



## **Proposed Marketing Strategy to Increase Product Awareness Private Box (Case Study: CGV Cinemas Indonesia)**

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**ABSTRACT:** The entertainment sector is one of the most attractive industries for providing people's needs for physically, psychologically, and emotionally engaging entertainment facilities. Along with the community's desire for entertainment, many types of enterprises provide various types of entertainment in the form of products or services. In this situation, one of the most promising service enterprises in the sector of entertainment is the cinema. CGV Cinemas, as a one of leading company in this industry in Indonesia, see this opportunity and make a move to expand their business with launched their new product, which is Private Box. As a newest product, Private Box was launched in order to satisfy consumers' needs for privacy and exclusivity when watching films in cinemas by implementing an exclusive concept and providing an extensive variety of VVIP features and services. One year after its inception, public is still unaware of the existence of Private Box. The marketing that has been carried out by CGV Cinemas, but the result is not aligned with management expectations. Based on the results survey data and 5 why's analysis, the author conclude that the main problem that is faced by Private Box is the lack of product awareness. In the conceptual framework, the author conducts research through internal and external analysis. Internal analysis, which comprises STP analysis, Marketing Mix (7P's) Analysis, Resource Based Value, and VRIO analysis, is used to investigate the internal conditions of the company. External analysis includes PESTEL Analysis, Porter's Five Forces Analysis, and Competitor Analysis. Customer Analysis, SWOT analysis, and Root Cause Analysis will enhance the company's explanation. CGV Cinemas uses several tactics as a strategy in promoting the Private Box, but the results are still not appropriate with the management expectation. According to the analysis, it happens because there is no coherence and consistency of the CGV Cinemas strategy. In terms of the formulation, the author conclude that variables in the strategy formulation are still not well-defined. According to this situation faced by Private Box, the author proposed a new formulation of marketing strategy to increase the product awareness of Private Box with used a new formulation of Segmentation, Targeting, Positioning (STP), and Proposed Integrated Marketing Communications Strategy. In Segmentation, Targeting, and Positioning (STP) Strategy, the author proposed to make a new formulation with separated the segmentation of Private Box into three type of segmentation which is Primary, Secondary and Tertiary. This new formulation can be the main foundation for the next strategy that the author proposes in this research, namely Integrated Marketing Communication. In this strategy, several things become fundamental aspects in developing a Private Box marketing strategy, especially within the scope of directed promotion with measurable results.

**KEYWORDS:** Cinema, Exclusive Product, Integrated Marketing Communication, Private Box, Product Awareness.

### **INTRODUCTION**

Cinema is one type of service firm in the sphere of entertainment where this space is created in such a way that the audience can appreciate a documentary work and then be enjoyed in that place. In Indonesia, Cinema is one of the subsectors of the creative economy and now that has grown over the previous decade, as seen by the increasing number of cinemas each year. According to data from Filmindonesia.or.id (FI), 2019 saw the highest growth in theatres in Indonesia. Throughout Indonesia, there were 263 theatres and 1,412 screens. But everything changed in 2020, when the COVID-19 Pandemic attacked especially in Indonesia. The movie industry in Indonesia endured a tremendous fall, becoming a dismal record throughout its history. The movie theatre industry was compelled to put its operations on hold for a period of two years. The beginning of 2023 was a turning point in the movie theatre. According to data from filmindonesia.or.id (FI), as of January 13, 2023, the number of theatres in Indonesia amounted to 500 units spread around the country. Cinema 21 is owned by PT Nusantara Sejahtera Raya, currently has the largest number of theatres in Indonesia, with 307 units. Seeing this opportunity, Cinema 21 taking a strategic step to conduct an IPO in 2023. CGV Cinemas also took a strategic step toward their business industries with develop and launched an exclusive product in the CGV



Theatre business line, entitled Private Box. CGV Cinemas issued its new product to fill market needs and answer the desires of sophisticated consumers in enjoying movies in theaters with exclusive facilities and VVIP services. By implementing an exclusive concept and providing an extensive variety of VVIP features Private Box is currently only accessible at CGV Cinemas' main theatre in Grand Indonesia, Jakarta. CGV Cinemas, which introduced Private Box as its newest offering in 2022, has implemented a marketing plan for its products. Using a social media campaign is one of them. Using the hashtag #CGVPrivateBox, the "Nonton ala Sultan" campaign is run across multiple social media channels, including Instagram and Tiktok. By this strategy, CGV Cinemas expected that Private Box can be known as an Exclusive Product from CGV Cinemas which offers a new sensation when watching movies in theaters with exclusive facilities and VVIP Service.

