

**ANALYSIS OF BLUE OCEAN STRATEGY (BOS) TO DETERMINE
MARKETING ACTIVITY IN UD GARASS COMM**

THESIS

Submitted to International Program Industrial Engineering Department in Partial
Fulfillment of Requirement for Bachelor Degree of Industrial Engineering
Universitas Islam Indonesia



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YOGYAKARTA**

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AUTHENTICITY STATEMENT

By Allah, I declare this research was conducted by me, unless the citation in which each of those are already mentioned the source and rewrite by myself. If someday this declaration letter is proved plagiarism, Universitas Islam Indonesia has right to revoke to its confession.



Yogyakarta, December 2018

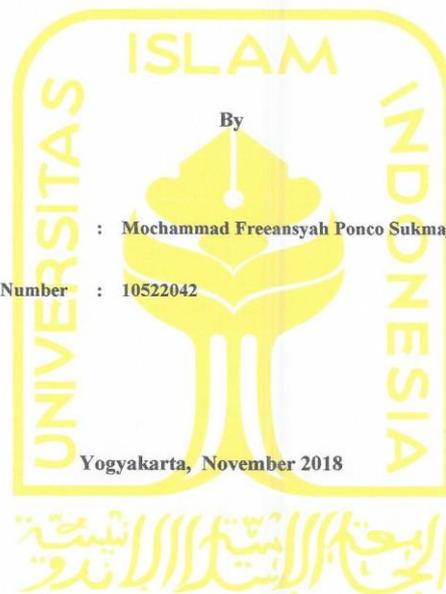
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DEDICATION

I dedicated my final project for my Mother, Father, my brothers and thank you for all of my friends. I might not finished it yet if there weren't all of you to support me, and help me to stand up again.

MOTTO

“You will never know what you are doing until and unless you have done it.”

Santosh Kalwar

“The purpose of education is to replace an empty mind with an open one.”

Malcolm Forbes

“Education is the power to think clearly, the power to act well in the world’s work, and
the power to appreciate life.”

Brigham Young

PREFACE



AssalamualaikumWarrahmatullahi Wabarakatuh.

Alhamdulillahirabbil 'alamin. Praise to Allah SWT the most glorious and the most merciful. Shalawat and Salam toward our adoration Prophet Muhammad SAW along with his family and followers. The guidance of Allah allows the author to finish this thesis.

The accomplishment of this thesis is inseparable from the support of all parties. I would like to express my great appreciation to Mr. Muhammad Ridwan Andi Purnomo, S.T., MSc., Ph.D, my thesis supervisor for his helpful comments, advice and insight. I have to do all he has suggested. He has eased the way during the thesis writing make the enjoyment of my research even more enjoyable. To all International Program administration staff thanks a lot for the help and assistances, and all the International class lecturers. I really appreciate their ingenious input

My gratitude to Mrs. Afifah the Director of UD Garass comm, Mrs Hanna the management of UD Garass comm for their helpful during their busy hours, their assistance and guidance in giving the information needed has smoothen my research. I would also like to express my appreciation for all the staff of UD Garass comm for their friendly assistance.

I would like to express gratitude to classmates from IP Industrial Engineering year 2012 for their sharing and lesson in learning in this bachelor degree, and all of my friends all around the world for the endless support.

Finally my high appreciation to my parents and my brothers for their continuous supports, encouragements and efforts for which I am truly grateful. To whom I dedicate this thesis.

The Author realizes that there are still shortcomings as well as weaknesses in this report, so the building suggestions and critics are fully expected. The author hopes this paper would bring advantages for everyone who reads this.

Wassalamu'alaikum Warrahmatullahi Wabarakatuh

Yogyakarta, December 2018

Mochammad Freeansyah Ponco Sukmajati

Abstract

The development of technology and knowledge that has a significant increase makes the competition among companies are fiercer. In order to compete with others, company management must manage the company well. Blue Ocean Strategy (BOS) is the right business strategy to be used to face such competition. The printing business became the object of observation in this study. This research aims to make the formulation of business strategy with Blue Ocean Strategy (BOS) approach and provide alternative solution of business development to management in accordance with the socio-cultural conditions of Yogyakarta. The results showed that there are several strategies to enhance the production efficiency by focusing on products that are easy to do. Maintaining quality and increasing product variations, utilizing the supplier network to find materials, strengthening the position on the market segment that has been entered. Alternative business development solutions can be done by maintaining and improving product quality, and enhancing managerial skills.

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CHAPTER I

INTRODUCTION

1.1 Background

Printing is a technology that produce copies of an image very quickly, like words or pictures on paper, cloth and other surfaces. Every day, billions of printed materials are produced, including books, calendars, business cards, bulletins, magazines, newspapers, posters, wedding invitations, stamps, wallpaper, and fabrics. This is because the printing results can quickly communicate thoughts and information to millions of people. Printing is considered one of the most important and influential discoveries in the history of human civilization. From the mid-1400s to early 1900s, printing was the only form of mass communication. Education depends on the availability of reading materials, even after discoveries such as radio, television and motion pictures, the printing results remain the world's leading source of information. At present, printing is an important industry in every developed country by Wiranata (2013).

Printing companies in Indonesia are growing rapidly, both in large scale, medium and small scale. This development also occurred in Yogyakarta, where there are various printing companies in quite large numbers. It resulted on the higher competition in the field. The existence of competitive conditions will certainly have implications for each company, so the company must formulate and implement a feasible strategy for each of their printing products are not less competitive with other printing products. In general, in facing this competition each company will perform various strategies to compete and to survive in the existing competitive conditions. According to Ghueck et al (1998), strategy is a unified, broad and integrated plan that links corporate excellence with environmental challenges and is designed to ensure that

the company's core objectives can be achieved through proper implementation by the organization.

There are so many companies that compete in order to fulfill customer needs and requirements. UD Garass comm is one of a business printing company with offset printing and digital printing that has been established since 2001 in Yogyakarta. Selling system that implemented in this company is “make to order”, in which the customers assign the existing design or assign the design process to the company. After the design process is approved then it will be later set about the production time. This process is also adopted by competitors that create Red Ocean phenomenon which is one of the example for company with unhealthy competition in order to achieve their goals.

The absence of marketing position makes UD Garass comm only relies on customers who put small orders. Whereas with the ability of the machine owned by the company, it can produce huge scale production and it will increase the company revenue. This combination will not maximize the profit and could threaten the existence of the company.

Development of technology and knowledge that have a significant improvement make the competition inter-company getting stronger. In order to able to compete with others, company has to manage its management properly. UD Garass comm has to be able to capture what customers need and want. Therefore, company will be able to create product that is suitable with the customers' needs. The company should require a good marketing, it will be able to increase product selling and gain market share. However on the contrary, it will decrease the product selling that impact to the decreasing of the profit.

