Implementing Growth Hacking Taxonomy to Increase Customer Growth in Small Business: Bloca Brand

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ABSTRACT: Indonesia is one of the Southeast Asian nations with the greatest economic activity. Micro, small, and medium enterprises (MSMEs) are one of the sectors that support the economy in Indonesia. Local fashion brands are gaining popularity in current conditions. The fashion sector has grown over the past year, every year the new brand has come which makes the competition stronger than before. This phenomenon occurred due to the fact that fashion is not only for primer needs, but it also reflects social and economic status, which is commonly related with popularity. Growth hacking can be characterized as the concept of online marketing. Using techniques of viral content distribution in social media, growth hacking operations aim to attract the greatest number of customers at the lowest possible cost. The second, equally vital objective is to retain customers by influencing their fantastic experiences through continuous product improvement and development. This research aims to find the best marketing strategies using growth hacking taxonomy to increase customers and the implementation plan of proposed strategies. The Author utilizes descriptive statistics and content analysis to analyze the collected data from questionnaires. The research found that the customer expectation is at a very high rate but the growth of the customer is unstable, even though the brand had collaboration with several influencers and other brands. Author indicates that the only online platform that the brand uses is Instagram with the story feature, meanwhile the duration of the feature only lasted for 24 hours. The Author proposed marketing strategies based on the customer lifecycle stage on growth hacking. Acquisition: Leverage other people's audience, Activation: Learn flow on boarding, Revenue: Depiction of scarcity, Retention: Increase value, Referral: Automated sharing.

KEYWORDS: Brand Awareness, Customer Perception, Customer Expectation, Growth Hacking.

1. INTRODUCTION

Indonesia is one of the Southeast Asian nations with the greatest economic activity. Micro, small, and medium enterprises (MSMEs) are one of the sectors that support the economy in Indonesia. The classification of small and medium-sized businesses is outlined in government regulation no. 7 for 2021, entitled Facilitation, Protection, and Empowerment of Micro, Small, and Medium-Sized Businesses. Legal Contracts, PP MSMEs Articles 35 and 36 govern the classification of SMEs (Small Medium Enterprise). These articles classify MSMEs according to their venture capital and annual revenue. According to the paper, when determining the MSME group, the ministry must also examine additional aspects.

The growth of micro, small and medium in Indonesia increased significantly year by year until 2019. The Ministry of Cooperatives and Small and Medium Enterprises reported in 2019 that the number of micro, small, and medium enterprises (MSMEs) reached 65.47 million units. This amount climbed by 1.98% over the previous year's 64.19 million units. This circumstance causes revenue to reach 99.99% of all firms in Indonesia, whereas only 0.01% of large businesses.

The fashion sector has grown over the past year, every year the new brand has come which makes the competition stronger than before. This phenomenon occurred due to the fact that fashion is not only for primer needs, but it also reflects social and economic status, which is commonly related with popularity. Several factors influence the growth of fashion trends in Indonesia, including the mass media, the entertainment industry, the economic world, and the internet. According to the Creative Economy Agency (Bekraf), the fashion industry is the second largest contributor to Indonesia's creative economy at 18.01%, with a 4.05% GDP growth rate.

Bloca is one of the local fashion brands that focus on accessories launched in early 2021. Bloca already sold many products such as strap masks, bag strap, cardigan, etc. In several moments, Bloca collaborated with other brands like Corkcicle Indonesia and participated in several prestigious offline fairs like Market Museum. Also, collaborating with influencers for brand activation

strategy, this strategy produces customer loyalty with a high number of repurchase rates. Bloca has a business issue such as unstable customer growth that needs to be clear with some other strategies.

Growth hacking is one of the concepts of marketing communication activities. It was born in the environment of American startups and is associated with low expenditures on marketing communication. Currently, it is used not only by the smallest commercial and non-commercial organizations. (Miotk, Anna. 2018). Generally, this strategy is required by all business models, whether they are startups or well-established corporations. Because constant change in the corporate environment cannot be denied. This constant change needs business professionals to always think creatively, be able to solve challenges, and discover the most effective means of advancing their businesses. On the other hand, the business must utilize the budget as efficiently as feasible. Because promotion and advertising costs are typically extremely high.