### **BUSINESS ISSUE**

As the post-pandemic situation stabilized and the company's financial status improved, CGV Cinemas decided to introduce Private Box, its newest offering, at CGV Theatre. Private Box is the new innovation product and the most expensive product possessed by CGV Cinemas. CGV Cinemas presented Private Box to address market demands for an all-inclusive movie experience and extend the market to capture the upper-class market. One year after its inception, public is still unaware of the existence of Private Box. The marketing that has been carried out by CGV Cinemas, but the result is not aligned with management expectations. Based on the results of interviews the author conducted with the Marketing Manager of CGV Cinemas, said that until now Private Box as the latest product owned by CGV Cinemas is still not widely known by the public although it has carried out a marketing strategy as an effort to promote Private Box. Management also projected that the awareness stage of the product could be achieved in the first year and in the following year the company would be able to enter the next phase, which is to increase public intention to use the Private Box. But apparently, the reality that occurred in the second year was still not in line with the company's expectations. Based on the explanation, the author conclude that the main problem that is faced by Private Box is the lack of product awareness.

### **METHODOLOGY**

In this research the author will use both qualitative and quantitative methods, with the aim of this research have been set: (1) To Understand the current Internal and External conditions of the product Private Box. (2) To Create a solid integrated marketing strategy to increase the Product Awareness of Private Box. (3) To have an implementation plan of the proposed marketing strategy to increase Product Awareness for Private Box of CGV Cinemas. The data will be collected using primary and secondary data to support the analysis and generate a new integrated marketing communication strategy. The primary data will be gathered by using a quantitative method, distributing questionnaires from the target market of CGV Cinemas to explore their point of view about new product of CGV Cinemas that is Private Box, and by conducting internal in-depth interviews with CGV Cinemas' internal management to get the comprehensive information of the company's current condition. The secondary data will be gathered by using secondary data that will use textbooks, journal articles, and observation.

**Table 1. Variable and question for questionnaire (Author, 2024)**

Variable	Question
<b>Customer Preference</b>	1. Do you like watching Movie? 2. Choose 3 Genre Film that you like! 3. How often do you watch movies in a month? 4. How often do you watch movies in a month? 5. With whom do you watch movies? 6. To watch a movie, which method do you prefer?
<b>Product</b>	Thing considering when choose a studio at cinema 1. Schedule Film (Q.1) 2. Private Studio with VVIP Service (Q.2) 3. Facility of Studio (Q.2) 4. Comfortable Sofa (Q.3) 5. Quality of Sound System (Q.4) 6. Technology Studio and Screen (Q.5)
<b>Place and Price</b>	1. Choose 3 thing, that considers when choosing cinema location 2. How much is the entertainment budget in a month 3. How much is the consumer spent to watch movie in cinema in a month.
<b>Promotions</b>	1. Choose 3 Social Media use often 2. Choose 3 kind of information kind of information are you looking for about studio cinema before you use it 3. Choose 3 sources of information about the studio cinema



## RESULT AND DISCUSSION

### A. Customer Preference

The author used variables of customer preference in terms of when they want to watch a movie such as preference genre of film to watch, the intensity of watching the movie, partner preference when they watch a movie, and the platform they used to watch a movie. The first question that i asked on this chapter, was about are they like watching a movie or not. The purpose of this question is to make sure, the respondents are the moviegoer or not. Its shows that 99% of respondents like watching movies and only 1% of respondents didn't like watching movies. the author asked about three of the genre preferences of film to the respondents. It is concluded that the top 3 majorities of Genre Preference of film from respondents, Thriller Genre (53,6%) is the top of mine for the genre preference of film. The second one is Science Fiction Genre (49,1%) and the third one is Drama Genre (44,9%). the majority of respondents use both platforms to watch movies, 71% go to the cinema and stream online, 18% of respondents only go to the cinema as a form of movie watching and 11% of respondents only use online streaming as a platform to watch movies.