Currently, UD Garass comm runs the company in a conventional way, which is waiting for customers to come to order. Mostly, the customers who come would like to put the short time order, such as an invitation for a wedding. Sometimes if there is an exhibition relating to printing, UD Garass comm follows up the event in terms of introducing the company to the community. There are also orders for printing works from other companies that are transferred and carried out by UD Garass comm, because

that company cannot fulfill the request order. Although with a limited number of marketing staff, the company also tries to send its staff to visit several agencies to promote the company's services and can establish continuous cooperation continuously.

In the field of marketing, to respond the ever-changing behavior of consumers, there is a powerful marketing strategy needed. A good and reliable marketing strategy will be a guideline for the company in marketing its products in order to provide satisfaction to the customers and make UD Garass comm can run its business and win the tighter competition.

Implementation of marketing strategy has a very big role as a support to increase profit and corporate competition. UD Garass comm needs to recognize its strengths, weaknesses, opportunities and threats using SWOT analysis. SWOT analysis is a method of data analysis used to formulate marketing strategy by analyzing internal factor and external factor so it can be identified the strength, weakness, opportunity and threat faced by company (Rangkuti, 2006). With SWOT analysis UD Garass comm can find out the current performance of company and can determine future marketing strategy. So that UD Garass comm, in the competition can help to identify itself and take advantage of every available opportunities and avoid or minimize weaknesses, where the role of marketing strategy is an effort to find a profitable position in an industry (Ulyah, 2016).

The occurrence of declining and unstable sales within a few years is an indication of the weak strategy applied by UD Garass comm in facing the competition, so it needs to be studied what are the causes of decline in sales and what efforts can increase sales. Some conditions experienced UD Garass comm that has not reached the maximum sales, among others, marketing is still conventional, with the amount of existing marketing position has not been able to maximize its function to promote its products and services.

Blue Ocean Strategy is defined as a business strategy that implements uncontested market space so as to make the competition irrelevant. The market that is not contested is analogous to Blue Ocean where an organization plays alone without any

competitors. Conversely, the condition in which the market space is mutually contested by various parties in any way, then this condition is analogized as Red Ocean. The blue ocean is an industry that does not exist today and is an unfamiliar market space, whereas the red oceans are all the industries that exist today and are well-known as market spaces. For that the blue ocean is characterized by unexplored market space, demand creation, and lucrative growth opportunities. Although blue oceans are created completely outside of existing industries, they are mostly made from deep red oceans by expanding existing industry boundaries. In the blue ocean, the competition will not be relevant because the new game rules are formed.

This research will combine the SWOT analysis, which evaluates the internal and external factors of the company with the Blue Ocean Strategy method, which is the basis for making decisions on the use of appropriate strategies for innovative marketing and to determine the strategy that used to win the market competition. Evaluation is required to assess the strategic position of the organization in order to create a marketing strategy that UD Garass comm will apply in facing the competition, it is necessary to study what cause the decline in sales and what efforts can increase sales.

1.2 Problem Formulation

Based on the background above, there are some problems to be solved. The problems are formulated as follows:

- a. How is the market of UD Garass comm with other digital printing competitors in Yogyakarta?
- b. What kind of business strategy that should be implemented by UD. Garas comm based on Blue Ocean Strategy (BOS) to develop product and services?

1.3 Problem Boundaries

Based on the above research questions, several boundaries are arranged to limit the research and focus the study. The limitations are formulated as follows:

- a. This study was only conducted at the digital printing business in Yogyakarta area.
- b. The data that were used in this research were only based on customer needs.
- c. Blue Ocean Strategy is the only method to measure the company.
- d. The research was focused on developing business strategy without attaching any cost strategies

1.4 Research Objectives

Based on the research questions and scopes, the arranged the research objectives are:

- a. To discover the business strategy that should be implemented by UD. Garas comm based on Blue Ocean Strategy (BOS) to develop product and services.
- b. To understand the market of UD. Garass comm compared to other digital printing competitors in Yogyakarta.

1.5 Benefits of the Research

The expected benefits of this research are as follows:

- a. For researchers
To be able to implement and apply the theories obtained in the field of basic science of business strategy formulation, to be implemented in real business life.
- b. For other developers
As the comparison and reference in the redesigning existing products that fulfill the customer needs as the end user in the society.

- c. For general public

Hopefully this research can be used as a reference to increase the reader's knowledge. This research can also be used as reference for subsequent research since there are still many things that can be done in this study.

1.6 Systematic Writing

In order to produce more structured thesis, this research is prepared using a systematic order as follows:

CHAPTER I PRELIMINARY

This chapter contains the analysis on the background of the problem, formulation of the problem, problem definition, research objectives and benefits of the research.

CHAPTER II LITERATURE REVIEW

This chapter contains the analysis on the result of studies that have been done previously and has connection with the research undertaken. It also contains basic concepts and principles needed to solve the research problems, the basic theoretical basis to support the study to be conducted

CHAPTER III RESEARCH METHODS

This chapter contains the object of the study, model development, model analysis, a computer program being built, designing of the study product and its stages, materials and tools used, implementation procedures, and ways of processing and analyzing data.

CHAPTER IV DATA COLLECTION AND PROCESSING

This chapter describes the data generated during the study and processing of such data by a predetermined method of analysis results.

CHAPTER V DISCUSSION

This chapter discusses the results of research in the form of table of data processing results, graphs, equations or models as well as the analysis of theoretical explanations concerning the qualitative,

quantitative and statistical results of the research and study to answer the research objectives.

CHAPTER VI CONCLUSION AND SUGGESTION

This chapter contains a brief and precise statements derived from the results of the research and discussion to prove the hypothesis or answer the problem. Advices were made based on author's experience and consideration, addressed to researchers in similar fields, who want to continue and develop the conducted research.

REFERENCES

ATTACHMENT

CHAPTER II

LITERATURE REVIEW

2.1 Previous Studies

Nissya Mazhaly, et al. (2010), discussed the using of SWOT and Blue Ocean Strategy (BOS), as for the information strategy using Critical Success Factor (CSF) and Value Chain. The results of the research are business strategy and information strategy so that the institution can enter into blue ocean (Blue Ocean Strategy) which can create its own market, hence it can win the competition because there is no competitor.

Utaminingsih (2010) conducted the study that produced BOI (principles one to four) and it did not arrive with the implementation of the strategy (the fifth and sixth principles of the Blue Ocean Strategy).

Windarto (2012) carried out a research using Blue Ocean Strategy that had encouraged innovation in LG Electronics, but must produce more innovative products with a paradigm shift to achieve the ultimate vision of becoming Global Top 3 electronics and telecommunications companies in 2010. To improve the ability to realize the Blue Ocean strategy, it was done by maximizing efficiency by using product innovation, production efficiency and logistics efficiency.

Sitanggang (2012) stated that Blue Ocean Strategy is an appropriate strategy to be implemented in oligopoly markets, that has strong competition with a considerable

market concentration and has a similar product types. In the television marketing industry refers to product, price, place and promotion

Fuad (2008) aimed to analyze Madrasah Muhammadiyah by using Blue Ocean Strategy theory. Results of this study is the adoption of blue ocean principles in education management that is generally quite good with details of plans reaching 53.33% (moderate) implementation of 72.14% (high) and 60% (high) evaluation so that the overall totals are 59.25 (medium).

