

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The current business situation has changed compared to decades ago in which it was affected by the rapid development of technology. This causes market to become more competitive and keep improving. Especially when e-commerce era has started, it has changed every business sector and does not matter if the business engages in manufacture or service. Hence, presently every company is performing their optimal to survive in the market. Moreover, the rapid change of demand could not avoid. Therefore, to survive in the market, every business either large-scale or small-scale should have a valid marketing strategy, because it could help the company to avoid the threat and minimize the loss.

Marketing strategy is essential for the company because it is a core to the company, which it consists the vision, mission and the goal of the company. Besides, marketing strategy can help a company to decide what kind of product or service that has the highest demand in the market. It is because of marketing strategy concern on company's target customers, market, product, price, and promotion ways, which it will automatically result in maximum profit for the company. Therefore, marketing strategy is not merely sales plan, but it also can become the guideline for the company to achieve their goals and do not lose track in the middle of the business. (Summerfield, 2014) In addition, marketing strategy will also increase profit, because by understanding the company environment it will help a company to implement the effective marketing strategy that will result in higher profit. (Markgraf, 2018)

For instance, world most valuable company, Coca-Cola has the most complete and diverse marketing strategy to maintain their business. Besides, it also keeps increasing their worldwide brand recognition. The

fact Coca-Cola has the comprehensive marketing strategy is from its component. It includes pricing policy, the classic product, Coca-Cola's logo, sponsorship, social media, and advertising. (White, 2017) Therefore, according to White (2017), Coca-Cola's marketing strategy has played the crucial role in increasing the brand recognition, authority, and revenue, which resulting in Coca-Cola to become one of the most reputable companies.

Meanwhile, to create an effective marketing strategy, the company needs to understand the company condition. The easiest way is through SWOT analysis as the basic information. (MacKechnie, 2017) SWOT analysis consists of analysis model that is straightforward, which it analyzes the company strength, weakness, opportunity, and threat. Besides, SWOT analysis is essential in developing a marketing strategy, because it contains the external and internal factors. The internal factors are the strength and weakness. Meanwhile, the external factors are the opportunities and threat. The internal factors are something that company could control. On the other side, external factors are something that company cannot control or has less control. Thus, the analysis can enable the company to determine the best way to achieve the goals and avoid any threats. (Colgate, 2017)

Most of the people think that marketing strategy is only suitable for a start-up business. However, it is not true because existing business also could use marketing strategy to achieve new goals or have a new understanding of the current market situation. Besides, existing company could use marketing strategy to prevent loss in the future or solve the ongoing threat. Moreover, some of the businesses do not have any marketing strategy in the beginning and still survive in the market. But it would be much easier to build a successful business by having the marketing strategy. In fact, without marketing strategy company can find themselves running in the same place and wonder the reason why they cannot gain more. (Nyandat, 2017)

Besides affecting manufacture business, marketing strategy also influences the service business, for instance, education sector. Although many marketers do not realize education could consider as a business, however, education sector also need a marketing strategy. It is because education business must keep updated with current trends and analyze the status, for instance, the best time to study and way to satisfy the student and students' parents. (Jackson, 2017) In addition, nowadays many students and parents expect the education business or institution exists in online forms. The demand for social media interaction between the student and teacher also increase. Hence, education business needs a marketing strategy to survive in the current market situation. (Somethingbig, 2017)

Kursus Mandarin 加油 JiaYou is business that engages in the education sector. It is an institution that especially delivers Chinese education for their customer. The institution is established in Medan, Indonesia. *Kursus Mandarin 加油 JiaYou* has existed for ten years in the market. Currently, the institution just established the second branch that is also located in Medan. The main office established in 10 years ago, meanwhile, the second office established about two years ago at the end of 2016. The main office is located at *Thamrin Baru* Street and the second office is located at *Bambu II* Street.

Current situation of *Kursus Mandarin 加油 JiaYou* is stable that the institution does not suffer from any dramatically increase or decrease in profit. The gross profit per month is around IDR 110,000,000 – IDR 120,000,000. The following is the graphic of *Kursus Mandarin 加油 JiaYou* gross profit, which it not been reduced with the operational cost, for instance, administrative, rents, insurance fees and teacher salaries.

