



## Marketing strategy for spotless

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### ABSTRACT

Spotless is a pioneering brand in the shoe care and hygiene category. In the last six months, Spotless has experienced a significant increase in sales from July to December 2021. Spotless's current goal is to maximize marketing strategies on digital platforms to introduce its products to a broader market and improve its operations that are still adjusting to current sales conditions to make it grow and stabilize existing sales. This study aims to identify marketing strategies or activities that can be used to effectuate and optimize marketing costs. These marketing strategy activities can help to increase sales and reduce marketing costs that now account for up to half of sales. This study used qualitative research methods. The primary data for this study came from interviews with employees, consumers, and management. Secondary data for this study comes from journals, books, and articles to gain information and understanding about the theory and internal and external conditions of Spotless. Data analysis techniques in this study used internal analysis and also external analysis. This study aims to analyse the internal and external conditions of Spotless, aiming at planning and developing business and marketing strategies and providing implementation of programs that Spotless will run.

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## INTRODUCTION

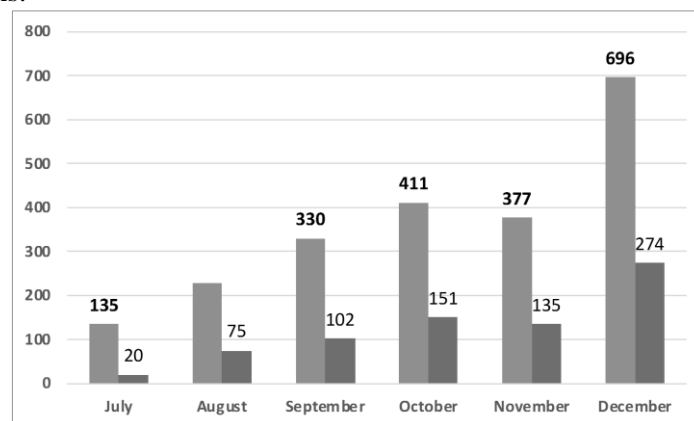
Shoes are one of the promising industries in Indonesia (Septiani et al., 2013). At the end of 2018, the processing industry was the largest contributor to Indonesia's Gross Domestic Product (GDP). According to the Central Bureau of Statistics (BPS), the processing industry is an economic activity that turns raw material into a finished/semi-finished product, either mechanically, chemically, or by hand (Amaliyah & David, 2021). It could also be referred to as turning lower-value commodities into goods with a higher value as they are closer to the end-user. Thus, the shoe industry is part of the processing industry contributing to the national GDP (Herlambang, 2021; Prasetyo & Sukartini, 2020; Wahyuning, 2019). Indonesia is ranked fourth among the footwear producers after China, India, and Vietnam (*Indonesian Ranks the 4th Largest Footwear Industry in the World*, 2019). Based on data from the Ministry of Industry, with the production of 1.41 billion pairs of shoes in 2018, Indonesia contributed around 4.6% of the total world shoe production (Abdulkadir et al., 2020; Putra & Rachmawati, 2021; Ramdhani, 2017). Referring to the government's plan towards Industry 4.0, the shoe industry is considered as one of the five main industries that can support the success of Industry 4.0. As a result, Bank Indonesia also promotes this industry because it has enormous potential for regional and global competition.

Most people have more than one pair of shoes if they have the purchasing power, which typically used for different occasions (such as formal black shoes for a business meeting or wedding ceremony, sports shoes for tennis or badminton, sandals to go to the beach, and easy sneakers for grocery shopping). People regularly buy new shoes (particularly for children with feet sizes growing rapidly). For many, buying one (new) pair of shoes per year might actually be a low average (and it also seems that women typically own, and therefore buy, more shoes than men). This illustrates that the footwear market is not only enormous but also ever-growing (if populations continue to expand). These are features that make it a very attractive investment opportunity for investors (hence competition is also fierce). Indonesia is home to around 272 million people, and therefore the domestic market is big, estimated at nearly USD 6 billion (per year) (Ani, 2020). And with a growing middle class (implying purchasing power strengthens) supposed that the long-term trend is very promising.

Along with the development and increase of the shoe market in Indonesia, particularly in the local market, the most common concerns with shoes are on the rise such as dirty and smelly shoes, as well as other foot problems. Non-routine shoe treatment could potentially reduce the quality of the shoe material, causing poor shape, dirty, smelly, as well as the transmission of diseases to human feet. It takes the right marketing strategy to take advantage of the huge increase in the shoe industry in Indonesia. Shoe treatment could be the biggest opportunity to follow up the increasing trend of the shoe industry in Indonesia.

However, it goes through different problems. In this digital era, the shoe care industry has experienced many changes, from operations, sales channels, to marketing strategies. As the main factor in sales, marketing strategies need to adjust and adapt to pandemic and post-pandemic to provide effective and efficient marketing. Also, several things must be examined before implementing a marketing plan to determine the best marketing approach such as appropriate segmentation, target, differentiation, and brand positioning. It should consider its strengths, weaknesses, opportunities, and threats.