Figure 1. Graph of Customer Preference (Author, 2024)

### B. Product

Asking more specific questions, the respondent was asked about the factors that may impact them in choosing a studio like the quality of the sound system, sofa, facility in the studio, technology of studio, service, and schedule of the film. The author used a Likert scale from 1 (the most not considering) to 5 (the most considering). The figure below shows the average result of the scale. In this aspect, the survey results show that there are top 3 variables that are considered by respondents when choosing a movie theater studio. The quality of Sound System (4.23) is the main aspect that respondents consider when choosing a studio. Having a slight difference from the previous aspect, sofa comfort (4.22) is the next aspect that respondents consider when choosing a studio. Then, movie showtimes (4.09) are considered by respondents when choosing a studio. Then studio technology and layers (4.03), studio facilities (3.92), and private studios with VVIP service (3.18). Referring to the explanation above, the author can conclude that until now, movies are still the main attractions for consumers to come to the cinema. In this case, the results show that the sensation of watching movies in theaters such as thunderous sound with a wide screen and comfortable seats is still the main reason why consumers choose to watch movies in theaters, not on other platforms such as online streaming. Then, Regular studio is still the first option for consumers when going to watch and enjoy movies in theaters. The author assumes that this happens because private studios are still unfamiliar to consumers so choosing a private studio has not been included in consumers' choice options when choosing a cinema studio that will be used to watch movies in theaters.

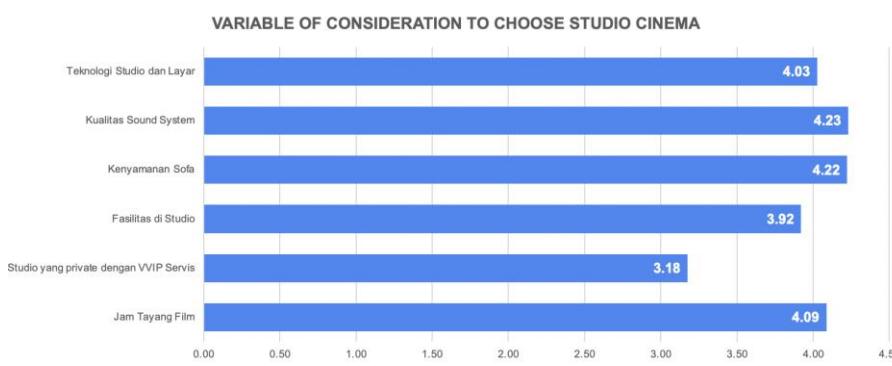


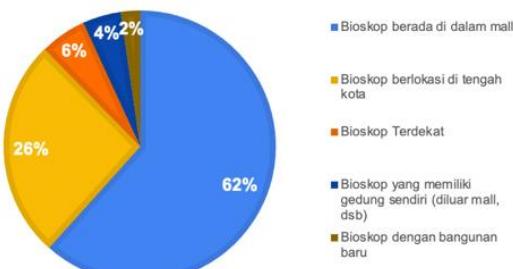
Figure 2. Graph of Product Preference (Author, 2024)



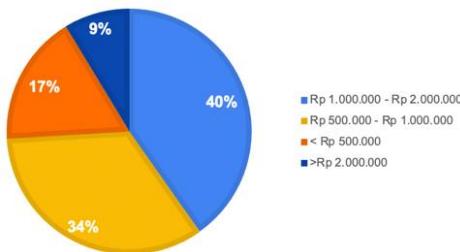
### C. Place and Price

The authors find out more about how the respondent chooses the movie theater's location and the respondent's financial condition. The result shows that most respondents prefer theaters inside malls (62%) as their go-to theaters. Then, the majority of respondents have an entertainment budget in the range of IDR 1,000,000 - IDR 2,000,000 (40%), and The majority of respondents spend <IDR 500,000 (71%) every month to watch movies in theaters.

