



## Proposed Service and Marketing Communication Initiatives to Strengthen Blibli Positioning in E-Commerce Industry

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**ABSTRACT:** Since the beginning of the pandemic, the trend of online shopping in Indonesia has been increasing as people are reluctant to shop outside their homes. This triggered the growth of the e-commerce industry, which then resulted in high competition in the industry. Each company provides a wide selection of products and competitive prices to increase sales. Blibli, as one of the leading e-commerce companies in Indonesia under Djarum Group, believes that there needs to be other initiatives beyond price and product variety to strengthen the company's position. Blibli is committed to providing convenience and security in shopping by providing maximum service. By using primary and secondary data, the author analyses conditions of competitors, customer segmentation that prioritizes services, and how to effectively communicate the services that Blibli has. Primary data is obtained through questionnaires distributed to active users of e-commerce. Through the research conducted, it can be concluded that Blibli's main competitors (Tokopedia and Shopee) currently do not use services as a differentiator. The author also proposes customer segmentation, namely the millennial generation, who are aware of the importance of service in online shopping. Blibli's "positioning" proposed in this research is basically in accordance with Blibli's current "positioning," but Blibli needs to update its marketing communication strategy so that customers understand Blibli's advantages. The proposal submitted by the author is expected to help Blibli strengthen its position in the industry as a company that always prioritizes customer satisfaction through excellent services.

**KEYWORDS:** Customer segmentation, E-commerce, Marketing communication, Online shopping, Service.

### INTRODUCTION

Based on data from the Ministry of Cooperatives and Small Medium Enterprises in Indonesia in 2021, there has been an increase up to 26% of online shopping transactions since the beginning of Covid-19 pandemic. The pandemic along with high internet penetration and growing digital ecosystem were believed to drive the increase of online shoppers in Indonesia. E-commerce is one of the most popular platforms for people to shop online. Moreover, for top e-commerce, customers are very comfortable shopping through their applications due to the wide product choices, competitive pricing, and seamless shopping journey. Tokopedia, Shopee, Bukalapak, Lazada, and Blibli are currently the most well-known e-commerce in Indonesia. Each company has their own competitive advantage that aims to win the market, but most of them are highlighting price and product variations as their differentiation.

Merchant	Monthly Web Visits	AppStore Rank	PlayStore Rank	Twitter	Instagram	Facebook	Number of Employees
1 Tokopedia	157,233,300	#2	#3	1,000,000	5,194,660	6,518,940	7,409
2 Shopee	132,776,700	#1	#1	778,100	8,518,710	25,087,130	6,232
3 Lazada	34,686,700	#3	#2	464,000	3,132,270	31,833,880	1,447
4 BL Bukalapak	23,096,700	#7	#7	239,300	1,857,790	2,511,780	2,915
5 Blibli	16,326,700	#6	#5	573,600	2,152,230	8,676,930	2,768
6 Ralali	8,883,300	#22	n/a	3,830	53,190	90,740	196
7 JD ID	2,546,700	#8	#6	57,300	646,160	1,021,070	1,577
8 Bhinneka	2,360,000	#16	#12	66,100	42,220	1,028,810	606
9 Jakmall	825,000	#19	#13	3,600	53,810	99,020	101
10 Matahari	737,800	#9	n/a	91,100	1,758,870	1,559,940	700

Figure 1. Performance of Indonesian top 10 e-commerce (Q1 2022)

Source: iPrice, 2022



Since all the e-commerce companies are doing the same effort in expanding product selection and offering competitive pricing, product and price cannot build differentiation in an e-commerce company. Blibli believes that service can create differentiation in a very competitive e-commerce market. Since not all companies believe that customer experience is highly valuable, some of them are not willing to invest a lot in developing excellent service experience. Blibli is taking this as an opportunity to win the customers. To establish a strong competitive advantage and enhance its position in the market, the company needs to solve several questions based on three aspects: competitor, customer, and communication. Here the questions: (1) Who are our main competitors that provide the best service quality? (2) What are the services provided by the competitors, and where is our position? (3) How far have they used those services as a differentiator? (4) Who are our customers and their segmentations? (5) How much do they value services in online shopping? (6) How will customers respond to the services that we provide? (7) Is the positioning that we propose with service as the differentiator in line with our current positioning? (8) How is the action plan or execution of the communication strategy?

