



Proposed New Marketing Strategy for Home Improvement Retailer: Case Study of MR.DIY Indonesia

Kenang Stadini Brilianthi¹, Asnan Furinto²

¹School of Business Management, Institut Teknologi Bandung

²Binus Business School, Bina Nusantara University

ABSTRACT: MR.DIY is home improvement retailer from Malaysia which expanded to Indonesia in 2017. “Always Low Prices” is the company’s slogan which means always provide product at affordable prices accordance with quality. MR.DIY offered more than 18.000 items divided into 10 categories for the needs of all family member. Currently, MR.DIY already has more than 350 stores across Indonesia and will continue to grow. However, the brand awareness of MR.DIY has not meet yet the company’s target and there is gap communication between company and customer perceive about MR.DIY. It show in the questionnaire result in this research, from 179 respondents 67.6% have not choose MR.DIY as the main choice for shopping home improvement needs and only 7.8% correctly perceive MR.DIY as home improvement retailer. Therefore, this research aims to proposed new strategy to increase brand awareness and educate public about MR.DIY appropriate position. The method use in this study are qualitative and quantitative with type of descriptive research. General analysis use SWOT analysis to know about business condition. Then the brand awareness pyramid used as thematic analysis. From the results of the analysis, the authors propose an integrated marketing communication as MR.DIY strategy to increase brand awareness and educate the public the MR.DIY positioning.

KEYWORDS: Home Improvement Retail, Integrated Marketing Communication, Marketing Strategy, Marketing Communication Mix.

INTRODUCTION

Home improvement is a very potential industry because every home need its equipments for various purposes, ranging from cleaning, cooking to decorating tools. In Indonesia, home improvement is one of the retail product categories that is growing from year to year with an estimated 2.45% from 2020-2025 with a growth market CAGR of 4%[1]. The existence of the COVID-19 pandemic in 2020 also did not reduce consumer spending in the home improvement industry, on the contrary, it increased by 32% [2]. However, consumer behavior has changed, they claim to be more careful to shop and some of them choose cheaper products to save money.[3] This opens an opportunity for MR.DIY to become the number one retail home improvement in Indonesia. MR.DIY is retail company home based in Malaysia. The company has more than 2000 stores spread across Malaysia, Singapore, Thailand, Brunei, Philippines, Cambodia, India, Turkey, Spain and Indonesia. From 2017 until 2022 MR.DIY Indonesia succes opened more than 350 stores, the development is very fast even in the pandemic situation. The store offered ten categories product; Hardware, Household, Electrical, Furnishing, Car Accessories, Stationery & Sports, Toys, Gifts, Computer & Mobile Accessories and Jewellery & Cosmetics with 18.000 items. “Always Low Prices” is their motto so they guaranteed the product has the affordable price and value for money. MR.DIY doesn’t have head to head competitor, its confirmed by Cyril Noerhadi as President Director of MR.DIY, no other retailer has focused on the need of the family needs a whole like MR.DIY, most of them are more specifically targeted at a certain group[4]. By far the closest competitor in Indonesia is Ace Hardware Indonesia(ACI). According to the data findings ACI is the leading player in Indonesia Home Improvement and Garden retailers 2021 with value share of 12%[5]. Moreover, ACI has operate from 1995 which means the old player on the industry but the store open still less than MR.DIY, it has 222 stores throughout Indonesia. There is indirect competitors For retail business player MR.DIY still in the early stage and need to enhance the brand awareness. In addition, company found¹ that they still haven’t reach the target of awareness and less popular. Another problem there is a miss communication between customer and brand, MR.DIY want to recognize as a home improvement store that offered complete collection with affordable price but customer perception MR.DIY only sell unique and viral items. Based on the existiting problem, the strategy to increase brand awareness and educate the public about MR.DIY appropriate positioning are needed.