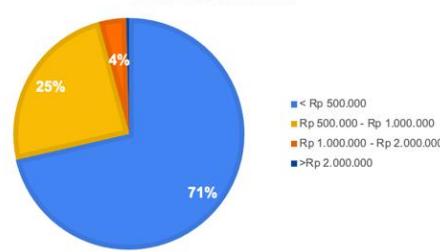
**CINEMA LOCATION**



**RANGE ENTERTAINMENT BUDGET**



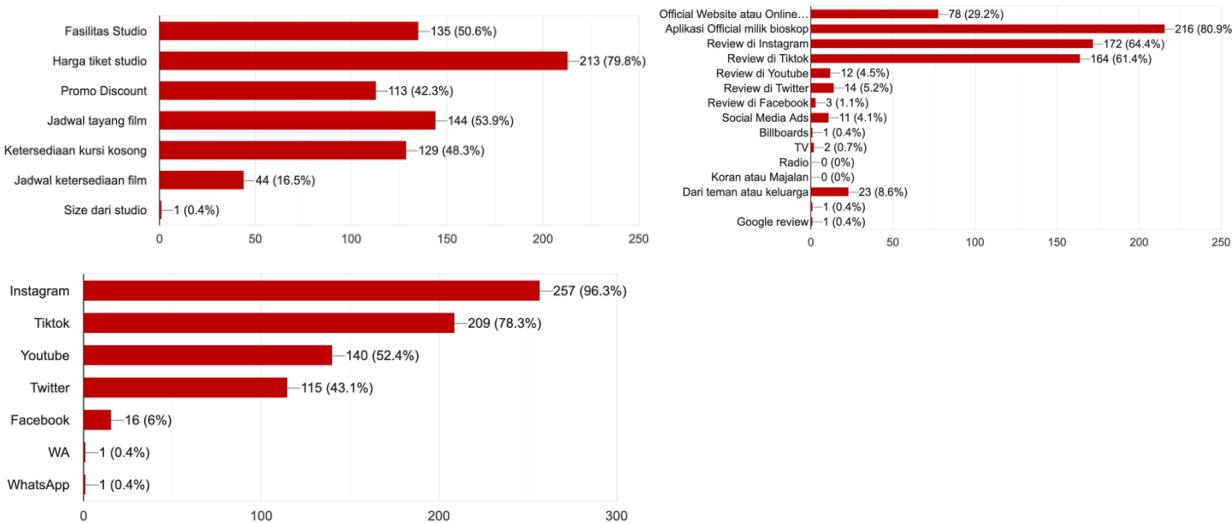
**CUSTOMER SPENT**



**Figure 3. Price and Place Preference (Author, 2024)**

### D. Promotion

In this aspect, the author wants to learn more about respondents' preferences in receiving or seeking information about the cinema studio before they choose to use the studio. The respondents were asked what kind of information about the studio they were trying to find and what platform they used to find that information. For most respondents, the main information they are looking for is the studio ticket price (79.8%), and respondents use the movie theater's Official Application (80.9%) to get information about the cinema studio. Then, the author would like to explore further respondents' preferences in using social media and the result shows that most respondents use Instagram (96.3%) in their daily activities.



**Figure 4. Promotion Preference (Author, 2024)**



Based on the explanation above, there are several things that the author can conclude. Movies, as one of the main lives and attractions for the sustainability of a movie theater, of course, need to be considered when developing a strategy. Not only movies, but knowing how often consumers watch movies, platforms to watch, and partners when watching movies can also be important variables to consider in developing a strategy. With the author knowing this data, this can find out how consumer preferences when watching movies and can develop strategies that are more targeted according to what consumers need and want.

In the aspect of the product, If it correlates with Private Box, where the aspects of privacy and VVIP service are the main things offered by Private Box to consumers, it turns out that consumers do not so significantly consider it. According to the author, this is quite reasonable considering that until now, Private Box is still the only Private Studio in Indonesia, which was just introduced in early 2022. The author assumes it happens because private studios are still unfamiliar to consumers. So, choosing a private studio has not been included in consumers' choice options when choosing a cinema studio that will be used to watch movies in theaters.

Consumers are quite selective in managing their finances. A fairly high percentage of consumers know the importance of managing their finances by organizing them into several clusters according to their needs, one of which is the need for entertainment. Continuing with the customer profile, which shows that consumers are in the Middle Class, this is more clearly seen from the nominal budget range they have for entertainment, and more specifically, it is increasingly visible from the customer spent. This is in line with the product point, which shows that consumers still prefer to watch in regular studios when watching movies in theaters.