2. LITERATURE REVIEW
2.1 Growth Hacking
Growth hacking is a marketing strategy that was invented in the 21st century by American startup entrepreneurs. Its origins are related to digital products and e-marketing tools whose growth was entrenched in the emergence of new technology and the economic digitization processes. (Anna Miotk, 2018). In a public situation characterized by rapid technology growth and overwhelming digital revolution, alternative marketing approaches are always prioritized over traditional media strategies such as radio, print, and television. Along these lines, the development of innovative decision-making procedures generates new marketing approaches (Herttua, Jakob, Nave, Gupta, & Zylka, 2016). By combining thinking and technology, owners will be able to have an out of the box way to grow a business (MLT Creative,2016).

Growth hacking can be characterized as the concept of online marketing. Using techniques of viral content distribution in social media, growth hacking operations aim to attract the greatest number of customers at the lowest possible cost. The second, equally vital objective is to retain customers by influencing their fantastic experiences through continuous product improvement and development (Miotk, 2018). Growth Hacking strategies consist of data-driven processes conducted through low-cost channels in order to quickly grow the measurable metrics, as opposed to the traditional marketing methods, which are more focused on raising awareness through conventional media (Sukhraj, 2017)

There are several methods that can be used in growth hacking, but the most used marketing framework is "Funnel" of the pirates, capable of describing the customer's life cycle in the best possible way. This method describes new users flow through a five stages funnel: acquisition, activation, retention, revenue, and referral (Troisi, 2020)

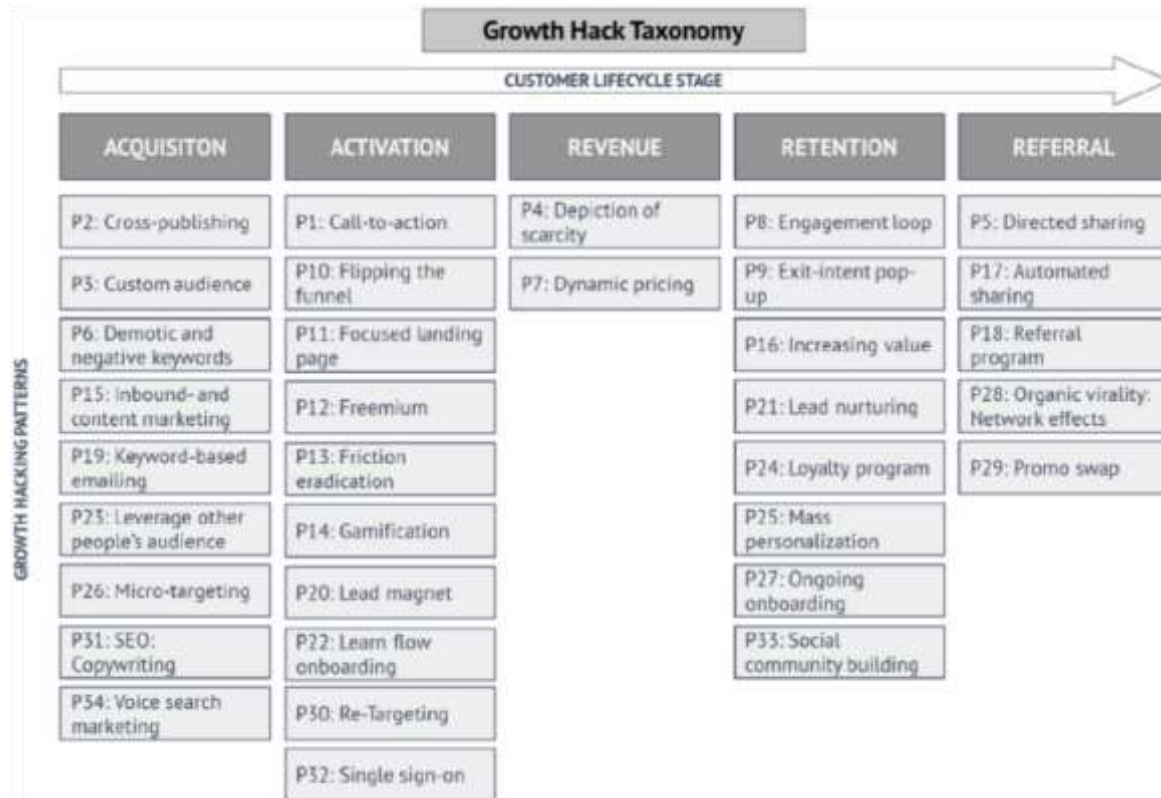|	
Acquisition	: How to make people recognize your name.
Activation	: How to provide users a positive initial experience
Revenue	: How to monetize them.
Retention	: How to keep customers coming back for more
Referral	: How to persuade them to tell others