LITERATURE REVIEW

Brand Awareness

Brand awareness refers to ability of a brand to be recognized by customer. Awareness can leading someone to make a purchase. The importance of brand awareness is give the long-term value for company sustainability. According Aulia and Briliana brand awareness is related to the strength of the brand node or trace in memory for decision purchase of consumers.[6]

SWOT

SWOT analysis refers to strategic common tool can be used efficiently and resourcefully to assess the strengths, weaknesses, opportunities and threats of business[7]. Strengths and weaknesses are from internal enviroment while oppotunities and threats are from external environment.

The Awareness Pyramid

The pyramid awareness introduced by Aaker in 1991 to measure brand awareness of company stands. There are 4 level of stage which are Top of mind, brand recall, brand recognition, and unaware of brand. On stage unaware brand customers not aware at all with brand presence, next stage brand recognition is the condition where customer can recognize brand with assistance in the from of logo, slogan, product and other attribute[8]. The third stage is brand recall, on this stage customer remember about the brand without any assistance, for instance, when we mention about category of product, customer can remember more than one brand to be choosen[9]. The final stage Top of mind define the brand comes to customer mind when think about specific goods, object, product, or service.

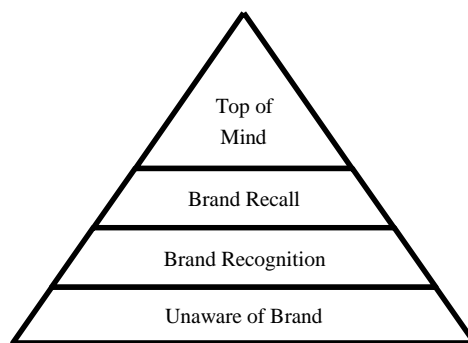


Figure 1. Awereness Pyramid by Aaker

Integrated Marketing Communication

Based on Kotler Integrated Marketing Communication Integrated Marketing Communication (IMC) is marketing strategy to communicate the same message across all marketing channels[10]. IMC tries to maximize the communication process with positive messages in order to smoothen the relationship between brands and customers. A strong, consistent, and clear message is an important key in marketing. So, one of the main benefits of IMC is that companies can effectively increase brand awareness. There are 5 major tools communication in IMC which are advertising, sales promotion, direct and digital marketing, public relation and personal selling.

METHODOLOGY

This research were use quantitative and qualitative methodology. Quantitative research focused on numerical analysis of data collected[11]. The data can be gathered through polls, questionnaires, and surveys. In this research online questionnaire was created using google form and its get 179 respondents. The qualitative research involves collecting and analyzing non-numerical data for example text, video or audio to understand concept, opinions, or experiences[12]. On qualitative, the information can be obtained from observation, in depth-interview, open-ended questions, case study, or more. Qualitative in the research collect the primary data trough interview with head of marketing and assistance brand and public relation managers as representative from MR.DIY. In addition, The secondary data will use journal, article, news, book and observation.



Conceptual Framework

There are two conceptual framework of this research analysis; general framework and thematic framework. For the general framework using SWOT. The result of questionnaire will be use for thematic framework which is awareness pyramid. Then integrated marketing communication will be use for business solution.