Like the previous aspect, Consumers are quite selective in seeking information about the studio they will use to watch movies in theaters. This can be seen from the high percentage of respondents who find out information about the studio before they use it. This is certainly a challenge for CGV Cinemas to be able to provide clear information about the products they have. On the other hand, the author sees this as a good opportunity for CGV Cinemas to penetrate information about CGV Cinemas products, in this case, the Private Box. Utilizing several platforms that are the choice of consumers and penetrating information, it is possible that information about Private Box can be delivered well to consumers. Private Box, the latest product from CGV Cinemas, has carried out a marketing strategy in marketing and promoting Private Box to the public. In its strategy, CGV Cinemas uses several marketing tactics such as Digital Marketing, Media Publication, and Special Packages. However, the results of the strategy that has been carried out are still not in line with expectations.

### **PROPOSED INTEGRATED MARKETING COMMUNICATION STRATEGY**

According to the explanation above, it shows that the problem faced by Private Box is a lack of product Awareness. Integrated Marketing Communication will proposed to handle this problem and increase the awareness of Private Box as a product of CGV Cinemas. In the modern advertising climate, promotion is synonymous with integrated marketing communication, or IMC. It utilizes a variety of communication channels to convey a certain message and impact customers' perceptions and behaviors. A full IMC plan integrates the parts of the marketing mix to deliver a coherent message. (Clow & Baack, 2022). CGV Cinemas needs to evaluate its strategy by using a new formulation by focusing on some of those promotion communication tools in an Integrated Marketing Communication Framework, as depicted in the figure below. The company should focus on Advertising, Digital Marketing, Social Media, and Public Relations.



**Figure 5. Integrated Marketing Communication Framework**



There are two main aspects in the Integrated Marketing Communication series proposed by the author in this study, namely Online Activation and Offline Activation. These two aspects are related and can be explained in the following matrix.

**Table 1. Proposed Integrated Marketing Communication Strategy**

Proposed Integrated Marketing Communication (IMC)			
Online Activation	Advertising, Digital Marketing, and Social Media	Official Mobile Application CGV Cinemas and Website Activation	<ul style="list-style-type: none"> <li>- Give the Information about product knowledge from Private Box such as key visuals of Private Box, Private Box facilities, Pictures of Private Box studio, promos.</li> <li>- Put the information on the home page of the application, highlights and the What's On rubric. In addition, the author suggests that CGV Cinemas can add Private Box options to the CGV Special Feature.</li> </ul>
		Social Media Activation and Content Marketing	<ul style="list-style-type: none"> <li>- Using Brand-Generated Content (BGC) and User-Generated Content (UGC).</li> <li>- Using Official Account CGV Cinemas (TikTok, Instagram, Twitter)</li> <li>- Using Content Plan Formulation</li> </ul>
		Social Media Advertisement	<ul style="list-style-type: none"> <li>- Use digital asset owned by CGV Cinemas</li> <li>- Platform : TikTok and Instagram</li> </ul>
	Database Marketing	Official Mobile Application of CGV Cinemas	<ul style="list-style-type: none"> <li>- Use data consumer from Official Mobile Application of CGV Cinemas</li> <li>- Clustering the data using STP Formulation</li> </ul>
		Direct Response and Personal Selling	Email Marketing
	Sales Promotion	Email Marketing	Send direct email about Private Box to the address of the consumer
		Giveaway Quiz	<ul style="list-style-type: none"> <li>- Make a Quiz in a official account of CGV Cinemas (Instagram &amp; TikTok)</li> <li>- Voucher Discount of Private Box is a Prize for the winner of Quiz.</li> </ul>
Offline Activation	Alternative Marketing	Billboard Advertisement	Utilizing the internal sources of CGV Cinemas that is Billboard (Videotron)
	Public Relations	Event	<ul style="list-style-type: none"> <li>- Involved in Korea Indonesia Film Festival</li> <li>- Specifically targeting on South Korean Film Festival</li> <li>- CGV Cinema involved the venue for the festival</li> </ul>
		Partnership	Key Partner: Korean Cultural Center Indonesia (KCCI)
		Influencer Marketing	Use the Key Opinion Leader (KOL) to spread the info about Private Box and promote the event with using Private Box.