SPOTLESS has an issue with substantial growth in sales; in the last six months, sales have increased about 7 times, as evidenced by gross sales per month. Figure 1. shows the monthly gross sales for the last six months.



**Figure 1 SPOTLESS' Monthly Gross Sales (in a Million IDR) and monthly Marketing Cost (Spotless, 2021)**

Figure 1 indicates that there has been a significant increase in SPOTLESS' monthly gross sales from July 2021 to December 2021. The increase in sales is caused by the increase in the marketing cost each month. However, SPOTLESS has a problem with stability in the marketing cost to sales ratio each month, which is quite dangerous. The impact on uncontrolled marketing costs could cause cost depletion and make a higher ratio of marketing costs that thereby causing loss.

The significant increase in sales was also due to the COVID-19 pandemic that resulted in a good effect in the sales. This is attributable to an expansion in the number of sectors that are classified as hobbies, as well as all activities performed at home during the pandemic This is due to government rules requiring us to stay at home and limit our outside activities if they are not essential, as well as work from home, which has now become a popular way for individuals to work. They increase SPOTLESS sales.

Marketing plays a very important role for SPOTLESS in achieving monthly sales. SPOTLESS had carried out several marketing strategies; some are effective and some are not, as proven by overpriced advertising costs. As a result, the best way to improve businesses' marketing efficacy is to choose the right marketing strategy, especially during the pandemic, and also in the future after the pandemic. The challenge used as the foundation for research in this research is derived from existing problems is **developing a marketing strategy for SPOTLESS.**

## RESEARCH METHODS

This research employed quantitative and qualitative method or mix method. The data will be collected with two major methods, namely primary data collection which is collected from the in-depth interview and the online surveys, and secondary data collection, which is collected from website articles, data insight, academic publications, and books. Qualitative research produces data in the form of written or spoken words and the behavior of the people observed (Ahmad et al., 2019). This research aims to explore the facts, circumstances, phenomena, and variables. Qualitative research interprets and tells data related to the current situation, attitudes and views among society, conflicting circumstances, conditions, and others. The researcher analyzed data through internal and external analysis of SPOTLESS. The internal analysis consists of first, segmenting, targeting, and positioning, second 7Ps marketing mix, and value chain analysis. While external analysis consists of PESTEL, Porter's Five Forces Model, Consumer analysis, and Competitive analysis.

## RESULT AND DISCUSSION

### Internal analysis

#### Segmenting, Targeting, and Positioning

Segmenting attempts to gain knowledge on the view of the market based on geographic, demographic, psychographic, and behavioral variables (Ibrahim et al., 2018). Thus, segmentation allows the company to understand market conditions and segment opportunities

**Tabel 1 Market Segmentation of SPOTLESS**

Segmenting	Type of Segmentation	Description
Geographic	Country	Indonesia
	City	Jakarta, Bandung, Yogyakarta, Semarang, Surakarta, Surabaya, Denpasar, Medan, Palembang, Makassar, and Banjarmasin
	Density	Urban and Suburban
Demographic	Age	15 – 55 years old
	Gender	Male and female
	Education	Elementary to Post-graduate level
	Nationality	All nationality
	Social Class	Low – Medium
	Occupation	Students, Employee, Entrepreneur, Under Graduate, Government Official
	Family Life Cycle	Young, single, married, married with children

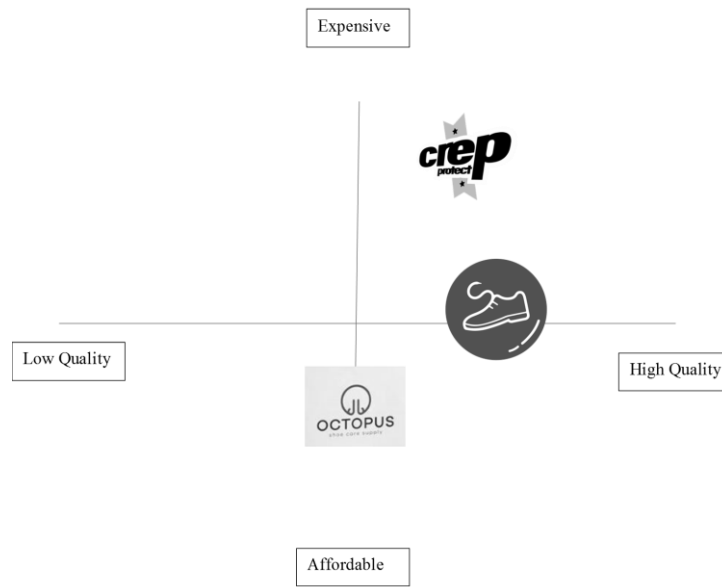
Targeting refers to the process of determining the target market (Camilleri, 2018). In evaluating different market segments, companies must consider two factors that include the overall market attractiveness as well as company objectives and resources (Kotler & Armstrong, 2018). Table 2 describes the target market of SPOTLESS.