Mohamed (2009) analyzed the differences in the uniqueness of companies that applied Blue Ocean Strategy, the findings resulted that most factors eliminated by researchers in term of agency-related programs and product variations was operating cost. The factor enhanced by the agency is the service to the consumer and the factor has a long-term effect.

Utama (2008) aimed to determine the application of blue ocean strategy in universities. The application of blue oceans in college must be distinguished in context of company. Profits in college are in different terms from the company definition on profits. It is also noted the characteristics of equations and differences between universities and companies.

2.2 Literature Review

Strategic management is a field of science that grows and develops quickly. Strategic management in the perspective of the company is as a series of interrelated processes and the efforts on how the company can grow and succeed in facing the environment.

Strategies are defined as the process of determining a leader's plan that focuses on the organization's long-term goals, along with the efforts for achieving the goal or how that goals can be achieved (Marrus, 2002)

Strategy is a form or plan that combines the goals, policies and actions in the main organization into a unity. A well-formulated strategy will help the preparation and allocation of company resources into a unique and enduring form. A good strategy is based on the company's internal capabilities and weaknesses, anticipating changes in the environment, and the unity of movement by enemy spies (Quinn, 1999).

In the world of industry, marketing terms are often heard, where marketing is an integrated communication preparation process that aims to provide information about goods or services in connection with satisfying human needs and wants. It is started with the fulfillment of human needs which grows into human desire. The process of fulfillment of human needs and wants is the concept of marketing. Marketing understanding is a social process in which individuals and groups get what they need and want by creating, offering, and freely exchanging value products on the other (Philip Kotler, 1997).

Marketing strategy is defined as an analysis of strategy development and implementation of activities in the strategy of targeting the product market in each business unit, setting marketing goals and development operations, and marketing program management strategies, positioning a market designed to meet the needs of target market consumers (Craven, 2000).

From the above definitions, it can be concluded that management strategy is a series of strategic decision-making process that includes formulating, implementation (implementation), and evaluation (evaluating). By using strategy management as a framework to solve every problem in the organization, then the manager is invited to think more creative, deep (deep thinking) and strategic. Problem solving by generating and considering more alternatives built from a more rigorous analysis will be more promising for a favorable outcome for the company. This is because the management will consider the priority alternatives in the process of problem solving more effectively and efficiently.

Risks in strategy management will make management wiser in using this field of knowledge and understanding it better so it will result maximal benefits. In addition,

decision-makers become sensitive to the possibilities of these negative consequences and prepare them in effective ways to minimize negative consequences that will reinforce the potential benefits of strategic planning within a company.

Strategic planning is closely related to overall management activities. Strategic planning is used to assist managers in completing their management tasks. In The Conference Board, based on a study of 50 executive executives in depth about the meaning and benefits of planning, public opinion suggests that planning cannot be separated from the process of management (organizing, directing, motivating, and controlling).

Strategic planning is the backbone of strategy management, though not overall activities are classified into strategic management. In preparing the strategic planning process there are 5 stages, including: goal determination, environmental analysis, alternative strategies, implementation and evaluation (Crittenden, 2000). While Grant (2003), presented broad strategic planning concepts that needs an understanding of long-term goals and an understanding of strategic management and strategic thinking.

Many organizations establish a basic foundation for their existence in the statement "Vision, Mission and Purpose". Vision can be interpreted as a vision of something that happens far ahead beyond present time. According to Campbell and Yeung in David (2009: 88), vision is "a possible and desirable organizational future state" that includes specific goals. According to Porter (2007) "Vision is a far-reaching view of the company; company goals and what to do to achieve goals ". Mission is a translation of the vision that can be used as a reference in the development of strategies and activities within the organization. Mission statement is more detailed than vision. The mission of the company in general is the elaboration of the realization of the interests of stakeholders (parties concerned).

According to Pearce and Robinson (2008) the definition of mission is as follows: "Mission is a statement about the fundamental purpose (fundamental purpose) that distinguishes a company other similar and which explains the scope of its operations in the form of products and markets. According to Wheelen et al (2006) the

mission is defined as "The purpose or reason why the organization lives as well as the fundamental and unique goals that differentiate a company from another company".

While setting company goals will not be separated from the mission statement that has been made. Objectives are the end result of planning activities. The purpose of formulating what will be completed and when it will be completed, and should be measured where possible. The purpose of the company will guide it to go further. In general, the goals to be achieved as expressed by Wheelen et al (2006). Purpose is an open statement of what it wants to achieve, without counting from what must be achieved and without a period of achievement.

In formulating a strategy, the most important step is to do environmental analysis. Company management can identify the strategic factors for the future by analyzing the company's environment. The analysis covers the internal and external environments of the company. External forces can be divided into five categories, namely economic strength, social, cultural, demographic, and environmental strength, political power, government and law, technological strength, competitive power. Analysis of the internal environment to identify the strengths and weaknesses of the company. Analysis of the internal environment is closely related to the profile of a company, because through this profile all the strengths and weaknesses of resources owned by company can be observed and compared with the environment outside the scope of the company. According to Wheelen et al (2006) elements of the internal environment can be divided over the structure, the way companies organize communication, authority, and workflow; and culture, the belief, hope, and value-shared patrons of the members of the organization.

2.2.1 Blue Ocean Strategy

Blue Ocean Strategy is a business strategy that implements uncontested market planning strategy that makes competition irrelevant. The market that is not contested is analogous to the "Blue Ocean" or blue zone, where companies compete alone without competitors.

Conversely, the condition in which the market is always contested is analogous to "Red Ocean" or red zone. On the basis of value innovation, this strategy challenges companies to break out of competition by doing differentiation and low cost together through a four-step framework (Eliminate, Create, Improve and Reduce).

The frameworks and analytical tools employed in the Blue Ocean Strategy include strategy canvas, to summarize the current situation in known market spaces; a four-step framework for establishing new value curves; and the "Eliminate-Reduce-Improve-Creat" Scheme as a complement to the four-step framework.

The systematic approach designed by Kim and Mauborgne in making the Blue Ocean Strategy outlines six principles and risks that fall into two principles: the principles of formulation and implementation principles, which are clearly described in the Table 2.1.

Table 2.1 Six Principles of Blue Ocean Strategy

No.	Principles of Formulation	Risk Factors
1.	Reconstruct market boundaries	Search Risk
2.	Focus on the big picture, not on numbers	Risk planning
3.	Reaching beyond existing requests	Risk Scale
4.	Perform a proper strategic sequence	Business Risk
5.	Overcoming major obstacles in the organization	Organizational Risk
6.	Integrate the execution into strategy	Risk Management

Source: Kim and Mauborgne, Blue Ocean Strategy, 2006: 42

Understanding the true strategic sequence and understanding how Blue Ocean's ideas are based on key criteria in the series dramatically reduces business risk. Companies need to build their BOS in a series of buyer utilities, pricing, fees, and adoption, shown in Figure 2.1.