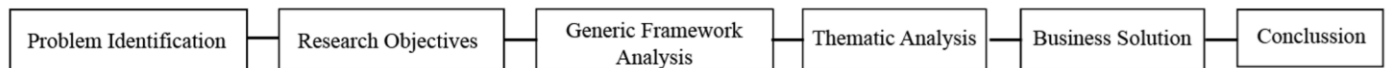


Figure 2. Conceptual Framework by Author

FINDING AND ARGUMENTS

Generic Framework Analysis

Table 1. SWOT of MR.DIY

Strengths	Weaknesses
<ul style="list-style-type: none"> - MR.DIY has more than 350 stores throughout Indonesia so it's easy to be found - Spacious store size with an average of 1000m2 making for a comfortable shopping experience - Complete product categories for home improvement retailers with up to 18,000 types of goods sold at affordable prices - Employees are the valuable asset it proves by they provide training centre and regulary held training to its employees - Opening more shops requires more workers, thereby reducing Indonesia's unemployment rate 	<ul style="list-style-type: none"> - MR.DIY still on early stage development business therby need more awareness - Business model that is easy to imitate because there is no significant difference except size and price for a store - Thin profit margins because mostly products of MR.DIY are cheap. Only a few high price product. - With slogan "always low prices" means MR.DIY communicate the products are cheap. Sometimes, price determines quality. Its difficult for people who buy products based on quality to come to MR.DIY and prefer choose other retailers.
Opportunities	Threats
<ul style="list-style-type: none"> - The presence of e-commerce can benefit MR.DIY in order to increase profits and reach many customers. - Due to the easing of PSBB, promotional activities can be maximized - Expansion to small areas in Indonesia can open up opportunities for MR.DIY become the top of mind local communities of looking for the home improvement equipment because not many other retailers can expand the store as massively as MR.DIY 	<ul style="list-style-type: none"> - Tight competition in the digital era not only opens up opportunities for MR.DIY but also poses a threat, based on data, people are starting shifting to shop online. - Government regulations to establish a modern store depends on the respective regional policies. This is a threat to MR.DIY in its store expansion throughout Indonesia - Many local shop or SME dares to sell product at very low prices with the same type like MR.DIY - Threats from people's purchasing power due to unstable economic factors such as the pandemic and the conflict between Russia and Ukraine which caused world economic activities disrupted that make inflation occurred in several countries.

Thematic Analysis

179 respondents were participate in the questionnaire, one of question regarding the respondents perception about MR.DIY store 34.64% said they don't have idea, 22.35% said MR.DIY is furniture store, 12.3% department store, 9.5% are interest and had various items, 8.4% said accessories store, 7.8% said home improvement store, 4.5% said building material store, and 0.5% said competitor of ACI. It can be conclude only 7.8% are correct perceive MR.DIY as home improvement retailer. The other question are applied on the pyramid awareness, as follow:



1. Unaware brand stage

This stage is first level of awareness means customers not aware at all with brand presence. In the figure below, 70.4% recognize MR.DIY the rest respondents are not aware (29.6%). Respondent mainly knew MR.DIY from entering to the store, then family/friends, social media and the last from website.

2. Brand recognition

In this stage it can be said the customer have a memory about the brand. The respondent shows that logo of MR.DIY are most memorable (40.8%), next is the product price (25.1%), jingle music (14%), their slogan "Always Low Prices" (11.2%) and services (6.1%). Some of them also remember the product availability in the store. MR.DIY has reach brand recognition stage.

3. Brand recall

Since MR.DIY has 10 categories, author give several shopping preference option which are the competitors for each categories and respondent can give scale 1 less preferred to 3 more preferred. For hardware category, MR.DIY had the highest point in scale 2 means respondent prefer to buy hardware tools but the competitor SMEs got the highest point on scale 3 it define that respondent most preferred going to SMEs to bought hardware tools rather than to MR.DIY. On household category Ecommerce got the highest point on scale 3 slightly difference with MR.DIY. For electrical, MR.DIY reach 91 respondent in point 2 means they preferred go to MR.DIY for buying electrical, but still SMEs become most prefer shopping place to buy electrical items. While furnishing category, MR.DIY got the most prefer store from the respondents. On car accessories show that official dealer still be the choice of respondent with the highest point on scale 3 (97), then SMEs (70) and Ace Hardware (62). Respondent answer on stationary and sport category they most prefer to buy from e-commerce (96), MR.DIY (89), and SMEs (84). Nevertheless, they also prefer to buy from ace hardware. In addition, E-commerce still be the highest most prefer place to buy Toys. Computer and handphone category shows official stores are the most prefer for respondents (108), followed by E-commerce (89) and MR.DIY (58). For jewellery and cosmetics category, E-commerce most prefer place to buy at. While MR.DIY shows the respondent prefer to buy in MR.DIY but there is slightly difference with less prefer option. The last category is Gifts, MR.DIY chosen by 102 as most prefer place to buy gift category (102). After reviewing on the 10 category, only two categories which are gifts and furnishing that become most preference option shop to MR.DIY.

4. Top of Mind

From the majority respondents answer 67.6% show MR.DIY not the first choice to buy home improvement equipments.