**Tabel 2 SPOTLESS' Target Market**

Targeting	Description
Region	Jakarta, Bandung, Yogyakarta, Semarang, Surakarta, Surabaya, Denpasar, Medan, Palembang, Makassar, and Banjarmasin
Age	15-45 years old

Targeting	Description
Gender	Male and Female
Social Class	Low – Medium
Occupation	Students, Employee, under-graduate students, Government official
Family life cycle	Young, single, married, married with children

Positioning deals with an image formed in the customer’s mind associated with the company or product name. Positioning refers to how a product appears to consumers and how it differs from competing products.



**Figure 2 Positioning Map of SPOTLESS**

### 7Ps Marketing Mix

According to (Kotler & Armstrong, 2018), 7Ps elements of marketing mix are:

#### Product

SPOTLESS sells products with a One-Stop-Solution concept for shoe cleaning, repair, and maintenance as well as workshops on shoes to be the primary option for customers if something goes wrong with their shoes. Table below shows products offered by SPOTLESS.

**Table 3 SPOTLESS Product**

No.	Product
1.	Shoe Cleaner 100ml
2.	Shoe Cleaner 250ml
3.	Shoe Perfume lemon
4.	Shoe Perfume Vanilla
5.	Water Repellent 50ml
6.	Water Repellent 100ml
7.	Starter Kit
8.	Premium Starter Kit
9.	Standard Brush
10.	Premium Brush
11.	Microfiber towel
12.	Shoe tree

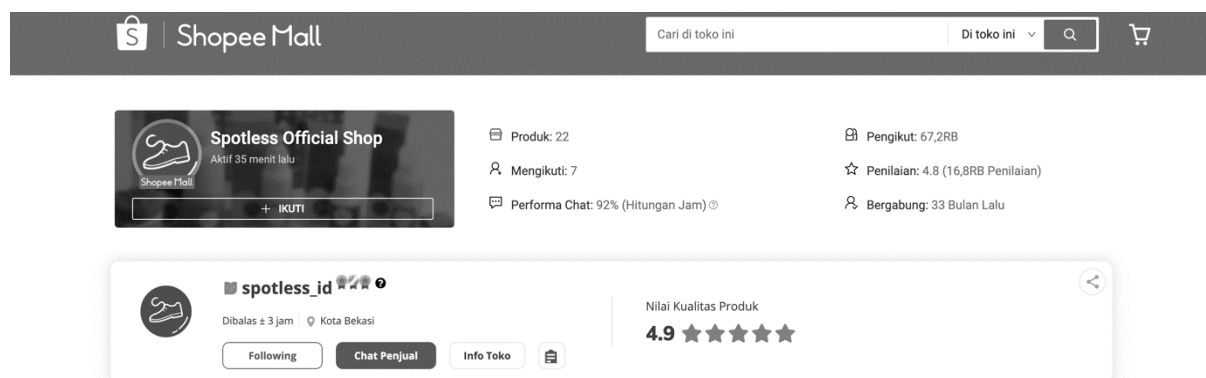
*Price*

**Table 4 The Price of SPOTLESS Products**

No.	Product	Price (IDR)
1.	Shoe Cleaner 100ml	65,500
2.	Shoe Cleaner 250ml	100,395
3.	Shoe Perfume lemon	65,500
4.	Shoe Perfume Vanilla	65,500
5.	Water Repellent 50ml	128,000
6.	Shoe tree	48,000
7.	Starter Kit	148,500
8.	Premium Starter Kit	178,000
9.	Standard Brush	48,500
10.	Premium Brush	73,000
11.	Microfiber towel	60,500

*Place*

SPOTLESS has an office and warehouse in Jatinegara. Since SPOTLESS is sold online, it has no offline store. A few offline stores are working with SPOTLESS but most of its b2b partners have declined due to the pandemic. However, SPOTLESS is available in almost all marketplace such as Tokopedia, Shopee, JD.ID, Blibli, Lazada, Zalora, Bukalapak, and websites. Besides, products can be ordered on WhatsApp and social media such as Instagram, and TikTok Shop.



**Figure 3 SPOTLESS on E-commerce platform**

*Promotion*

SPOTLESS currently uses some promotional strategies, most of them are online such as Google advertisement, Facebook advertisement, marketplace advertisement, and collaborating with a regional and national event on shoes. Those online promotions are carried out internally and externally. Internally, SPOTLESS has a great team that provides copywriting, content creator, and marketing manager. Externally, SPOTLESS hires a marketing performance consultant to boost social media, marketplace, and Google advertisement. Discount is given by SPOTLESS to gain more sales in these events, primarily in the twin date marketplace big event.



Figure 4 Example of Spotless Promotion

### Physical Evidence

SPOTLESS does not sell products offline. However, SPOTLESS offers customers experience in offline events such as Jakcloth. SPOTLESS has been partnering with JakCloth since 2018. Its physical evidence shows cleanliness, attractive booth, and experiencing shoe cleaning live with the customer.