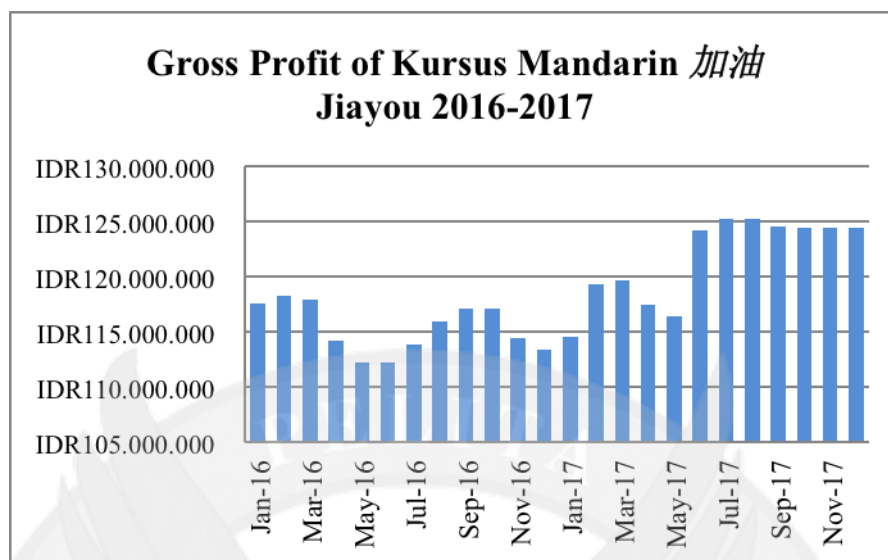


Figure 1.1 Gross Profit of *Kursus Mandarin 加油 JiaYou*

Source: Processed by the author

According to the above graphic, the gross profit does not have a dramatic increase or decrease. The most significant increase is between March- July 2017. Hence, it was unexpected because it happened after five months of the second branch opening. The profit of *Kursus Mandarin 加油 JiaYou* was supposed to increase dramatically when they established the second branch. Since the institution has existed in the market for ten years, so the society should already have awareness about the service and quality that they offered. However, the result was not satisfying since it only increased by 10%.

Therefore, *Kursus Mandarin 加油 JiaYou* should have higher profit compared to the current situation. Besides, since *Kursus Mandarin 加油 JiaYou* established, it hasn't had any marketing strategy which can be one of the causes of why the institution does not have a higher profit compared to the expectation. Moreover, if the institution has a marketing strategy, it can result in increased profit and it can open more branches around Medan area.

Hence, based on the above description, the writer is being motivated to develop a marketing strategy for *Kursus Mandarin 加油*

JiaYou. Also, to have an effective marketing strategy, the writer will use SWOT analysis as a basis to understand the institution condition. The marketing strategy is expected to elevate the profit of *Kursus Mandarin 加油 JiaYou*. Therefore, the research title will be: “**The Analysis of SWOT as The Basis of Marketing Strategy in Elevating Profit on *Kursus Mandarin 加油 JiaYou*.**”

1.2 PROBLEM FORMULATION

Based on the above background of the study, the problems that were identified by the author in this research are:

1. What is the marketing strategy for *Kursus Mandarin 加油 JiaYou*?
2. How will the marketing strategy based on SWOT elevate the profit of *Kursus Mandarin 加油 JiaYou*?

1.3 RESEARCH FOCUS

The research focus is both *Kursus Mandarin 加油 JiaYou* office, which it will focus on the marketing strategy, stakeholder and profit. The marketing strategy can help *Kursus Mandarin 加油 JiaYou* to maintain their business, compete in the market and increase their profit. Stakeholders are the one that directly or indirectly affected *Kursus Mandarin 加油 JiaYou*, which are employee, community, and government. Employees understanding of marketing strategy will influence the institution because employees are the essential element of the institution. Hence, the more employee understands the marketing strategy, the better they can support *Kursus Mandarin 加油 JiaYou*. The perception of the community toward the institution also can affect the institution. Last but not least is the government. This will be about the new regulations or some regulations that will directly affect *Kursus Mandarin 加油 JiaYou*.

1.4 RESEARCH OBJECTIVE

The objectives of the research are such as following:

1. To examine the marketing strategy of *Kursus Mandarin 加油 JiaYou*.
2. To understand how marketing strategy based on SWOT will elevate the profit of *Kursus Mandarin 加油 JiaYou*.

1.5 BENEFIT OF RESEARCH

The benefit of this research can be divided into two sections, which are the theoretical benefit and practical benefit.

1.5.1 THEORETICAL BENEFIT

The theoretical benefit of this research is to demonstrate SWOT analysis to the wide academic world, which SWOT analysis is still relevant and still one of the most favorable approaches to determine the marketing strategy. The other benefits are to show that marketing strategy is required in every business and it can become a guideline for business. This research also can be utilized as one of the reference materials for the next study that is related to research's topic.

1.5.2 PRACTICAL BENEFIT

The practical benefit of this research is to become an effective marketing strategy for the institution, which it will help the institution to survive in the market and elevate the profit. The other benefits also allow the company to have more understanding of their target market, marketing mix, the segmentation, and positioning. Besides, this marketing strategy will also help the institution to keep adjusting to the changing of the customer behavior. Moreover, this research can give more understanding of the society about market strategy, especially in small medium enterprise (SME) business education sector.

1.6 SYSTEMS OF WRITING

The outline of this *skripsi* consist of five chapters, which are the following:

CHAPTER I: INTRODUCTION

In this chapter, it describes the background in doing this research, the problem formulation, the research focus, the objectives and the benefits of this research.

CHAPTER II: LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

In this research, it is to emphasize about some theories that related to the research, which it consists of theoretical background, previous research, and framework of thinking.

CHAPTER III: RESEARCH METHODOLOGY

In this chapter, it explains about the steps on how this research was conducted. That it includes the research design, research object, data collection method and data analysis method.

CHAPTER IV: DATA ANALYSIS AND DISCUSSION

In this chapter, it is about the analysis of the collected information and the discussion, which it contains the general view of research object and data analysis and discussion.

CHAPTER V: CONCLUSION

In this chapter, it is about the result of this result. That it contains conclusion, implication, and recommendation.