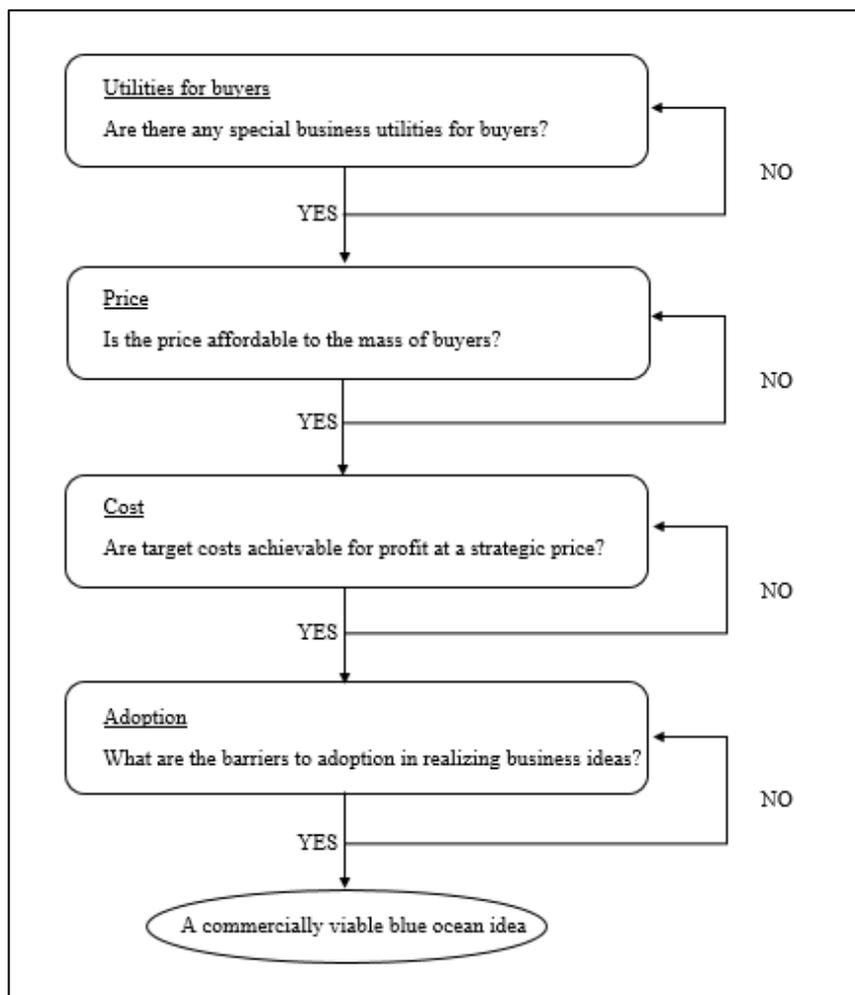


Figure 2.1 Blue Ocean Strategy Network

Source: Kim dan Mauborgne, *Blue Ocean Strategy*, 2006 : 146

2.2.2 Niche Market

A. Niche Market

There are various types of definitions related to the niche market. Kotler (2003) defined a niche market as a narrower group that is identified by dividing the segment into subsegments with specialization which is the main key of the market niche. Phillips and

Peterson (2001) defined the market strategy niche as a marketing strategy that uses product differentiation to attract more focused customer groups. Teplensky (2013) defined niche markets as an emphasis on specific needs, or emphasis on geographical, demographic, and product segmentation. Kara and Kaynak (2013) defined niche markets as a further step in market segmentation in creating different groups of customers.

Dalgic and Leeuw (1994) considered niche markets as small markets consisting of individual customers or a group of small customers. Niche market can be distinguished two approaches:

1. Marketing as a creative process

The process of carve out a small part of the market needs are not met. With market, customer, product or marketing mix specialization, companies can adapt to unique needs.

2. Marketing as the final step of segmentation

Evaluate from the sequential stages, namely segmentation, targeting, positioning and niching. There is a difference between market segmentation and niche market. The characteristic of market segmentation as a top-down approach which is a process of breaking large markets becomes smaller and more manageable. While niche markets are a bottom-up approach where marketers start from the needs of several customers and gradually build larger customers. Here is a table of differences in segmentation with niche marketing, described in Table 2.2.

Table 2.2 Segment versus niche

Segment	Niche
Top-down approach	Bottom-up approach
Separation based on differences	Combine based on similarity
All members of the segment are considered identical	Emphasis on individuals
Larger size	Smaller size
Emphasis on smaller management separation	Emphasis on meeting specific needs

Source: Shani dan Chalasani (1992)

B. Characteristics of Niche Market

According to Kotler (2003), niche markets have the following characteristics:

- a. Consumers have different needs
- b. Consumers will pay premium prices to meet their needs to the best companies
- c. Niche markets are not attractive to competitors
- d. Companies get certain benefits through specialization
- e. Niche markets have potential size, profit and growth

Based on Kotler (2003), the characteristic of a niche market is the opportunity to succeed using the push marketing approach (developing a product and then finding a market for that particular product).

C. Implement Niche Market Strategy

The reason for implementing the most important niche market strategy is profit. Companies that implement niche market strategy know the target customer groups so well that the market nicher can better meet their needs than other large companies that usually sell to the market niche. As a result, market nicher can charge markups because of the added value. While mass marketers reach high volumes, the market really reaches high margins (Kotler, 2008).

Dalgic and Leeuw (1994) stated that niche market strategy can help companies to remain in healthy competition. Companies that want to survive, develop and benefit are required to find market share that has characteristics:

- a. Adequate amount
- b. Potentially profitable
- c. Market share that has been ignored by other companies

- d. Potential to develop
- e. Have purchasing power
- f. Special care needs
- g. Good customer
- h. Opportunities for companies to enter superior competencies

According to Leeflang (1994) niche market strategy is chosen based on the following conditions:

1. If a company has the ability to do a niche market in a certain way, which is better and different from the others.
2. If a company is able to create great will with a relatively short time, in order to prevent potential competitors.

Jain in Dalgic and Leeuw (1994) viewed niche market strategy as a single marketing strategy that can be used for the following reasons:

1. Avoid competitive confrontation with larger competitors and devote energy to serve unique markets
2. To increase opportunities
3. For the continuity of the company

CHAPTER III

RESEARCH METHODOLOGY

This chapter will present the methodology of this research, precisely around the conceptual model on how this research will be conducted. This conceptual model is used to keep the research focusing on the primarily goals which are going to be achieved.

3.1 Location of Research Object

This research is conducted in UD. Garass Comm at Jalan Magelang, Yogyakarta.