Figure 5 Spotless at Jakcloth

### People

SPOTLESS has 12 teams which consist of 3 divisions and 2 boards of directors. The three divisions are:

- The marketing division consists of 4 people, 1 head of marketing, 1 content creator, 1 copy writer, and 1 customer service
- The operation division consists of 6 people, 1 head of the operation, 1 administration, and 4 officers to help production.
- The finance division consists of 2 people, 1 head of finance and 1 accountant

### *Process*

SPOTLESS uses Standard Operating Procedures (SOP) as the main benchmark in delivering products to consumers, which is explained in detail in the operations section. SPOTLESS employs SOPs on production, quality control, packaging, shipping, sealing, and accepting criticism from consumers. In addition, there are also SOPs in shoe cleaning services that are used for content and offline events.



**Figure 6 Spotless's Part of Production**

### **Value Chain Analysis**

#### *Primary activity*

SPOTLESS' primary activities include product production and sales. Primary activities go directly into the creation of a product or the execution of a service. SPOTLESS primary activities analysis consist of the following:

#### *Inbound logistics*

Inbound logistics play big parts in SPOTLESS primary activities, raw materials such as bottles, stickers, packaging, and other material make this activity complex to execute from receiving, warehousing, and inventory management. An issue encountered by SPOTLESS in terms of inbound logistics is the inadequate standard operational procedure to record inventory caused by a significant increase in sales. It caused a mess in material handling, inventory control, and vehicle/lead time order scheduling. This can be the focus of SPOTLESS to evaluate their vendors, suppliers, and production performance. It is time for the management to improve the SOP related to inbound logistics



**Figure 7 Spotless Inbound Raw Materials Activities**

## Operation

Operations in SPOTLESS is not easy since there are many stages to complete, from raw materials to finished products that are ready to sell, especially in the current condition where sales have skyrocketed. Because most of the previous vendors were small vendors, SPOTLESS must change SOPs and equalize lead times from vendors. SPOTLESS must now hunt for a bigger vendor because they are looking for a higher quantity as well as payment terms that are safe for cash flow. Quality control from operations should be considered in the operations division because the defect rate of the finished product is still high at around 5%. Inventory management must be taken into account because there are often empty stocks for Stock Keeping Units (SKUs) due to errors in the projected lead time for production. To reduce the defect rate and other errors in production such as too much use of raw materials that makes the stock run out quickly is by applying rewards and punishments for the performance of the operations staff and the head of the operation.

## Outbound logistics

SPOTLESS' activities related to distribution, including packaging, sorting, and shipping (Tim, 2020) in outbound logistics were carried out by its internal team. Previously, before SPOTLESS monthly income was still under IDR 100 million, it used a third party commonly called a Fulfillment Center in which the three activities mentioned were carried out by the shipper. SPOTLESS only paid extra fees per one item out. However, after estimating the sales, it was more efficient if it forms its shipping team. Thus, from October 2021, SPOTLESS had used an internal team to do packaging, sorting, and shipping. There were no fatal mistakes because everything was done systematically by personnel who have understood the SOP from the time the goods were ordered until they were delivered.

## Marketing and sales

Activities refer to the marketing and sale of a product or service, including promotion, advertising, and [pricing strategy](#) (Tim, 2020). SPOTLESS is an online retailer. Thus, most of its marketing and sales were generated from the marketplace, website, and social media such as Instagram, Twitter, TikTok, etc. However, SPOTLESS also sells offline at certain events such as Jakcloth and other sneakers events. SPOTLESS' marketplace, social media advertisement, and Google SEO were handled by a marketing performance consultant in which they advised SPOTLESS on which content is successful and which is not. They also controlled the Google ads, Facebook ads, marketplace ads, and Google SEO ads while the internal marketing division of SPOTLESS creates the content.

## After-sales services

The after-sales service that SPOTLESS provides is the guarantee of the product damages after customers follow instructions such as the paint fades, or if the sole is damaged. SPOTLESS will be responsible for it by asking the customer to send the shoes back and SPOTLESS will repair and clean them.

## 2. *Secondary/support activities*

### Infrastructure

Concerning infrastructures such as financing and planning, SPOTLESS still uses conventional ways such as using Microsoft Excel. Thus, there must be a lot of improvement from the management system to make it effective and efficient. It will make it easier to check livestock with third-party such as accountant platforms, attendance applications, and inventory management media to ease the division and to make supervisors and board of directors.

### Human Resource Management

SPOTLESS uses a third party to filter applicants. Even if should subscribe, it is easy to use and effective. With those platforms, it can easily find the ideal candidate for the job. SPOTLESS also did well in other areas, such as staff training, growth, retention, and remuneration, due to the modest number of employees (about 15).

### Technological Development

SPOTLESS requires a large number of machines for production for cost and time efficiency. SPOTLESS needs to improve the use of technological development because it is still considered as a home industry, which still requires the human touch. Many vendors offer



machinery but it comes at a great price. To buy those machine for production, SPOTLESS need to save money for it.

#### Procurement

SPOTLESS still encounters an issue with finding the right vendor with this current sales because some of the previous vendors could not meet the agreement due to the quantity and term of payments. SPOTLESS' vendors are mostly small home industries, thus they only accept cash when they have many orders. Also, the fluctuating price of raw materials, particularly bottles, is very high. Because of the pandemic, bottles used for disinfectants and sanitizers are in great demand, resulting in a high price.