Figure 2.1 Growth Hacking Pattern
Source: Bohnsack et al., 2019

2.2 Brand Awareness

Brand activation is a marketing mutual relationship between a brand and its consumers so that the consumers better comprehend the brand and consider it a part of their lives. Brand activation is the process of activating customers by creatively integrating all accessible communication channels. In its most basic form, brand activation is a road show in which firm employees bring a brand to the public so they can experience it. It's known as experiential marketing, and it's a popular strategy for creating brand experiences for consumers (Rashid Saeed, 2015)

In today's competitive market, it is not enough to offer functional or emotional product features to persuade buyers. Brand activation tends to be more persuasive than traditional marketing since the concept behind brand activation is to execute the brand in alternative methods. The true value comes in the potential that brand activation creates. Brand activation generates consumer, societal, and brand trust, which in turn generates brand loyalty. This loyalty generates repurchases and encourages consumers to share favorable word of mouth about the brand. This customer loyalty can be used for corporate expansion, with the primary difficulty being to maintain the existing relationship of trust between consumer and brand. Activation shifts the emphasis of core marketing, and the majority of advertising is devoted to activating a brand. There are numerous causes for this shift. Listed below are several explanations:

Information Selection: Individuals filter the information and obtain only the relevant portions. Customers were irritated by an excess of data.

- Relevancy: The importance of the message's relevance has increased significantly. Due to the irrelevant nature of many adverts, many individuals claim to be becoming bothered by advertising.
- Experience: Experience is a powerful persuasive tool. Therefore, the brand is not encountered through advertising. In the case of brand activation, a positive interaction with the brand is the most successful activation method (Rashid Saeed, 2015).

2.3 Expectation and Confirmation Theory

Expectation-Confirmation Theory (ECT) has been widely utilized in the field of marketing to assess satisfaction of customers and post-purchase behavior. This theory seeks to fully understand and explain the consumption process (Oh, 1999). Based on the Expectation Confirmation Theory (ECT), consumers pursue a process sequence in order to develop repurchase intent. The process begins prior to the purchase, when buyers develop their initial expectations about the goods or service. After initial use, consumers create opinions on the performance of a product or service and evaluate it in relation to their initial expectations (Halilovic, Cicic, 2013). Their level of satisfaction will be determined by the extent to which their perceived performance satisfies their expectations. Consumers who are satisfied create a repurchase intent, whereas unsatisfied customers stop use (Oghuma et al., 2016). ECT implies that product performance confirmation has a beneficial impact on customer satisfaction and, consequently, repurchase intention in consumer behavior (Oliver, 1980).

3. METHODOLOGY

This study employs both qualitative and quantitative research methods, with qualitative being utilized to comprehend thoughts, concepts, or experiences. Typically, it seeks to answer questions that demand an explanation as opposed to a simple yes or no. Quantitative is the collection and examination of numerical data. It can be used to identify patterns and averages, make predictions, analyze causal relationships, and generalize results to larger populations.

The qualitative research method uses in-depth interviews to gain data and information from inside the internal business, also, qualitative data is needed from outside the business (customer). The interview will be done by asking the participant by phone asking for consent to do face to face interviews, to top the validation of the data the interview will be done by face-to-face interview. The quantitative research method uses questionnaires as data collection method and plan to be distributed to 200 potential respondents based on a Malhotra book about marketing research study. The questionnaire will be conducted in google form and distributed using social media and email.

3.1 Sequential Mixed Method

Author uses a mixed-method approach to collect data. Multiple mixed method theorists have produced mixed method typologies. Mixed methods research designs combine both quantitative and qualitative methodologies to collect or analyze data in a single research study (Tashakkori & Teddlie 2003). Sequential Mixed Designs contain at least two strands that occur in chronological order (QUAN to QUAL or QUAL to QUAN). The conclusions drawn from the outcomes of the first strand led to the development of questions, collecting of data, and analysis of data for the second strand. The final conclusions are based on the findings of both study branches. The second strand of the investigation is undertaken either to confirm/disprove the first strand's inferences or to provide further explanation for the first strand's findings (Tashakkori & Teddlie, 2003). The qualitative method will use in-depth interview with the owner of the brand in objective to get information about the brand, products, current strategy, and business issue, while the quantitative method will use questionnaires to collect data.

