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## **ANALYSIS REGARDING THE IMPORTANCE OF PROMOTION IN STEEL COMPANIES IN INDONESIA**

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### **ABSTRACT**

The purpose of this research is to find out the promotion and marketing strategy for steel companies in Indonesia. The research method used in this research is qualitative and quantitative research methods. Qualitative research methods include interviews with resource persons and product users (extreme users and expert users) as well as literature studies of journals related to light steel, promotion, and marketing strategy. The conclusion of this research is the need for a promotion that can be accepted by customers and to be able to promote steel companies in Indonesia.

**Keyword:** branding, marketing, promotion, customers, steel.

### **INTRODUCTION**

Roof is a part of the building that function that serves as the cover of the entire room under it against the effects of hot weather, rain, wind, and dust and for the protection purpose from natural disasters (Sastrapradja, 2018). Having an important role at the very top of building construction of residential or building, the roof is closely related to the construction of the roof frame or truss. (Anggun Rahayu & Francis Manalu, 2015) The presence of light steel is an innovation that provides solutions for roof frames in buildings. (Nugroho, 2014). Considering this matter, people are finally more aware of the importance of light steel as their roof trusses. Light steel has many benefits i.e. faster assembly, minimize expenses and there are still many benefits that are much needed in today's modern era. The use of light steel roof frames as a replacement for wooden roof frames is increasing

due to the increasing number of light steel suppliers who make it easier to get it, fast installation, and have a strong structure, (Oktarina & Darmawan, 2015).

In Indonesia, there are many steel-producing factories that are deployed in several areas; however, they lack promotion and marketing due to a lack of knowledge about the importance of promotion and marketing strategies in companies, in order to influence the interests and tastes of the potential consumers. (Dewi Pratiwi & Suriani, 2017). There are several companies that have performed this, however, the majority of steel companies in Indonesia are lacking in intensive promotion and marketing.

Many manufacturers try to attract customers to show the quality of their products produced by advertisements, newspapers, and other media or by using packaging that is more practical and different from others. Each year, PT. SULAWESI UTAMA STEEL always evaluates its products, related to the quality and variance that have been produced, doesn't let customers feel disinterested or think that there is no product development. Considering the importance of promotion, it is very appropriate for companies to consider the concept of advertising that is certainly accurate on target, in order to support the company's success. Competition among producers who advertise their products or services using media advertising, it doesn't merely useful for reminding and encouraging consumers to buy products or services, but can also be used as a characteristic that can distinguish one product from another.

This definition can be described, that by conducting promotional activities, producers can convey various information to consumers. Promotion can also help introduce consumers to a product, to facilitate them to choose the product they want through messages that persuade, remind, inform, and encourage consumers to buy the products offered.

The purpose of this research is to find out what promotions are appropriate for society in the modern era like today, because as we know promotion and marketing really need to be considered by every company because promotion and marketing are one of the ways for that company to survive, and the social tendencies of wanting the good product but at a low price, therefore, we use a barter system, that is by using the term we provide product quality that is appropriate to what we receive. (Gustiani Dwi Putri & Budi Santoso, 2018).

## **RESEARCH METHOD**

This research has started on Wednesday, September 25, 2019, until Sunday, October 19, 2019. By using data collection methods, including quantitative method is in the form of online questionnaires, and qualitative method is in the form of interviews with resource persons and literature studies.

In this research, qualitative data collection methods were used by interviewing resource persons and product users (extreme users and expert users) (Anggito & Setiawan, 2018).

### **Expert User:**

1. PT. Cahaya Benteng Mas (CBM), a steel company established in Indonesia since 1971.
2. PT. Kepuh Kencana Arum, a steel company established in Indonesia since 1993.
3. PT. Tata Logam Lestari, a steel company established in Indonesia since 1994.

### **Extreme User:**

1. Reinaldo, 24 years old, the owner of Logic design, Interior designer, uses light steel for construction purposes.
2. Johnsen, 24 years old, owner of Johnsen tan interior, interior designer, uses light steel for construction purposes.
3. Cahyono 54 years old, Owner of Cipta Indah, contractor, uses light steel for construction purposes.

## **DISCUSSION**

### **Marketing**

According to Philip Kotler (Kotler & Armstrong, 2012), "Marketing is identifying and fulfilling human and social needs. One of the good and short definitions of marketing is fulfilling needs in a profitable way".

Furthermore, Kotler and Keller (Yusuf, 2016) explained "Marketing is an organizational function and a set of processes for creating, communicating and

delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders".

### **Promotion**

Efforts made by the company to introduce or provide the information to the public and its customers. Promotion is seen as a one-way information flow or activity to persuade the customer to make a purchase and transaction process. This process is very important because promotions can provide information that can be directly understood by buyers and finally buying process.