## External Analysis

### Pestela

#### *Political*

The COVID-19 pandemic has a negative impact on MSMEs. According to the Katadata Insight Center (KIC), the majority of MSMEs (82.9%) felt the impact and only a small amount of actors (5.9%) had positive growth. The survey results (BPS, Bappenas, and the World Bank) show that this factor causes many MSMEs to have trouble paying their loans, as well as paying for electricity, gas, and employee salaries. Some of them had to do layoffs. Other constraints experienced by MSMEs include difficulty in obtaining raw materials, capital, as well as declining customers, and hampered distribution and production. The government keeps encouraging MSME actors to step up to digital platforms through the movement of the Proudly Made in Indonesia National Movement (Gernas BBI) with 11.7 million MSMEs by the end of 2020. It is expected that by 2030, the number of MSMEs that go digital will reach 30 million. In addition, the Government also encourages the expansion of exports of Indonesian products through ASEAN Online Sale Day (AOSD) in 2020 (Coordinating Ministry for Economic Affairs, 2021). Many political policies support MSMEs to keep moving forward even during the pandemic. SPOTLESS also plans to export its products all over the world and become a global brand. This can be done quickly with the government's policy to support this at ASEAN Online Sale Day (AOSD).

#### *Economic*

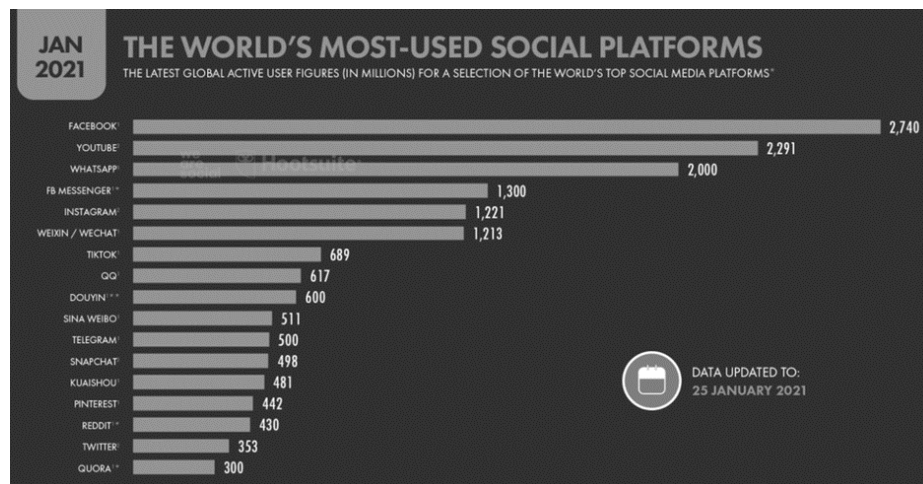
In the last five years, the creative economy has made an increasing contribution to the national Gross Domestic Product (GDP) by 7.24% with a growth rate of 5.06%. This is equivalent to national economic growth (Central Bureau of Statistics, 2017). This contribution is expected to increase in the future. In 2019, the contribution of the creative economy to exports has reached USD 20 billion. In terms of job creation, the creative economy presented 18.1 million job opportunities in the same year. This demonstrates the importance of the creative economy to the national economy. The projected contribution of the creative economy to GDP before Covid-19 is 44.40% of the culinary sub-sector, 17.26% of the fashion sub-sector, 14.13% of the craft sub-sector, 11.11% of the TV and radio sub-sector, and 13.10% for (Kemenparekraf and BPPT, 2019). The government was all out to encourage creative economy industry during a pandemic. A form of government support for MSMEs that impacted the local product is #BanggaBuatanIndonesia, which SPOTLESS used in their packaging to show that this product is made in Indonesia. SPOTLESS, as an MSME, requires government support to expand the opportunity to be more creative and innovative through the digital industry to be a global brand.

#### *Socio-cultural*

Socio-cultural actors must be considered while formulating a company's strategy. Another important thing in socio-cultural actors is a geographic trend. Age, gender, family size, ethnicity, sexual orientation, religion, and socioeconomic status are all factors in this geographic trend (Rothaermel, 2017). In terms of sociocultural factors, the digital economic transactions in Indonesia continue to increase. In 2019, the gross merchandise value (GMV) of the digital economy reached USD 40 billion, or equivalent to IDR 568 trillion (exchange rate of IDR 14,200). Research by Google, Temasek, and Bain & Company predict this to increase to USD 70 billion (IDR 996 trillion) in 2021. This can be double to USD 146 billion (IDR 2,079 trillion) in 2025. Transactions on e-commerce sites are predicted

to be the main driver of GMV growth in the digital economy in Indonesia. From the Momentum Works, GMV e-commerce in Indonesia will reach USD 40.1 billion (IDR 577.9 trillion) in 2021. This means that there are transactions worth IDR 6.5 trillion in Indonesian e-commerce in just one hour. Sea Group’s e-commerce named Shopee has the largest hourly transaction value in Indonesia. With a GMV of USD14.2 billion in 2021, Shopee’s hourly transaction value reaches USD 1.6 million (IDR 23 billion). Tokopedia, which merged with Gojek this year, is in second place. The GMV on Tokopedia reached USD 1.59 million or IDR 22.7 billion per hour. Within a year, its GMV reached USD14 billion. Lazada is in third place with a transaction value reaching USD 513,700 (IDR 7.3 billion) per hour. This subsidiary of Alibaba Group has a GMV of USD 4.5 billion in 2021. Lastly, Bukalapak has a transaction value of USD 342,500 (IDR 4.9 billion) per hour. As a result of these findings, it is apparent that the practice of purchasing a consumer's need or desire has been supplanted and is moving entirely online. As a result, SPOTLESS does not have an actual store and instead sells everything online. With the pandemic and the increasing number of businesses that relate to hobbies, SPOTLESS will join the wave and profit from it.