3.2 Basic Method of Research

1. Primary data, are data obtained directly from the source. The data are obtained by conducting a direct study to the company by performing observation and interviews with related parties.
2. Secondary data are data obtained indirectly sourced from the literature, documents, websites and references related to UD. Garass comm. These secondary data include company profile, vision and mission, organizational structure and other reports as well as external analytic information.

3.3 Data Collection Method

1. Interview Method

The process of obtaining information by means of question and answer is conducted face to face between the researchers with Afifah Aziz as the owner of UD Garass comm and the staffs to provide data related to the problem under study such as the income data, work duration data, etc. and how the management and development of the company.

2. Observation method

Data collection was carried out by observing directly on the object of research and systematically record the phenomena under investigation so that it can be notified the real condition of the UD Garass comm.

3. Library method

Collection of data are derived from books, journals, reports and other sources of written information related to the problem under study.

3.5 Flow of Research

The research flow process would be illustrated in Figure 3.1 below:

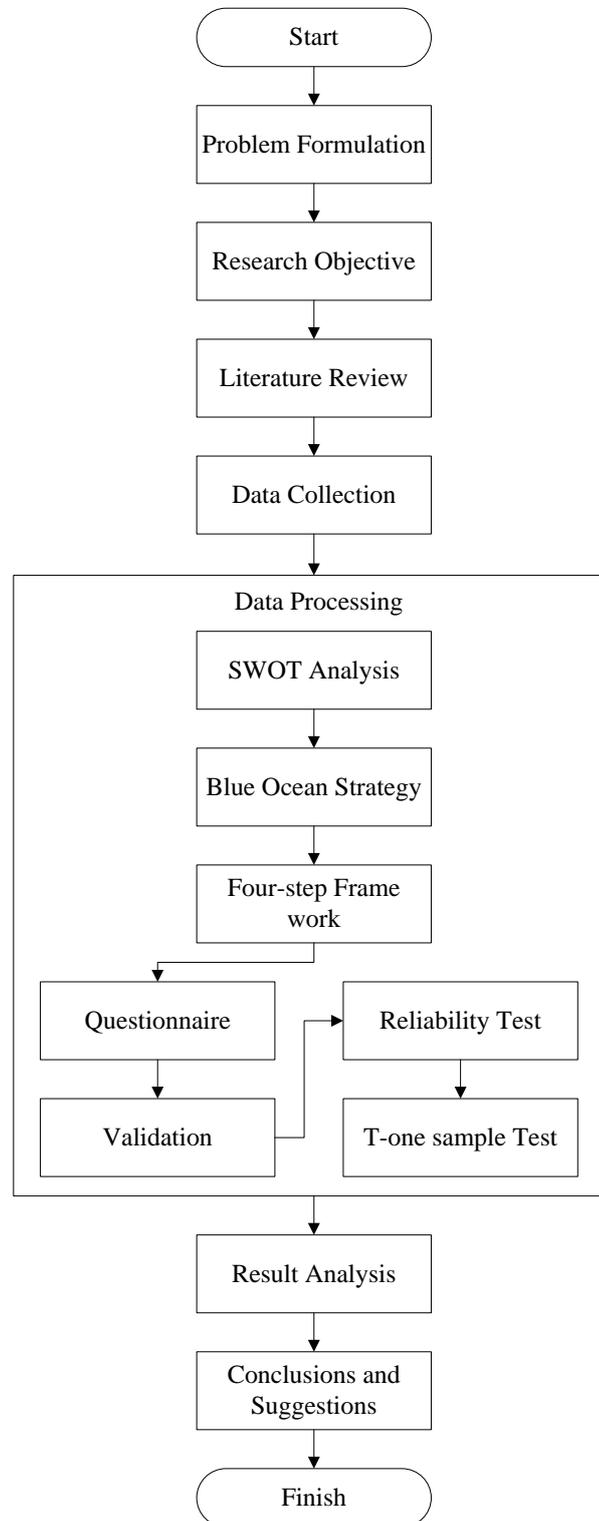


Figure 3.1 Research Flowchart

3.5.1. Problem Formulation

Based on the background of problems that have been described previously it can be discussed the problem on how the design of marketing strategies based on SWOT analysis and Blue Ocean Strategy appropriate to be applied to UD Garass comm?

3.5.2. Research Objectives

To obtain the right marketing strategy to apply to UD Garass comm.

3.5.3. Literature Review

The literature review is conducted in order for researchers to master the theoretical and basic concepts related to the problem under investigation from several references, among others, scientific reports and scientific writings that can support the formation of theoretical basis. The literature review covers two types: Deductive and Inductive. Deductive studies are the basic concepts needed to solve the research problem that comes from books. While the Inductive study is the content of the description of the results of previous research conducted by other researchers who have related topics with research conducted in the form of journals.

3.5.4. Data Collection

In this study, data collection methods used are as follows;

1. Interview Method is the process of obtaining information. Before conducting the interview, the researcher will make the list of the question first. This process is question and answer that conducted face to face between the researchers with the owner of UD Garass comm or staffs to provide data related to the problem of the study, such as income, product and pricing. From this process, researcher also

will get the internal and external factors of the UD Garass comm to run the next step.

2. Observation method is data collection by observing directly on the object of research and systematically record the phenomena under investigation so that it can be identified the real condition of the UD Garass comm.
3. Library method is the collection of data derived from books, journals, reports and other sources of written information related to the problem under study.

3.5.5. Data Processing

Data analysis method used in this research is SWOT analysis and Blue Ocean Strategy to make the Four-step Framework that should be implemented by UD Garass comm. The goal is to actually describes the phenomena that want to be measured to produce relevant conclusions in accordance with the facts and objectives of the research that has been outlined.

1. Questionnaire

The questionnaire in this study was in the form of questions given to respondents to find out the business strategy used. The number of questionnaires given in this study amounted to 10 respondents. The criteria used in the selection of respondents are determined according to their respective fields.

2. Validation

According to Sugiyono (2010) the validity of an instrument means that the instrument can be used for what should be measured:

a. Determine the Hypothesis

H0 : the blue ocean strategies effective in determining marketing strategies

H1 : the blue ocean strategy not effective in determining marketing strategies

b. Specifies the value of R table

With a significance level of 5% degrees of freedom (df) = n - 2, the R table value can be seen in table.

c. Find the R value

To determine the R value the author processed it with the help of SPSS 21.0 software. The calculated R value can be seen in the SPSS 21.0 output in the Cronchbach Alpha If Item Deleted.

d. Compare the R table with R value

If the calculated R value is positive, and $R \text{ value} \geq R \text{ table}$ then H_0 is accepted.

If the calculated R value is positive, and $R \text{ value} < R \text{ table}$ then H_0 is rejected.

If the calculated R value is negative, and $R \text{ value} \leq R \text{ table}$ then H_0 is rejected.

3. Reliability Test

Reliability is an index that shows the extent to which a measuring device can be trusted or reliable (Singarimbun, 1989).