## LITERATURE REVIEW

### Service Quality

Service can be defined as activities or benefits offered for sale that are essentially intangible and do not result in the ownership of anything (Kotler & Armstrong, 2017). Service quality can be defined as an overall judgment of a customer towards difference between expectations of service and perceived service (Zeithaml, 1988). Customers tend to compare their perceived and expected service while they are shopping online.

Perceived an expected service quality is well explained through Grönroos Model of Service Quality (The Nordic Model). Grönroos identified two service quality dimensions: technical service quality (the outcome or what customer receives from the service), and functional service quality (how the service is delivered).

Other instrument that is commonly used to measure consumers' opinions of service quality is the SERVQUAL instrument which was developed by Parasuraman (1988). It is a multi-item instrument to quantify the difference between customer's service expectations and that customer's perception of the actual service received. Parasuraman presented five dimensions of service quality: reliability, responsiveness, assurance, empathy, and tangibility.

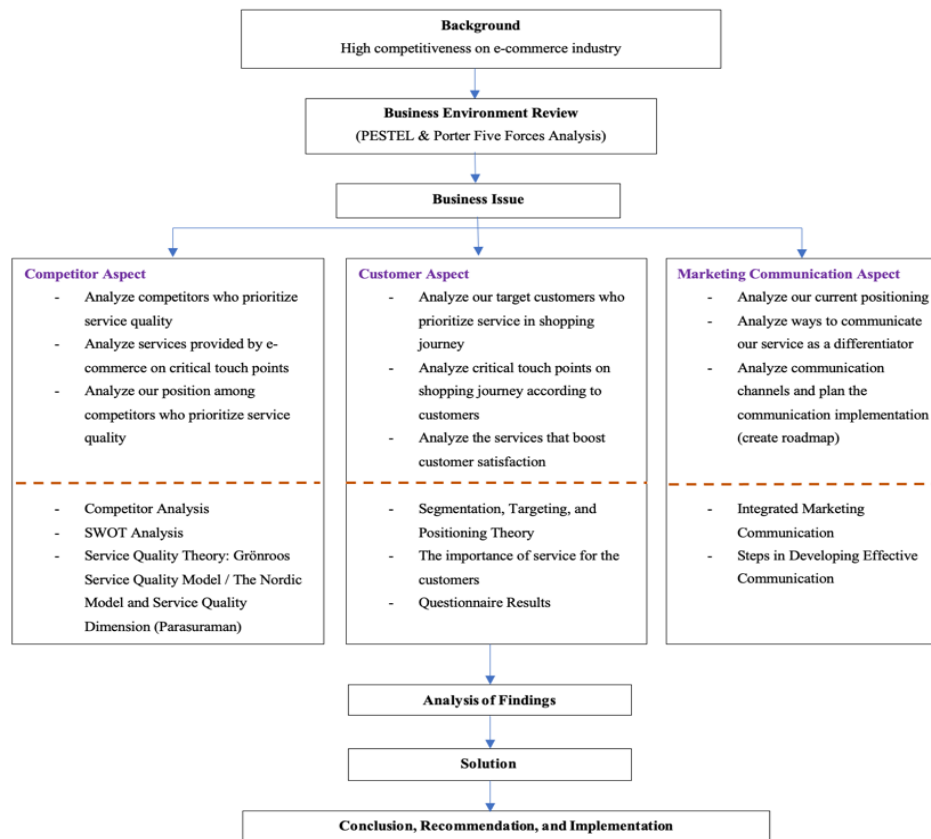
### Segmenting, Targeting, and Positioning Theory

Each market segment consists of a group of customers who share same set of needs and wants. Marketer's task is to identify the market segments and decide which market segment(s) to target (Kotler & Keller, 2016). Smaller market segment helps the business to reach customers efficiently and effectively with products and services that match their unique needs (Kotler & Armstrong, 2017). Market targeting is assessing the desirability of each market segment and choosing one or more categories to enter. Positioning is the process of arranging for a product to hold a clear, distinct, and desired place in the thoughts of target consumers relative to competitors. Companies have to understand positioning principles in order to build an effective competitive position. To be successful, it must identify and promote itself as the top provider of critical attributes which are important to its target clients (George Day, 1990).