*Technology*



**Figure 8 The world’s most-used social platforms**  
 Source : Wearesocials (2021)

Figure 8 depicts that SPOTLESS has the opportunity to grow more exponentially with those technological factors. The internet makes it easier for entrepreneurs to develop, especially during the current pandemic since everything goes online. Social media is one of the brand assets to promote and establish their brand positioning. Hence, it is crucial for SPOTLESS to keep striving on the digital platform by maintaining its presence on Instagram and gaining more followers for more engagement.

*Environment*

SPOTLESS needs to develop a new packaging that is not composed of plastics. Customers are increasingly aware of products that utilize sustainable materials as a result of the pandemic. Customers' perspectives evolved as a result of the pandemic, with 60% making more ecologically friendly, sustainable, or ethical purchases since the outbreak, and 9 out of 10 expecting to do so in the future (Latham, 2021)

*Legal*

SPOTLESS has a trademark problem with the name of SPOTLESS. PT. Motto Beringin Abadi has the rights of the name of ‘Spotless’ in the class and goods or services on category number 3 of body wash, detergent, bar soap, household furniture cleaner, floor cleaner, foot cleaner, face cleaner, and bleaching preparation in form of liquid for hand wash. SPOTLESS only gets a trademark for a logo called ‘Spotless’ but cannot use the literal meaning of the word

## Porter's Five Forces

### *Threat of new entrants*

Based on experience, it was not too difficult for SPOTLESS to enter this industry, SPOTLESS started by learning from its benchmarks such as Crep Protect and Jason Markk, global brands that have entered the Indonesian market as well. Furthermore, the required investment capital is not as large. When compared to the competition, this type of business is still relatively uncompetitive. Thus, it can be concluded that the barriers to entry in this business are minimal. However, entering this field poses the risk of competing with an established brand or gaining market dominance. Therefore, new players must consider how they will implement marketing, product, and pricing strategies.

### *Bargaining power of suppliers*

There are several suppliers of SPOTLESS products, ranging from cleaning fluids and other accessories, as well as brands selling shoe care. Shoe care will take into account the supply used in conjunction with the supplier's brand image. Until now, the number is still relatively high, because there are still relatively few suppliers who enter this business. This switching cost can also be said to be non-existent because there are no costs incurred if a shoe care business uses another supplier. Thus, suppliers will compete to offer their products.

### *Bargaining power of buyers*

SPOTLESS sells pre-existing products that are nearly identical to or identical to each other. SPOTLESS, on the other hand, adds value to make it more appealing to customers, such as the way we run promotions and create brand awareness. Finally, shoe care products are quite competitive in terms of price, resulting in significant price sensitivity among shoe care consumers. To win the competition in the market, SPOTLESS sets a very competitive price but still generates a large margin for the company by reducing production costs.

### *Threat of substitute products*

The only condition in which SPOTLESS Customers have substitute products is when the market is not educated on how to properly care for shoes. For example, at this time, the market is still cleaning their shoes with detergent or toothpaste (if the shoes are white). These substances will degrade the color of the material as well as the quality of the material itself over time, causing damage to the shoes. In this case, the switching costs are low or almost non-existent. Because there are no costs incurred as a result of changing the use to substitute products.

### *Intensity of Rivalry among competitors*

Currently, the number of shoe care product businesses in Indonesia has created a lot of competition, rapid growth continues to occur from year to year due to high demand. Thus, the demand for shoe cleaning and caring also increases. Competitors who have dominated the market, such as Crep Protect and Jason Mark have distributed products offline. Typically, shoe laundry owners also sell their own products, causing competitors to already have loyal customers. Shoe care products aren't very distinct in terms of product differentiation because the services provided are nearly identical, such as cleaning, repair, repaint, and aftercare. The pricing of shoe care products varies greatly; some are premium or pricey, while others are priced to appeal to the lower middle class.