## 1. Advertising, Digital Marketing, and Social Media

The survey shows that consumers mostly use the official mobile application of CGV, and some are searching for information on the official website of CGV Cinemas as a platform to find information about the studio they will use. The author proposes that CGV Cinemas conduct promotions through the official CGV mobile application and the official CGV Cinemas website by displaying key visuals or posters from the Private Box. Key Visual of Private Box can be stored in several sections, namely the home page of the application, highlights and the What's On rubric. Then, the author considers the need for formulation in creating marketing content and conducting social media activation. Two types of content marketing can be a new formulation of social media marketing by CGV Cinemas, namely Brand-Generated Content (BGC) and User-Generated Content (UGC). The results of the survey show that the majority are looking for information about the studio through social media; the author considers that in addition to conducting social media activation, CGV Cinemas needs to do a Social Media Advertisement on a Private Box. This needs to be made as a form of increasing public awareness of the Private Box, where this tactic is included in the push marketing strategy. CGV Cinemas can carry out content mirroring tactics, where CGV Cinemas can use existing content assets and then advertise the content through social media.

## 2. Database Marketing

In developing a strategy, data is one aspect that is quite crucial because by having concrete and complete data, we can develop a directed and targeted strategy. The author considers that in this aspect, the database that can be used by CGV Cinemas to be used as a database in developing marketing strategies is the data of CGV Cinemas Official Mobile Application users. In this application, CGV Cinemas can get data that is quite comprehensive and can be used by CGV Cinemas as a marketing database. The data in the CGV Cinemas Mobile Application is adjusted to the Segmentation, Targeting, and Positioning (STP) formulations that the author has explained in the previous point. Then the data that has been filtered according to the STP formulation can be used as a Marketing Database.

## 3. Direct Respond and Personal Selling

Continuing with the previous point, one of the marketing databases owned by CGV Cinemas can be used to carry out Personal Selling tactics. In this case, the personal selling that CGV Cinemas can do is by sending email marketing directed to the email address of the consumer. Email marketing content sent to consumer emails can be in the form of product knowledge from Private Box or other content about Private Box. By using an interesting copywriting formulation adjusting to the Private Box positioning and then packaging in the form of a poster, email marketing can be used as a form of Personal Selling.

## 4. Sales Promotion

Referring to the survey results, show that many consumers complain that the Private Box price is expensive. In response to this matter, the author proposes to carry out a tactic in the form of a quiz with a Private Box discount voucher as a prize. CGV Cinemas can use this tactic to anticipate that consumers can find out about Private Box and are interested in trying Private Box without having to reduce product prices. This tactic can be carried out through CGV Cinemas' social media or email marketing, as the author has explained in the previous point.

## 5. Alternative Marketing

An alternative marketing strategy that CGV Cinemas can implement is utilizing conventional tactics, namely billboard advertisements. Private Box is currently located at CGV Cinemas Theater Grand Indonesia Mall, which is the main theater of CGV Cinemas which has the largest area with the most complete facilities of other CGV Cinemas theaters throughout Indonesia. The author does not recommend placing it on conventional billboards; in this case, CGV Cinemas can use the resources it already has, such as the Videotron in the CGV Cinemas Grand Indonesia Mall theater. The content displayed can be Key Visuals from the Private Box or other Private Box marketing content.

## 6. Public Relations

As the final tactic of Integrated Marketing Communication, the author proposes that CGV Cinemas be involved in film festival events. In this case, CGV Cinema can be involved in the festival as a venue provider for the film festival. CGV Cinemas, a South Korean company that often screens Korean movies, benefited from the rising "Korean Wave" in Indonesia. So that the key partner that CGV Cinemas is targeting to work with is the film festival organizing institution that screens Korean films; in this case, the author proposes that CGV Cinemas can collaborate with the Korean Cultural Center Indonesia (KCCI) as the organizer of the Korea Indonesia Film Festival (KIFF).



## CONCLUSION

According to the explanation above, it is clear that the problem faced by Private Box as the newest product of CGV Cinemas is a lack of product awareness. The results of the analysis show that the promotional aspect is a crucial point that has an impact on the low public awareness of Private Box. So, in this case, the author proposes a new strategy for CGV Cinemas in marketing Private Box to the public using the Integrated Marketing Communication Framework by focusing on several tactics, namely Advertising, Digital Marketing, Social Media, Database Marketing, Direct Response, Personal Selling, Sales Promotion, Alternative Marketing, dan Public Relations.

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