4. T one sample test

T-test for one sample in other terms is usually called the One Sample t-test Method, is a t test procedure for a single sample if the average of a single variable is compared to a certain constant value. T sample test terms:

- a. Data is quantitative data
- b. Meet the assumption of normal distribution

3.5.6. Conclusion and Suggestion

This section contains the conclusions of the results on data processing and discussion obtained from research. It also submitted suggestions and recommendation to conduct an evaluation on the UD Garass comm.

CHAPTER IV

DATA COLLECTION AND PROCESSING

4.1 Data Collection

Based on the statement of the owner of UD Garass Comm, who wants this company to be a source of welfare of its employees, hence it must continue to grow and develop by providing excellent service to consumers. It can be concluded that UD Garass Comm's vision is "Grow and develop to be a company with integrated service in the field of printing and promotional equipment services. ". While the mission is "Providing full service to customers, employees, partners and owners of the community in the field of printing services with efficiency, honesty and professionalism."

Based on interviews with the owner, UD Garass Comm's goal is to be a benchmark in the advertising industry in Indonesia in particular and the world in general, empowering creative youth in Yogyakarta, and providing the best service and quality of production in ordering and manufacturing its products for consumers.

4.1.1 Management of the UD Garass comm

To run the business, management consists of several functions that are divided into several division as shown in Table 4.1.

Table 4.1 Management Function

Function	Planning	Organizing	Actuating	Controlling
Financial Function	Create a monthly budget	Giving salaries and making accountancy	Create income and expense report	Checking the daily financial report
HR Function	Recruiting employees	Providing training and direction	Supervise employee performance	Evaluate employee performance
Marketing Function	Offer products to consumers	Maintain relationships with clients	Make an offer to the consumer	Create monthly report
Production and Operational Function	Sorting jobs with deadlines	Setting the daily work	Directs each function in each division	Evaluate employee performance with work accuracy

4.1.2 Internal Factor

Any Revenue earned from the consumer will enter to the company's cash into capital for the operations of the company and will be screened for purchasing raw materials for subsequent orders.

Regarding to the raw materials, it is actually easy to find and UD Garass comm already has a major supplier, but the price of raw materials tends to be unstable. In addition, sometimes there is a problem of delay in its delivery that forces the staffs of UD Garass comm to work overtime to complete the work.

The company does not have a Research and Development section to seek knowledge of better production methods. In facing the external changes such as competition in industry and consumer demand, companies rarely conduct consumer surveys, so far customer satisfaction seen from feedback. Utilizing large capital is a strength that the UD Garass comm has, and one of the UD Garass comm ways to face the change. If there is a new machine or any other obstacle, the company will use the capital to remain in its industry.

In the analysis of competitor factors, in Yogyakarta there are several businesses similar to UD Garass Comm, including Saka Kreasindo and Alliance Printing. With a similar sector, UD Garass Comm needs to identify who they will confront in the same market segment. So, it can be determined the right strategy for business development.

Internal factors that would be analyzed consist of marketing, operational, financial, and human resources. The result of internal factor analysis in marketing is product, price, place, promotion, people, process, and consumer service. Some types of products produced by UD Garass Comm are: merchandise, books, procurement of goods and services.

The pricing on UD Garass Comm is flexible. The price is adjusted to the type of product ordered and the specification of the product itself. The price offered by UD Garass Comm is accordance to the segments that become the main target market, which are the students and growing businesses with still concern to the quality itself.

As a service company that has recently established, UD Garass Comm has been aggressively promoting both through the virtual world and some exhibitions. In addition UD Garass Comm is also actively looking for clients. Promotion step is now quite effective because the number of orders continues to increase over time.

UD Garass Comm has some workers that have experiences in the field. Although the number of human resources is limited and often change, but UD Garass Comm can run its business well overall. To overcome the high frequency of employee turnover, UD Garass Comm hired craftsmen on a regular basis. It aims to minimize employee dismissal due to decreased performance.

UD Garass Comm receives all orders that come when in full capacity. This causes some obstacles to UD Garass Comm in the process of production; due to complicated merchandise design orders, it will be difficult to process, because require a precision and special attention. In the production process, UD Garass Comm divides it into two parts. The orders that made by the company and the orders that partly provided by vendors. After the completion, it will be inspected by the management team.

For every customer or prospective buyer, UD Garass Comm is willing to answer the questions about the products offered. In addition, customer service can also help the prospective customers to consult about the products that will be ordered, both on product design to product specifications. In service after transaction, UD Garass Comm also provides an after-sales service if there is a shortage of product ordered or if the customer want to add a little modification on the product that has been ordered.

For operational process, UD Garass Comm maintains good relationships with raw material suppliers and does not rely only on a single supplier. This is a curative or preventative step from the things that are not desirable. UD Garass Comm operational hours start from 09.00 am until finish at 17.00 pm. Working hours are defined as working hours of production process.

In the financial sector, although there is no significant increase, UD Garass Comm's has increased considerably for the last 3 years. This proves in the table 4.1 that there is growth potential for this company in the future.

Table 4.2 income of UD Garass Comm

Year	Average
2014	Rp. 260 Million
2015	Rp. 330 Million
2016	Rp. 500 Million

In the human resources, UD Garass Comm employs total of 4 designers, 5 to 10 vendors, and 2 management teams also 4 craftsmen who are hired on a regular basis. Two persons of management team are the business owner. They handle the entire process of supervision, packing, sales, accountancy or administration and marketing. The small number of workers do not discourage the expectations of business owners to keep moving forward and growing up to fulfill large orders.

4.1.3 External Factor

A. Threats of newcomers

There is no differentiation in this industry, that makes many newcomers easy to establish companies engaged in this industry.

B. The bargaining power of consumers

Consumers usually buy in large quantities, sometimes consumers threaten to switch to another company if discount or gift prize is not given by UD Garass comm.

C. The bargaining power of suppliers

Relationships with suppliers are quite good despite having some number of suppliers.

D. Pressure from replacement product

Having a better quality, but in terms of price is more expensive than the replacement products that use new technology.

E. The level of competition among competitors

The number of competitors is quite a lot, consumer loyalty is formed from the quality of the product, the work duration and the appropriate price.

4.2 Data Processing

After analyzing the external environment and the internal environment of UD Garass Comm, SWOT analysis is performed to find out the company's condition consisting of strength and weakness obtained from internal environment analysis, as well as opportunities and threats obtained based on analysis of the external environment. The SWOT analysis results can be seen in the SWOT matrix which also

illustrates how management can match the opportunities and external threats facing a particular company with its internal strengths and weaknesses, to produce four alternative sets of strategies.