## Competitive Analysis

The competitive analysis of SPOTLESS is based on competitors whose a similar product in the shoe care industry. The following is the competitive analysis of SPOTLESS and its competitors:

**Table 5 Competitive Analysis of SPOTLESS**

Marketing Mix	SPOTLESS	Crep Protect	Octopus	Jason Markk
Products	Shoe cleaner, shoe perfume, microfiber,	Shoe cleaner, shoe perfume, microfiber,	Shoe cleaner, shoe perfume, microfiber,	Shoe cleaner, shoe perfume, microfiber,

	standard brush, premium brush, shoe lotion, shoe water repellent, shoe tree, shoe care package	standard brush, premium brush, shoe lotion, shoe water repellent, shoe tree, shoe care package, shoebag, shoe capsule, quick wipes, shoelaces, shoe insoles, sneaker bag	standard brush, premium brush, shoe lotion, shoe water repellent, shoe tree, shoe care package, shoe paint, unyellowing, shoe cleaner for b2b, paintbrush, suede and nubuck brush.	standard brush, premium brush, shoe lotion, shoe water repellent, shoe tree, shoe care package, quick wipes,
Products	IDR 48,000 – IDR 675,000	IDR 100,000 – IDR 800,000	IDR 35,000 – IDR 600,000	IDR 80,000 – IDR 900,000
Location	Website, marketplace, media social, WhatsApp, offline event	Website, marketplace, media social, WhatsApp, offline event, offline store	Website, marketplace, media social, WhatsApp,	Website, marketplace, media social, WhatsApp, offline event, offline store
Promotion Tools	Social media advertisement, marketplace advertisement, Google SEO, website	Social media advertisement, marketplace advertisement, Google SEO, website	Social media advertisement, Google SEO, website	Social media advertisement, marketplace advertisement, Google SEO, website
Human capital	15 employees	33 employees	18 employees	19 employees
Product standard	Conventional production system with the human touch	Full machinery equipped production	Conventional production system with human touch with a few production machines	Full machinery equipped production
Media / platform	Social media, website, marketplace	Physical Evidence Social media, website, marketplace	Social media, website, marketplace	Social media, website, marketplace

### Consumer Analysis

From the results of interviews with consumers and the director and also managers, the majority of them are familiar with the brand because of social media and friend recommendations, mostly from Instagram and TikTok because they often got an advertisement on those platforms. The interviewer is familiar with octopus and Umbre as local brands that sell products similar to SPOTLESS, while the global brands they know are Crep Protect and Jason Markk. It was found that social media especially Instagram and TikTok can reach potential customers who previously did not know about SPOTLESS products. This is likely owing to the frequent use of Instagram and TikTok for marketing and endorsements. Local brands they know are Octopus and Umbre. Umbre is well-known for its frequent inclusion in premium sneaker events, while Octopus is known for its high sales on Shopee and Tokopedia.

For evaluation of the product, it was found that interviewees have bought SPOTLESS products before. Most of them bought a starter kit because it was the initial package for washing shoes. The rest bought shoe perfume, shoe lotion, and shoe tree to complement their needs in shoe care.

## **Discussion**

From the TOWS Matrix analysis of Spotless, the business solutions proposed to Spotless are **Proposed New Marketing Mix**

The proposed new marketing mix is a marketing mix 7p that is updated or can also be added from the previous 7p with adjustments from all internal and external analyzes carried out to determine an effective marketing strategy. Here is the new marketing mix for Spotless:

### **Product**

The existing products are classified as many and sufficient to become a "starter kit" for washing shoes. However, many products must be developed to fulfill a vision and mission to become a one-stop 'shoelution. For example, 'un-yellowing' to remove the existing yellow stain/color on shoes, shoe boxes for shoe storage to make them last longer, shoe paint to give a new color touch, or even custom coloring for used shoes, and some products can be developed such as shoe trees because the existing shoe tree is no different from the existing competitors' shoe tree. There is a need to customize existing products on Spotless. In the TOWS matrix, it has been explained that it is effortless to create a product line similar to what Spotless has. Therefore it must constantly develop its products and add innovation to the product. In addition, the quality of each type of product must be standardized clearly with strict procedures so that quality is maintained. Many competitors already have shoe cleaner products in the form of Foam, but until now, Spotless still does not have this product.

### **Price**

Spotless prices are now different from 3-4 years ago, In the past, Spotless prices were relatively cheap, but now the prices are higher than in the past. There are still many competitors whose prices are far below Spotless, but it will not be a problem if it meets the customer's expectations. However, after conducting an analysis, competitors whose prices are lower earn high sales. Therefore Spotless should make products with smaller sizes and competitive prices so that consumers who want to try Spotless' products do not switch to competitors because of their price, which tends to be in the medium range. Consumers can buy a smaller Spotless product instead. For example, they can buy the size of 60ml cleaner at a competitor's 100ml price. Accordingly, Spotless does not lose its potential consumers.

### **Place**

Spotless is a retailer that sells its products entirely online, but with the current conditions, maybe it is time for Spotless to start looking for an offline store to serve as a consignment place, especially in the shoe care laundry in JABODETABEK. The proliferation of shoe care laundry becomes a potential for Spotless to strengthen its brand by collaborating with the shoe care laundry. In addition, on the online market, Spotless must also gradually change transactions in the marketplace to its website, as it is known that the marketplace takes profit sharing of up to 8% in each transaction. If Spotless can gradually move its customers to its website, Spotless can save 8%.

### **Promotion**

Analyzing data shows that Spotless's promotion is ineffective and inefficient in terms of its promotion. the return on advertisement spend (ROAS) is almost 1:2. Therefore, Spotless must carefully plan its promotion, for example, by limiting discounts or periodically reducing Facebook advertisements on dates that historically have few purchases. Spotless also needs to plan a structured marketing campaign, both short-term and long-term.