4. RESULT AND DISCUSSION

4.1 Descriptive Statistics

Author wants to know how familiar the respondents are with Bloca. Based on the calculation, the average number of familiarities on Bloca brand is 4.48. The average number shows that most of the respondents are familiar with Bloca. From 152 respondents, 62.3% of the respondents first know Bloca from Instagram, 25.2% from friend recommendation, and 12.8% from Tik tok while for the other Twitter and Advertisement are 0%.

Table I. Average Index on Brand Awareness

Indicator	Scale					Average
	1	*2*	*3*	*4*	*5*	
How familiar are you with Bloca	1	2	16	36	96	4.48

On the customer perception section, the respondents were given 5 choices regarding their considerations in buying products at Bloca, where the respondents will rank from the first priority to un-priority, represented on scale 1-5. Based on the average calculation, the first consideration the respondent buys from Bloca is the uniqueness and authenticity of the products with average number 4.49. The second consideration is the product quality with average number 4.04, followed by brand exclusivity on the third rank with average 3.53, brand reputation on the fourth rank with average 3.40 and the last is the price with average 2.97.

Table II. Average Index on Customer Consideration

Indicator	Scale					Average	Rank
	1	2	3	4	5		
Price	27	25	42	42	16	2.97	5
Product Quality	2	8	30	54	58	4.04	2
Unique and authentic products	1	2	15	37	97	4.49	1
Brand reputation	17	33	19	38	45	3.40	4
Brand exclusivity	23	9	31	42	47	3.53	3

The respondents were given 4 questions to see the customer expectation. The question was conducted in likert scale from 1-5 where 1 is totally disagree while 5 is totally agree. customer expectation question, experience from buying the products, repurchase rate, and recommending Bloca to the others. Based on the average calculation, the average values of customer expectation questions are 4.53, the average values of experience from buying the products are 4.25, the average values of repurchase rate are 4.43, and for recommending Bloca to the others the average value is 4.75.

Table III. Average Index on Customer Expectation

Indicator	Scale					Average
	1	2	3	4	5	
Customer Expectation Rate	0	1	11	47	93	4.53
Experience from buying the products	2	1	22	59	68	4.25
Repurchase Rate	1	4	11	48	88	4.43
Recommend to the others	0	3	5	19	125	4.75

To summarize the findings above, the customer expectation from quantitative analysis shows in Table II where the average is 4.53. This average is a very high number based on Table. IV with only several customers who didn't meet the expectation.

Table IV. Average Score of 5-points Likert Scale

Range	Indicator	Level
4.2~5.0	Strongly Agree	Very High/Most Urgent
3.4~4.2	Agree	High/Urgent
2.6~3.4	Neutral	Medium/Fair
1.8~2.6	Disagree	Low/Less Urgent
1.0~1.8	Strongly Disagree	Very Low/Least Urgent

4.2 Content Analysis

The number of positive statements in customer perception are 160 points and the negative statements are 3 points. The most positive category that respondents choose is the design of the product with 135 points, followed by the brand with 19 points and quality 6 points. On the other hand, the customer expectation positive statements are 164 points. Based on the result it can conclude that several customers didn't meet their expectations from buying Bloca. Therefore, Bloca needs some strategies to boost the customer expectation rate to increase the number of customers. In addition, the category with the most positive statements are design and quality, then the proposed strategy will utilize these two categories.

Table V. Comparison Customer Perception and Expectation Result

Category	Perception		Expectation	
	Positive	Negative	Positive	Negative
Design	135	1	85	1
Quality	6	0	56	5
Brand	19	1	10	0
Price	0	1	1	3
Stocks/ Purchasing process	0	0	4	17
Service	0	0	8	1
Total	160	3	164	27

The marketing strategies for Bloca are implemented from Growth hacking method. There are several methods that can be used in growth hacking, but the most used marketing framework is "Funnel" of the pirates, capable of describing the customer's life cycle in the best possible way. This method describes new users flow through a five stages funnel: acquisition, activation, retention, revenue, and referral. The five stages funnel is also called the customer lifecycle stage. Author proposed solutions based on the customer lifecycle stage, every stage has several patterns and every pattern has their own solutions. The most suitable patterns will be chosen for suitable solutions.