### Marketing Communications

It is important for a company to implement an effective and integrated marketing communication strategy. There are eight steps in developing effective communications: identifying the target audience, setting the communication objectives, designing the communications, selecting the communication channels, and establishing the total marketing communications budget (Kotler et al, 2016).

**RESEARCH FRAMEWORK**



**Figure 2.** Research Framework

The research starts from the current situation of e-commerce industry, then elaborates more about the business issues along with correlated theories and frameworks to obtain deeper analysis. The issues will be classified into three aspects: competitor aspect (competitor identification and our current position), customer aspect (customer segmentation), and also marketing communication aspect (how to communicate our differentiation).

Author is doing analysis based on data obtained from primary (questionnaire regarding service experience of e-commerce customers) and secondary data from journal, research, books, and articles. To ensure the validity of all respondents, there are two points to filter the respondents. First is the respondents have used one of the following e-commerce: Tokopedia, Shopee, Blibli, Lazada, Bukalapak, second is they have been using one of those e-commerce mentioned within the last 2 months – indicating that they are active users.

**FINDINGS**

Based on the research and analysis that have been conducted, there are several findings that can be used to develop enhancement initiatives for Blibli in the future.

**Blibli Primary Competitors**

Based on questionnaire results, it can be concluded that our closest competitors are e-commerce companies that prioritize service: Tokopedia and Shopee. There are three main insights related to the findings: competitors' strength points are related to price and product variety, basically both competitors are offering the same kind of services, and the easiness to access our services has differentiate us from the competitors.



**Competitor’s Service Performance**

In this research, the author analyses current respondents’ satisfaction regarding overall performance service and services on some critical touch points (UI experience, payment, product delivery, customer service, and return). Majority of the respondents said that they are satisfied and quite satisfied regarding overall service. Among all the services provided in critical points, highest scores go to product delivery and UI Experience.

**Identification of Blibli Differentiation**

Based on the answer of open-ended questions in the questionnaire and author analysis regarding the uniqueness of Blibli, there are some points that successfully distinguish Blibli among its competitors: excellent complaint handling, rapid delivery, sense of security while shopping, and also quick product return process.

**Our Current Position**

Through the questionnaire, we also identified the customers’ awareness of Blibli. Among 119 respondents, 111 people are active users of e-commerce and 69 of them (62,2%) have been using Blibli to fulfil their needs. Among all the respondents, 50% or half of the respondents said that Shopee advertisement is the one that they see most often, 37% said Tokopedia, and 9% said Blibli.

**Customers Perception Regarding Service**

Majority of the respondents agree that service is an important part of online shopping journey. Through the survey, it can be concluded that there are several service aspects which are considered most important by the customers: user-friendly applications, fast and guaranteed payments and delivery, and highly accessible CS.

**Blibli Customer Segmentation**

Based on the analysis of data collected through questionnaires, the author summarized Blibli customer segmentation as below:

**Table 1.** Proposed Customer Segmentation

Segmentation	Blibli
Geographic	Jabodetabek area
Demographic	<b>Gender:</b> female and male <b>Age:</b> 21-45 years old <b>Education:</b> Bachelor’s degree (D3 or S1 graduate) <b>Income level:</b> middle to high income
Psychographic	<ul style="list-style-type: none"> <li>- People who are considered as wise customer who buy products based on their needs (either functional or emotional needs)</li> <li>- People who will only buy products that give them equivalent benefit or worth the price</li> <li>- People who are not too impulsive and have some considerations before buying products</li> <li>- People who are willing to utilize service facilities provided by e-commerce, especially if they are facing any issues</li> <li>- People who understand the significance of taking care of their appearance and health</li> </ul>