## **People**

With the current condition, the role of human resources is vital. At this point, Spotless should invest heavily in its internal team to be more productive and efficient. Previously, Spotless had the following teams:

- a. The marketing division consists of 4 people; 1 head of marketing, 1 content creator, 1 copy writer, and 1 customer service
- b. The operation division consists of 6 people; 1 head of the operation, 1 administration, and 4 officers to help production.
- c. The finance division consists of 2 people; 1 head of finance and 1 accountant.

However, this composition is not enough if Spotless want significant growth again. The marketing team needs ahead of content creator who oversees three more staff, namely photographers, videographers, and editors, so that the content produced is of high quality and always fresh since it has been broken down into more specifics. In addition, the operation team always needs a useful formulator to find out what products are further developed and maintain the quality of the raw materials sent by the vendor. In addition to these human resources, Spotless must also consider facilitating all teams to attend seminars or events that can hone their skills to increase their performance and be more effective—for example assigning the marketing team to attend seminars on how to make Facebook ads more efficient and others. Moreover lastly, Spotless must also carry out reward and punishment in each division; by using reward and punishment, the performance of each division will be more effective and efficient.

## **Process**

The service provided by Spotless is quite complicated because the process from raw material to finished goods goes through many stages. Therefore, the proposed new process for Spotless is to create its warehouse and produce its products because entrusting it to toll manufacturers is very risky for Spotless in the future. Hiring a formulator must be done because many competitors take part in the industry, so it must pay attention to the formulations in each liquid product and product developed in the future. Spotless must make its formulation for every new product instead of depending on the vendor.

## **Physical evidence**

Spotless' physical evidence does not sell products offline. However, it offers customers experience in offline events such as Jakcloth. SPOTLESS has been partnering with JakCloth since 2018. Its physical evidence shows cleanliness, attractive booth, and experiencing shoe cleaning live with the customer.

## **Proposed New Operation Plan**

### **Making its unique liquid formulation**

From the analysis that has been done, making its unique formulation is a top priority that must be done because with the current condition of sales, there is a need for patents and standardized formulations with ingredients that are Spotless known so that they do not depend on other suppliers. The formulation can quickly be done if Spotless hires an internal formulator. Since Spotless is a company whose main product is related to chemical liquids, in its operations division, formulators play an essential role both in controlling quality and standard liquids and developing products. It is done to avoid undesirable things. For example, vendors send raw material liquids, but Spotless has never sampled the product. The worst possibility is that the vendor sends different raw liquid materials from the ones it usually sends, but Spotless staff do not check. Consequently, the consumers get products that are not suitable for use or not standard with usual Spotless products. If these possibilities happen, Spotless can negatively impact both in terms of brand and reputation.

## **Creating a small production house and investing in production equipment**

Spotless is supposed to invest in a small workshop, where it can produce several products that are managed by itself, not from tolling This warehouse can make production costs efficient, especially if Spotless buys production equipment, for example, laser brushes. The services for laser brushes are worth IDR 4000 per brush, while in a month, Spotless can sell 3500 pcs of brushes, while the price of the existing brush machines is only IDR 15,000,000. It is one of many advantages of buying efficient tools, making operational activities effective, and reducing COGS prices.

## **Implementation Plan**

Several proposed strategies have been explained to get marketing strategy improvements. The following is Spotless' implementation plan for the next year:

- a. Making a marketing budget in a year
- b. Marketing content scheduling
- c. Consignment to the offline store
- d. Marketing Campaign Planning
- e. Creating a community
- f. Making product standardization and quality control
- g. Creating a Small Production House
- h. Looking for and Working with Big Suppliers
- i. Regular Employee Training
- j. Product Development and Improvement
- k. Evaluation

## **CONCLUSIONS**

From the results of external analysis, it can be seen that the shoe industry in Indonesia is increasing both in terms of shoe production and shoe purchases, especially the proliferation of local brand shoe products that now can be found anywhere with different designs. This increase in the shoe industry certainly impacts Spotless, especially with the rampant COVID-19 pandemic in Indonesia. It makes the hobbies or activities that can be done at home increase. In addition, internet users in Indonesia are also expanding their territory, which adds to the increase in internet users. With these external factors and the existence of digital marketing and all online activities by Spotless, it is a supportive environment for Spotless to develop and increase sales. From the internal analysis, it can be seen that there are still many things Spotless has to do to make it even better and effectuate and optimize the performances of each division. Because Spotless problems can impact Spotless waste in marketing costs, there are still many operational improvements that must be addressed immediately. Otherwise, Spotless will suffer losses if it is allowed to happen. There must be strategies and innovations that Spotless must carry out in the business strategy to get even more sales and production efficiency from Spotless. From the internal and external results that have been carried out, three significant factors make marketing costs large and inefficient in the production. The business solution and implementation plan aim to carry out executions in both short and long terms, which can also be a reference to make future business strategies more effective and efficient, especially in marketing strategy.

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