According to Stanton, "Marketing is a whole internal that related to activities as well as businesses that have the purpose of planning, pricing, promoting and distributing product and service that will satisfy the needs of buyers, both existing buyers and potential buyers". (Kotler & Armstrong, 2012). Meanwhile, according to Suryadi, he defines that "Promotion is a series of activities to communicate and convince people about the product and bind their minds and the market in a form of loyalty to the product". (Tjiptono, 2015)

### **Increased Sales Results**

According to Kotler "Sales is an integrated business to develop strategic plans directed on the efforts to fulfill the buyer needs and wants, to get optimal sales". (KOTLER et al., 2005)

According to Winardi "Sales is a process where the seller satisfies all the buyer needs and wants in order to achieve benefits for both the seller and the buyer that benefit both parties". (Gustiani Dwi Putri & Budi Santoso, 2018). According to Kamelia "Sales are successfully achieved through the number of products or brands of a company that has been sold within a certain period ". (Dewi Pratiwi & Suriani, 2017).

According to Kotler "Sales volume is something that indicates the rise and fall of sales and can be expressed in units, kilo, ton or liter". Sales results indicators consist of product prices, product information, distribution channels, product quality, and company profits (Kotler & Armstrong, 2012).

Interviews were conducted with the extreme user who in their project using steel products, his name is Reinaldo, he said that the application of light steel in their projects can shorten the time and can minimize costs. Reinaldo, an

interviewee of another extreme user, said that the use of light steel has many benefits for him and his clients. The interviewee has often used light steel for his projects and the interviewee himself has experienced many benefits.

Another thing that affects the company's carelessness that affects the buyback from customers is the impact of the lack of promotion that can't compete with big companies which have started earlier another problem is the strong relationship between customers and the company (Strategi Pemasaran edisi 4, Tjiptono, 2015). Johnsen, one of the extreme users, said that he was looking for suppliers from relatives/friends, so we conclude that strong relationships between customers and companies are very important for steel companies in Indonesia.

PT. Cahaya banteng mas and PT. Tatalogam, interviewees of expert users, Owners of steel businesses in Indonesia, said that the way to learn customer backgrounds that is very diverse is by engaging intensively with customers and have good relationships as well as learn and try to provide all customer needs. Moreover, according to the next expert user, namely PT. Kepuh Kencana Arum responded that they maintain their customers by providing special prices for loyal customers.

Quoted from the *buku Pemahaman Strategi Bisnis Dan Kewirausahaan*, there are several models of consumer behavior that must be studied, including sociological, anthropological, economic, and psychological factors, moreover, companies keep on applying the science of development because it is very helpful for marketing practitioners to understand consumer behavior (Yusuf, 2016).

According to Melissa Davis in her book entitled *The Fundamentals of Branding* (Davis, 2017), a successful brand is a brand that can adapt to be suitable to their market segment. The target market of Sulawesi Utama Steel is B2B (Business to business), thus certainly the target market of PT. Sulawesi Utama Steel is a business person. However, these business persons are contractors and building material shop owners. Therefore, the appropriate age segment is the productive age ranging from 25-45 years.

Similar to the target market of Sulawesi Utama Steel, therefore, the media that is appropriate with the target market were chosen to build awareness and brand image of PT. Sulawesi Utama Steel.

## Product Testing

The testing was carried out to test the level of the effectiveness and attractiveness of the design and promotion of PT. Sulawesi Utama Steel using a prototype that has been made and designed. Based on the concept result and selection of promotional media that have been made, the following are the testing design results from PT. Sulawesi Utama Steel in the form of a mock-up of the design solution used for testing the prototype.