<b>Behavioral</b>	<p><b>Needs and benefits:</b> Blibli is the best online shopping destination for people who are seeking for seamless and trusted shopping experience, who will confidently buy relatively expensive products online without feeling worried due to its excellence service and guarantee which are very customer centric.</p> <p><b>Decision roles:</b> based on their own preference, product information on the internet, and product review listed on e-commerce applications and social media.</p> <p><b>User status:</b> active customers who used to look for their needs through e-commerce</p> <p><b>User rate:</b> medium to heavy user who shops at e-commerce minimum once a month</p> <p><b>Buyer readiness stage:</b> awareness and knowledge stage</p>
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**Customer Engagement and Preference Regarding E-commerce Advertising Materials**

Nearly half of the respondents (49,5%) understand the message conveyed in e-commerce communication materials. Through the questionnaire, we are also asking about what attracts the respondents to pay attention to an advertisement or marketing communication content. Among all promotional content materials available in the market, 72,1% are attracted to advertisement which contain information related to discount or promotional activities such as national online shopping day (Harbolnas) and e-commerce birthday promo.

**SOLUTIONS**

The analysis of competitors, customers, and marketing communications results in various recommendations for future improvements to Blibli's services and marketing communications. Below is the summary of recommendations:

**Table 2.** Summary of Recommendations

No	Aspect	Initiatives	Remarks
1	Competitors	UI Enhancement	Product arrival information (Figure
2			Virtual Try-On Feature
3		Instant Product Delivery Advancement	
4		Blibli Customer Service Centre	
5	Customers	Customer Loyalty Program: Personal Shopper	
6		Product Advisor for Customers	
7		Special Treatment: Gift Wrapping Service	
8		Product Return Advancement	
9	Marketing Communications	Instagram Accounts for Blibli Winning Categories	
10		Product Reviews and Tutorials on Instagram Reels	

11	Promoting our Customer Heroes Through @blitsbybibli	
12	Educating the Customers through Giveaway and Quiz	
13	Refinement of Blibli.com YouTube Channel	

Here are the implementation of UI enhancement initiatives proposed by the author:



**Figure 3.** Proposed Product Arrival Information Display on Blibli App  
**Source:** author docs



**Figure 4.** Proposed Virtual Try-On Feature on Blibli App  
**Source:** author docs

**CONCLUSION**

This research is conducted in order to propose service and marketing communication initiatives to enhance Blibli positioning in the market. Based on the findings and recommendations explained above, these following conclusions are developed:

1. Shopee and Tokopedia are Blibli's primary competitors since they are leading e-commerce in Indonesia that provide similar services with Blibli . From the data analysis, it can be concluded that both of them are the top two e-commerce companies in terms of active user numbers and service quality, while Blibli is in the number 3 based on respondents' opinion.
2. None of the competitors are utilizing service as its differentiation. Instead, they are focusing on discounts and product variety. Hence, this is a good opportunity for Blibli to enhance its positioning as an e-commerce that prioritize service.
3. Blibli customer segmentations are active millennials and adults who value service in their online shopping experience and active users of online applications.
4. The positioning proposed in this research is in line with Blibli current positioning. Many customers are choosing Blibli due to its service and agree that it is a point that distinguish Blibli from the competitors. However, Blibli needs to improve its marketing communication activities to strengthen its positioning and let customers know Blibli has the best quality services among customers.

**Implementation Plan**

No	Aspect	Activity Plan	July		August				September				Remarks	
			W3	W4	W1	W2	W3	W4	W1	W2	W3	W4		
1	Competitor	UI Enhancement												Adding product arrival information and Try On feature on beauty and



													fashion category)
2		Product Delivery Improvement											
3		Establishing Blibli Customer Service Center											Blibli Offline Store
4	Customer	Customer Loyalty Program: Personal Shopper											
5		Product Advisor for Customers											
6		Special Treatment: Gift Wrapping Service											
7		Product Return Advancement											
8	Communication	Establishing Instagram accounts for winning categories											Electronic category (@blibli elektronik) and Bliblimart category (@blibli mart)
9		Product Reviews and Tutorials on Instagram Reels											
10		Promoting our Customer Heroes through @blitsbybibli											
11		Educating the Customers through											





	Giveaway and Quiz										
12	Refinement of Bibli.com Youtube Channel										

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