SWOT Matrix

Internal Factor	Strength	Weakness
External Factor	SO Strategy	WO Strategy
Opportunity	ST Strategy	WT Strategy
<ul style="list-style-type: none"> • The customer population increased • Number of Suppliers • Customer focus on quality 	<ul style="list-style-type: none"> • Good Relationship between suppliers and customers • Having big capital • The division of task to each employee is clear • Using good technology 	<ul style="list-style-type: none"> • Employee's negligence creating defective products • Machine maintenance period makes employees must be overtime • Lack of manpower
<ul style="list-style-type: none"> • Unstable price in obtaining raw materials • The complexity of product design • Lack of experts • Increasing competitors 	<ul style="list-style-type: none"> • Expand the market will increase the company's profits • Increase new machines to increase production capacity • Maintaining relationships with suppliers and increasing the amount will also facilitate the company in obtaining difficult raw materials 	<ul style="list-style-type: none"> • Recruit competent employees in their fields, such as operators for sophisticated machines and creative employees in marketing innovation.
<ul style="list-style-type: none"> • Buy raw materials in large quantities to get the cheapest price possible. Good relationships with suppliers also provide opportunities in negotiating for raw material prices. • Provide good quality with detailed product variation and long processing time. 	<ul style="list-style-type: none"> • Production efficiency by focusing on easy-to-do products • Improving the quality of human resources for the achievement of good and maximum production. 	

Figure 4.1 SWOT Matrix

Based on Figure 4.2, it can be seen the situation of the company based on the strength, weakness, opportunity and weakness in internal and external factors. So, it can be identified the company position and it can be the reference to make the further strategy for the company itself.

The next step is arranging the Blue Ocean Strategy based on the data and the matrix that already described the company situation. In order to confirm the proposed Blue Ocean Strategy already in blue ocean zone, we can use the niche market strategy as tools to confirm and make a new market which no competition as a blue ocean strategy aspect needed. In this step, Garass comm should find out the market needs as a reference to make a niche market.

In implementing the six principles of Blue Ocean Strategy, UD Garass Comm needs to look at some things. First, to reconstruct market boundaries to anticipate the risks that might be faced by many companies. After identifying the characteristics of markets and competitors, UD Garass Comm should be able to add value to the benefits for consumers by recognizing what kind of benefits that are desired. UD Garass Comm also needs to pay attention to a group of companies in an industry pursuing the same strategy. UD Garass Comm management can analyze customer target condition by looking at buyer chain as new opportunity to expand its business.

Furthermore, by looking closely at the group of buyers, UD Garass Comm will gain knowledge on how to redesign their value curves to focus on ignored group of buyers. Then, it is also necessary to increase the emotional attribute on the services offered by UD Garass Comm to give interest and gain the trust of the consumers that will ultimately increase the loyalty of the consumers themselves. In SWOT analysis for UD Garass Comm, there are highly influential opportunity points that could be good addition to products. With the continuous development of advertising industry in Indonesia, the competition will be tighter from time to time.

Second, plan the company's strategy to be directed to the company's image, both in the present to the future. The real thing that can be done in the strategic planning process is by making Strategy Canvass.

Strategy canvas is an action framework as well as a diagnosis to build a good blue ocean strategy. Strategy canvas is an important analytical framework for value innovation and the creation of blue oceans. Strategy canvas functions include summarizing identified market situations and understanding what factors are being

competed in products, services and delivery as well as understanding what consumers are getting from competitive bids on the market.

1. Price

To summarize the price level between UD Garass Comm and its competitors, researchers took the price of each company to compare. This price is not a fixed one because the price that obtained by the researcher is the selling price in bulk since the company is in the field of services Hence, it can depend on the results of negotiations and agreements between the buyer and seller, as shown in the Table 4.2.

Table 4.3 Pricing of the companies

Company	Price per project (IDR)	Value
UD Garass Comm	≥ 45 Million	High
Saka Kreasindo	≥ 20 Million	Medium
Aliansi Printing	≥ 25 Million	Medium
Djoglo Advertising	≥ 35 Million	Medium

2. Work Duration

The researcher will create a table to summarize data on timeliness in terms of production between UD Garass Comm and its competitors, it can be shown in the Table 4.3 based on information obtained from interview.

Table 4.4 Work duration of the companies

Company	Summary	Value
UD Garass Comm	Ever be late due to lack of staff.	Low
Saka Kreasindo	Exactly at least 30 working days	Medium
Aliansi Printing	Ever be late due to lack of raw materials	Low
Djoglo Advertising	Often late due to lack of staff and high order.	Low

3. Variation

The researcher will summarize in the Table 4.4 about the product variation of UD Garass Comm if it is compared to its competitors.

Table 4.5 Product Variation of the companies

Company	Variation Type	Value
UD Garass Comm	9 items of services offered	Medium
Saka Kreasindo	4 items of services offered	Medium
Aliansi Printing	7 items of services offered	Medium
Djoglo Advertising	5 items of services offered	Medium

4. Promotion

In promotional factors to prospective customers, the indicators that have been studied is the way consumers respond to or respond to promotional products conducted by UD Garass Comm. Researchers summarize the promotional media conducted by companies in Table 4.5.

Table 4.6 Promotion of companies

Company	Media Promotion	Value
UD Garass Comm	Flyer, booklet.	Medium
Saka Kreasindo	Flyer Social media.	Medium
Aliansi Printing	Flyer, booklet, Social media.	Medium
Djoglo Advertising	Flyer.	Low

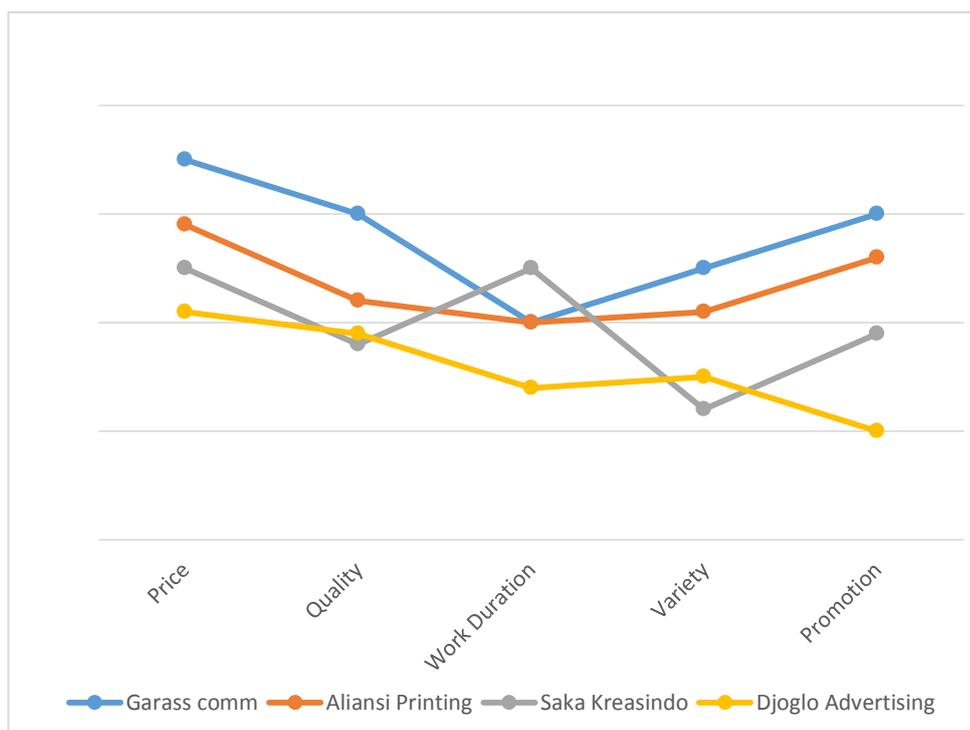


Figure 4.2 Strategy Canvass

Based on the canvas strategy canvas in the Figure 4.1 above, it can be seen that UD Garass Comm currently has the same value focus with its competitors. In order to create a new Blue Ocean, management must change the value focus offered today to stay away from the competition.