### 1. Website

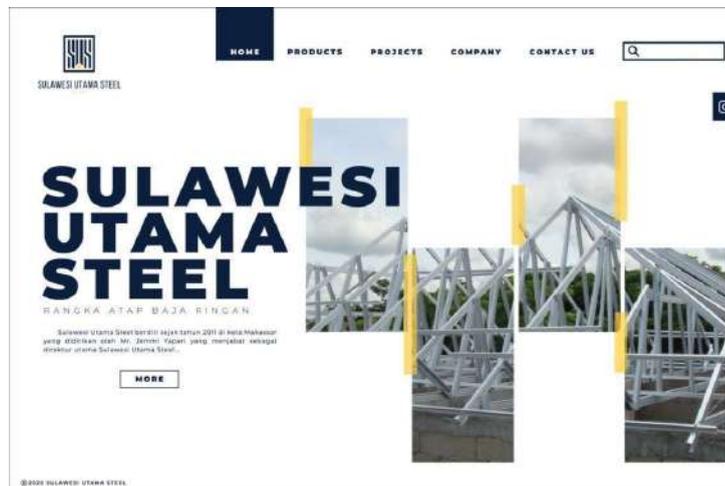


Figure 1. Website  
Source: Author's Personal

### 2. Instagram

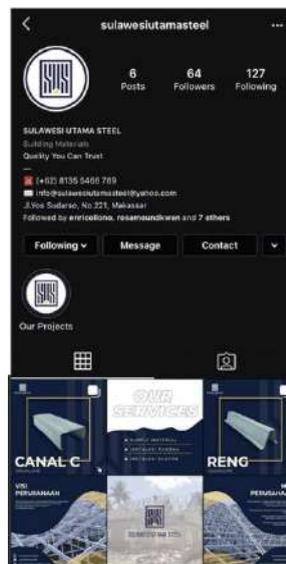


Figure 2 Instagram  
Source: Author's Personal

3. Brochure



Figure 3 Brochure  
Source: Author's Personal

4. Construction banner

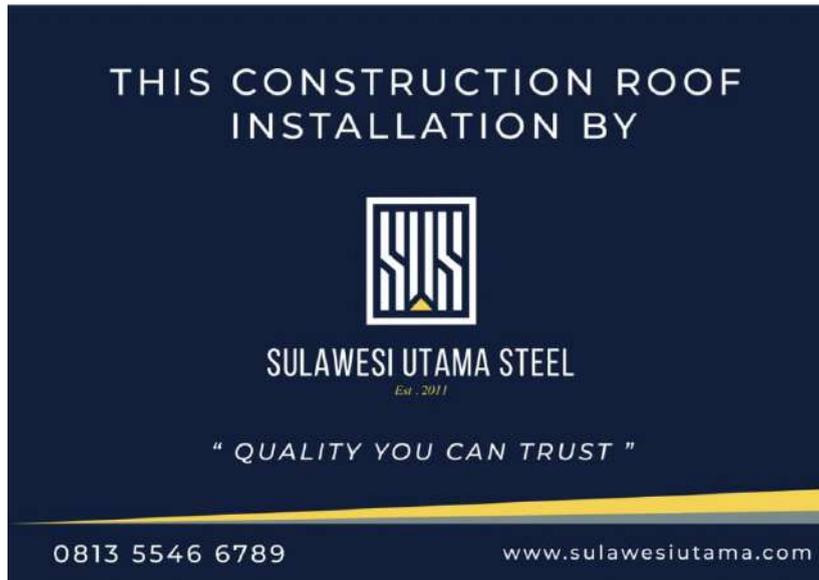


Figure 4 Construction banner  
Source: Author's Personal

## 5. Catalog

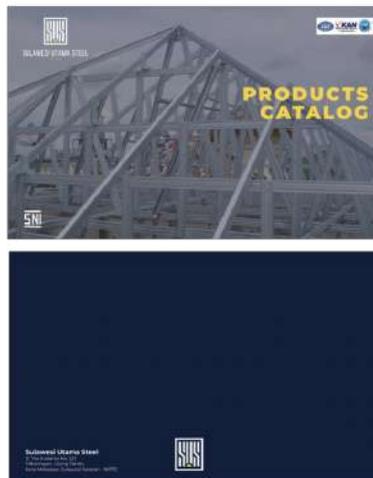


Figure 5 Catalogue  
Source: Author's Personal

The design review was obtained through the assessment that was carried out to 3 Extreme users. These 3 Extreme Users consist of Contractors who within the last 1 year are still interacting with PT. Sulawesi Utama Steel and interact directly with the design results. Based on the data reviews conducted by the 3 Extreme Users, The data obtained is as follows:

<b>PT. Sulawesi Utama Steel Design</b>			
<b>Extreme User</b>	<b>Reinaldo</b>	<b>Johnsen</b>	<b>Cahyono</b>
<i>Color Palette</i>	Oke	Oke	Oke
<i>Graphic Element</i>	Oke	Oke	Oke
<i>Font</i>	Oke	Oke	Oke
<i>Promotion Media</i>	Oke	Oke	Mungkin bisa ditambahkan untuk media promosi
<i>Website</i>	Lebih merapikan data-data yang terkandung, agar lebih nyaman dilihat oleh calon customer	Oke	Oke
<i>Email</i>	Oke	Oke	Oke
<i>Brochure</i>	Oke	Oke	Untuk contact person lebih di perjelas
<i>Instagram</i>	Oke	Oke	Oke
<i>Construction Banner</i>	Oke	Oke	Oke
<i>Catalog</i>	Oke	Oke	Oke

Table 1. Data Reviews  
Source: Author's Personal

From the result from data extraction that has been shown, it can be concluded that the overall design of PT. Sulawesi Utama Steel is suitable enough with the designed concept, both from the selection of media promotion, fonts, design styles, color palettes, and graphic elements. The design concept chosen is Late Modern Design whereby applying this design concept, it facilitates the intended target market to understand the value owned by the brand correctly.

Moreover, selecting this design concept will provide a professional impression as well as high credibility and prestige on the brand. This matter is the same as the brand positioning that wants to be applied. Furthermore, from the interviewees' suggestion that it is necessary to make improvements and minor additions to the design of PT. Sulawesi Utama Steel, such as to be wiser in the use of unification of design elements in every promotional media.

## **CONCLUSION**

The conclusion of this research is the approach is highly needed by the company to gain consumer loyalty and marketing strategy. The action made by PT. Sulawesi Utama Steel in increasing Brand Awareness and Brand Positioning through Brand Identity design is correct and appropriate. In implementing the

communication strategy of designing Brand Identity and the promotional media used, it must be accompanied by the consistency of the brand that has to be maintained and unified in every promotional media. In order for Brand Awareness from PT. Sulawesi Utama Steel to be increased. Thus the Brand Identity designed must be appropriate with the target market, therefore the writer uses the late modern design style that gives a professional and reliable impression by paying attention to the effectiveness and efficiency of related promotional media.

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