From the analysis above MR.DIY only reach on brand recognition stage and most of them still not educate well what MR.DIY is. Therefore, MR.DIY should more aggressive to promote their products and educate public about MR.DIY appropriate positioning.

Business Solution

How to increase brand awareness and educate public about MR.DIY appropriate positioning? The solutions that author proposed is Integrated Marketing Communications (IMC). There are 6 step to make IMC effective for MR.DIY which are set target audience, determine communication objectives, design the message, choose communication channel and media, select the message source and collect the feedback.

1. Set target audience

Brand should set the clear target audience to ensure the brand communication message are attractive to them. MR.DIY set target market to all family member, men and woman with low to middle income all over Indonesia with the bullseye target is mother since mom still be decision maker on family.

2. Determine communication objectives

The company's objective not only to make customer move to buying the products but also make a positive engagement and active awareness that lead to long relationship between brand and its customers. Since the problem faced by MR.DIY are lack of brand awareness and brand gap communication. Therefore, the communication objective of MR.DIY are enhance the awareness and educate public about appropriate positioning.

3. Design the message

MR.DIY can make a message with suggest tagline #SolusiMurahUntukRumah which means MR.DIY provide solution for all home needs with affordable price. The theme use emotional type because nowadays the content that gets a lot of attention and goes viral are the content that is driven by the emotions. In addition, message structure present product strengths and strong arguments can be place in the beginning ads. meanwhile, either print or video ads must unique and attract the audience.



4. Choose communication channels and media

Under the concept of integrated marketing communication there are tools for communicating with customer and stakeholders in order to deliver a clear and attractive message which coordinate each other. The tools called marketing communication mix or promotion mix, it consist of Advertising, Sales promotion, Public relations, Direct and digital marketing, and Personal selling.

Table 2. Proposed Marketing Communication Mix

Marketing Communication Mix	Proposoed Promotion
Advertising	-TV -Billboard -Ads social media -Brochure -Radio -Newspaper focus on digital
Sales Promotion	-Digital coupon -Loyalty program -Event marketing or event sponsorship -Seasonal discount -Cashback -Prize games
Public Relation	-Website blog about tips and trick home improvement -Corporate Social Responsibility held regularly -Use influencer to make vlog and blog -Internal magazine -Corporate identity
Direct and Digital Marketing	-Create content on all social media -Create account Twitter -More active on Tiktok -Email Marketing -Whastapp Business and chat bot in whatsapp & website - Online calatogue in website
Personal Selling	-Staff offers assistance and inform discount promotions to customers -Media promotion in store (wobbler, banner)

5. Select the message source

The impact of a message depends also on how the target audience perceives the communicator. Its important to choose the communicator of message. A more credible communicator is usually more persuasive and highly trusted by customers. MR.DIY already has brand ambasador representing happy family which Dona Agenisa and Darius, also Indy barends that represent mothers. Suggestion for MR.DIY is use influencer or artist that more popular in the year that still represent happy family or mother. MR.DIY can collaborate with Ayu ting-ting, Tasyi Athasyia, Titi Kamal and Christian Sugiono. Ayu tingting is multitalented artist in indonesia, she can be dangdut singer, presenter, comedian and youtuber. No wonder she has more than 50 million followers on her instagram, she like to show up with her kids named Bilqis and her father Ayah Ojak. Content in Ayu ting-ting channel youtube mostly about her and family. This profile match with MR.DIY which shows the happy family. Tasyi Athasyia is social media influencer who like to review foods and home improvement stuff. She has strong mom personalities and had influence many people to buy the product that she used, it shows in their followers testimonial on her instagram. Titi kamal and Christian Sugiono are such couple goals indonesian artist, have two kids, and like to upload the family photos. They inspired followers trough their harmonious family.



6. Collect feedback

Gathering feedback from a campaign or message of brand material is the final phase. The audience can be polled for input via a questionnaire. how frequently they saw the advertisement, their perception of the brand, and how they felt about it. Is it a lead to purchase or until the advocacy to others. This helps businesses identify the most effective marketing strategies and assess the availability of products and/or services.

