This is done so that people know the product from Abelarosa Collection.

A. Discussion of Results Promotions

After the posting process advertisements via Instagram ads in the form of the products sold by Abelarosa Collection, these ads can be analyzed through a feature on Instagram and get the analysis had the results as shown in Table IX.

According to Table 9 it can be explained that since we made the Instagram account of Abelarosa Collection on January 11, 2018. Currently, the total achievement of Instagram followers is as many as 441 users with an age range of 13 to 54 years and the predominant age range of 18-24 years. The followers

mostly live in Jakarta. In one week, around 47 people visited the Instagram of Abelarosa Collection as captured in Table X.

In general, based on Table 10, ads created by Instagram Abelarosa Collection, the collection has been seen for 2410 times by Instagram users and 2427 times appeared in the News Feed. A total of 87 interactions/calls were commenced due to ads created by this SME's Instagram. From the overall results, it can encompass Instagram users to profile visit as many as 31 times.

Data in Table 10 shows that there is an increasing impression, reach, engagement and profile visit from the first to the last ad. The first ad – featuring images of the earrings with the caption, the price and the hashtag – only produces a very low engagement. The second ad – in the form of unedited product images complete with product properties, the name

TABLE X: Analysis of Instagram Ads

Post	Like	Comment	Save	Impression	Reach	Engagement	Total Post	Profile Visit
1	4	0	0	71	55	3	1	3
2	12	0	0	753	752	16	1	9
3	25	0	0	1603	1603	68	1	19
Total	41	0	0	2427	2410	87	3	31

TABLE XI: Results of Analysis Facebook Page Ads

<i>Aspect</i>	<i>Day 1</i>	<i>Day 2</i>
Link Clicks	2	7
Reach	24	729
Impression	24	729
Post Engagement	2	14
Page Engagement	2	14
Post Reactions	2	7
Ages	14-45	14-45

TABLE XII: Results of Analysis of Market Place

Aspect	Tokopedia	Shopee
Join	Feb-18	Mar-18
Product	10	11
Chat	Av. 1 day	Av. 2 weeks
Booking	1-2 / Week	1 pc / Week

of product and discount given – increases likes, impressions, reaches, engagement, and profile visit. Although not yet in line with expectations, the increase is more than 100%.

Facebook account and Facebook page are in line with the intention of focusing to see the consumers in which products that are sold because the previous owners used to promote their products by uploading the products in the owner’s personal social.

From Table 11 – after making 2 Facebook ads with the active period of 1 day per campaign – the first day of sale made with a budget of Rp. 14,000, generated reach and impression of 24 users (2 users clicked on the link). The second promotion is done with a budget of Rp. 25,000 per day to produce 729 reaches and impression and 7 users clicked and entered the facebook page of Abelarosa Collection.

In addition to social media owned by Abelarosa Collection, the Coach advised the owner to open the marketplace account to reach a lot of consumers who have the interest to shop online. Currently, Abelarosa Collection has two accounts, namely Tokopedia and Shopee. A comparison analysis of Shopee and Tokopedia could be seen in Table XII

Based on Table 12, the time to join in the E-commerce Tokopedia took longer than Shopee and more interaction is done on Tokopedia compared with Shopee, which impacts the number of existing reservations. The only setbacks in the sale under the E-commerce platform was that a lot of people wanted to order the same product. However, because many of the products were made by hand, often the product is not available.

V. CONCLUSION

Based on the previous analysis, the implementation of additional distribution channels and media campaign on Abelarosa Collection showed a significant increase to the exposure of

companies, especially in the introduction of the brand to consumers of Abelarosa Collection evidenced by activity and social media visitors and total purchases of consumers. This indicates that the implementation of business coaching has reached the objective desired by either the coach or the SMEs Abelarosa Collection.

With the business coaching activity, it is expected that Abelarosa Collection SMEs can boost sales and increase the exposure of the company in a sustainable manner. Therefore, in addition to carrying out repairs, the Coach also gives guidance and training to owners and employees on how to use social media as a tool for promotion. So, after this event Abelarosa collection can utilize the use of social media efficiently and effectively.

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