On the acquisition stage, the Author chooses to leverage other people's audience. The new brand is largely unknown. The members of the audience may begin to trickle in. By utilizing the power of these pre-built audiences, brands will be able to accelerate their own audience-building process, target the demographics that are most important, and establish potentially profitable connections with influencers, media sites, and non-competing companies. Author gives solutions to collaborate with other brands that already have an audience, this will help the brand to have a niche customer. The other is to find influential people and offer the premium product to them for free in exchange for a recommendation.

On activation stage, Author chooses to learn flow on boarding. Onboarding establishes each customer's relationship with the product and brand. Significantly increasing the likelihood that a consumer will remain with the brand long enough to become profitable is an initial positive experience. Customers who first had a positive experience are likely to be more tolerant if they encounter product issues in the future. Author solutions are Bloca needs to give recommendations to help find the right product that is suitable for customers. Because Bloca uses Instagram for purchasing methods, the Bloca Instagram admin is the one who needs to give the recommendation to the customer. On the other hand, Bloca can apply indirect recommendation by making interactive content about which color combination is suitable to each type of character.

On the revenue stage, Author chooses a depiction of scarcity. People are eager to obtain an innovative, life-altering product. Additionally, they are always on the lookout for a discount, especially when it comes to premium things. This is facilitated by social media, which exposes a larger audience to the advantages a company offers. Since Bloca products are premium and rare commodities, this is the best strategy to gain more revenue. First, the Author solution is triggering customers with products that are almost sold out by content update, followed by making content that shows which products are the best seller. Second, implement

limited special offers or promotions. Maintain a simple online presence: Avoid hard selling posts and concentrate on producing content that customers will find interesting.

On the retention stage, Author chooses to increase value. Increased value refers to a sell product that has been boosted with features that make it more valuable than before. It may be made more practical, appealing, appetizing, or user-friendly. The increased value is a clear statement to the consumer about the qualities that make a product worth more than the initial products and why it is superior to similar items offered by competitors. Increased value also can come from the services of Bloca, the after sales services need to be implemented.

On the referral stage, Author chooses automated sharing. Since the advent of social media, it's become possible for nearly any kind of content to quickly gain widespread attention. To make it happen Bloca needs people to share it. By including social sharing, it can make sharing an integral element of the user experience. The content share will be made without any brand participation. The objective of this strategy is to get viral in social media, this condition will make sharing content without any ask from the brand. Bloca needs to decide which social media will be used, and needs to consider which platform is in high demand. Then, make interesting content on it.

V. CONCLUSION

Bloca was established in 2021 as an Indonesian Fashion Brand that focused on accessories. The local fashion brands including Bloca are gaining popularity in current conditions. According to the Creative Economy Agency (Bekraf), the fashion industry is the second largest contributor to Indonesia's creative economy at 18.01%, with a 4.05% GDP growth rate. Bloca already sold many products such as mask straps, bag straps, cardigans, etc. In several moments, Bloca collaborated with other brands like Corkcicle Indonesia and participated in several prestigious offline fairs like Market Museum. Also, collaborating with influencers for brand activation strategy, this strategy produces customer loyalty with a high number of repurchase rates. Bloca has a business issue such as unstable customer growth that needs to be clear with some other strategies.

The research indicates that the existing marketing strategy is not highly effective. The activation only happens in short time in order to the duration of the story post in Instagram, more after the contents are finished, the number of followers also finished. Even though Bloca has a very high number of customer perceptions. Therefore, the Author proposed a marketing strategy by implementing a growth hacking method. Based on the customer life cycle stage in growth hacking, the most suitable strategy that Author choose are:

Acquisition	: Leverage other people's audience
Activation	: Learn flow on boarding
Revenue	: Depiction of scarcity
Retention	: Increase value
Referral	: Automated sharing

After proposing the suitable strategy, Author proposed the implementation plan to run the strategy. The implementation plan is held in 12 months and has a different timeline and has key performance indicators. The detail plan is described below:

Leverage other people's audience	: Collaboration with other brand and influencer endorsement
Learn flow on boarding	: Offering recommendation for suitable products
Depiction of scarcity	: Triggering customer with the almost sold-out products
Increase value	: Improve design and quality and conduct after sales services
Automated sharing	: Create interesting content to get viral

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