CONCLUSSION

MR.DIY count as new player in home improvement retail in Indonesia. eventough there is no head to head competitor still company should be careful on the possibility ahead since the industry is very promising especially in Indonesia. Therefore develop brand awareness is important for company to ensure long-term sustainability. In addition, a clear, consistent and strong message are needed to spread in all touchpoints of potential customer in order straighten the brand message value. Author proposed integrated marketing communication including the promotion mix as the answer of the problem faced. By implementing these strategies, the author expected brand awareness of MR.DIY to increase and more engage with customers and there is no gap communication between brand and customers as well as more customers will come to the store.

REFERENCES

1. Researchandmarket.com. (2021) ASEAN Home Improvement Market (Indonesia, Singapore, Philippines, Thailand & Malaysia): Insights & Forecast with Potential Impact of COVID-19 (2021-2025). Retrieved February 2022 from: <https://www.researchandmarkets.com/reports/5504443/asean-homeimprovement-market-indonesia>
2. PWC.com. (2020). Rapidly changing behaviours in 2020 are accelerating consumer embrace of digital, health, and sustainability trends, says PwC Global. Retrieved February 2022 From: <https://www.pwc.com/id/en/media-centre/press-release/2020/english/rapidly-changing-behaviours-in-2020-areaccelerating-consumer-embrace-of-digital-health-and-sustainability-trends-says-pwc-global.html>
3. Nurhayati-wolff, H. (2022). Shopping Mindset Change Since COVID-19 Among Consumer Indonesia. Retrieved February 2022 from <https://www.statista.com/statistics/1234075/indonesia-shopping-mindset-change-since-covid-19/#statistic> Container
4. Ekarina. (2020). Strategi Banting Harga Perabotan MR.DIY untuk Gaet Pelanggan. Retrieved June 2022 from: <https://katadata.co.id/ekarina/brand/5fc0b120431ce/strategi-banting-harga-perabotan-mr-diy-untuk-gaet-pelanggan> [Accessed on June 15, 2022]
5. Euromonitor.com. 2022. Home and Garden Specialist Retailers in Indonesia. Available From: <https://www.euromonitor.com/home-and-garden-specialistretailers-in-indonesia/report#>.
6. Briliana, V., and Aulia, D. (2017). Brand Equity Dimension and Consumer Behaviour in Social Media Vol 12 Issue 2. South East Asia Journal of Contemporary Business, Economics and Law. ISSN: 2289-1560.
7. Benzaghta, M. A., Elwalda, A., Mousa, M. M., Erkan, I., & Rahman, M. (2021). SWOT analysis applications: An integrative literature review. Journal of Global Business Insights, VOL 6(1), 55-73. <https://www.doi.org/10.5038/2640-6489.6.1.1148>
8. SeoZoom. (2020). Brand Awareness: What It Is and Why We Should Improve It. Retrieved July 2022 from: <https://www.seozoom.co.uk/brandawareness-what-it-is-and-why-we-should-improve-it/>
9. Faadilah, K. (2022). Merek Makin Dikenal. Retrieved July 2022 from: <https://dailysocial.id/post/piramida-brand-awareness>
10. Kotler, P and Armstrong, G. 2021. Principles of Marketing 18th Edition. Pearson Education Limited. ISBN 10: 1-292-34113-0.
11. Bhandari, P. (2020). What Is Quantitative Research? | Definition, Uses & Methods. Retrieved March 2022 From: <https://www.scribbr.com/methodology/quantitative-research/#:~:text=Quantitative%20research%20is%20the%20process,generalize%20results%20to%20wider%20populations>
12. Bhandari, P. (2020). What Is Qualitative Research? | Definition, Uses & Methods. Retrieved March 2022 From: <https://www.scribbr.com/methodology/qualitative-research/>

Cite this Article: Kenang Stadini Brilianthi, Asnan Furinto (2022). Proposed New Marketing Strategy for Home Improvement Retailer: Case Study of MR.DIY Indonesia. International Journal of Current Science Research and Review, 5(9), 3358-3363