Once the current strategy canvas overview is recognized, the next stage of visual exploration should be carried out. At this stage, management looks for at the factors that must be eliminated, reduced, improved, and created. To examine these factors appropriately. There are four questions that UD Garass Comm management should answer as shown in the Table 4.6.

Table 4.7 Four-step performance scheme of UD Garass Comm

<p>ELIMINATED</p> <ul style="list-style-type: none"> - Difficult raw materials 	<p>IMPROVED</p> <ul style="list-style-type: none"> - Employee discipline - Product quality - Updating machine - Managerial skill
<p>REDUCED</p> <ul style="list-style-type: none"> - Individual order - Activities that have no added value to the company 	<p>CREATED</p> <ul style="list-style-type: none"> - Consultation service - Product Variety - Gift pack

After identification process, the changes that must be made to the five elements of value, the third stage of the four paths taken to focus on the big picture can be implemented, namely the visual strategy by describing the new Strategy Canvas for UD Garass Comm. The strategy canvas below illustrates that the strategy canvas is trying to get out of the competition by moving away.

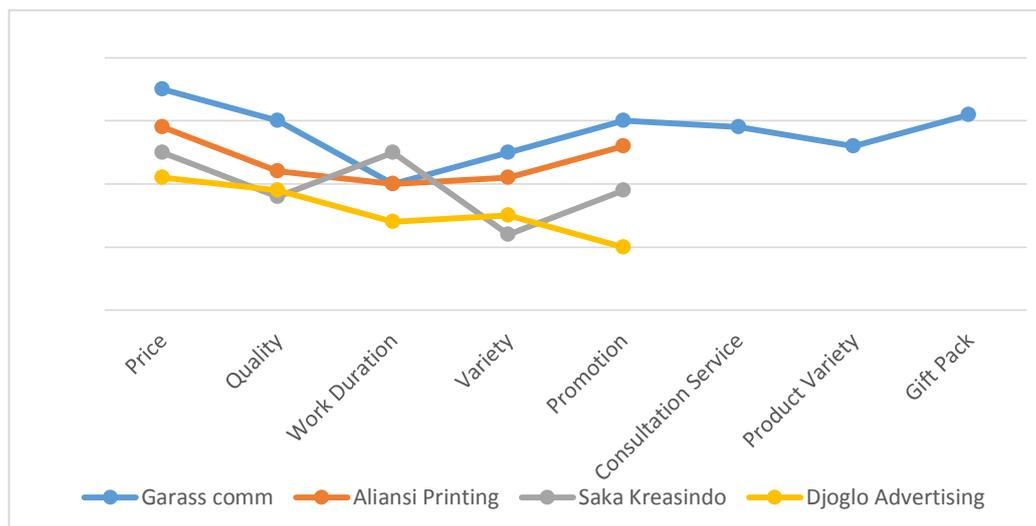


Figure 4.3 Strategy Canvass of UD Garass Comm

The explanation based on the factors that influence it, among others; UD Garass Comm does not make any changes to the price because for the advertising industry the price is the segmenting factor of the market. Because UD Garass Comm remains in the same market segment, there is no need to change the prices; With more quality than UD Garass Comm is expected to be able to meet customer expectations for the services or even exceed those customer expectations; Duration of work is vital to achieve consumer confidence. The processing time does not have to be fast but more on time, in terms of the time taken for the order product to arrive to the consumer in accordance with the settled time at the beginning of the ordering process.

Factor of product variation is one of the things that need to be increased by UD Garass Comm to add the option for consumers in ordering the desired product, addition of this variation also aims to increase the value of UD Garass Comm to consumers who order in large quantities; There is nothing to change in UD Garass Comm's current promotional strategy, with promotional activities that have been done, in general can be considered quite effective. This is based on observations on the number of orderings that keep increasing over time; By improving managerial capabilities, it is expected that the owner who also doubles as a management team UD Garass Comm can continue to advance and expand its business to a wider market and continue to improve its position in the market segment that has been entered; UD Garass Comm should be able to create

added value by doing product promotions that become a leap of value for consumers; Strategies to create a new markets can be used UD Garass Comm to expand its business. This strategy is not ogled by other advertising company since no other opportunity existed to create a new market. It is considered that the community's need for media promotions have been met by the advertising industry.

To create a good value curve with a strategy canvas, there are three qualities that must be possessed by the strategy. The three qualities that must be possessed are focus, divergence (motion away), and a compelling motto.

5. Internal factors

In this study there were 10 variables included in the questionnaire, including:

X1: Product Price

X2: Material Quality

X3: Product Quality

X4: Product Variations

X5: Quality of goods delivery

X6: Service Quality

X7: Service Responsive

X8: Promotion (social media, brochures, newspapers)

X9: Special promotions (year-end discounts, holidays, special offers)

X10: Product Innovation

These 10 variables will be distributed to customers. The results of the questionnaire were used to determine the strengths and weaknesses of UD Garass Comm. According to Sugiyono (2006) data collection methods are run by various ways, one of them is by using a rating scale with the scale of 1 to 4. The rating scale is applied to determine the level of importance and level of expectations that are defined as follows:

- a. Scale 1: Not Good
- b. Scale 2: Poor
- c. Scale 3: Good
- d. Scale 4: Very Good

6. Validity

For testing the validity of the Pearson correlation method, the SPSS program version 16.00 for Windows was also applied. After testing the validity, it turns out that the whole question is considered valid, as shown in the Table 4.7.

Table 4.8 Validity Test

No.	Question	R Calculate	R Table	Description
1	X1 : Product Price	0.93	0.2199	Valid
2	X2 : Quality of Materials	0.623	0.2199	Valid
3	X3: Product Quality	0.479	0.2199	Valid
4	X4 : Product Variation	0.385	0.2199	Valid
5	X5 : Quality of Delivery	0.832	0.2199	Valid
6	X6 : Service Quality	0.879	0.2199	Valid
7	X7 : Service Responsive	0.597	0.2199	Valid
8	X8 : Promotion	0.874	0.2199	Valid
9	X9 : Special Promotion	0.632	0.2199	Valid
10	X10 : Product Innovation	0.712	0.2199	Valid

7. Reliability Test

Reliability can be interpreted as trust, reliability or consistency. The results of a measurement can be trusted if in several times the measurement of the same subject obtained the same relative results, meaning that it has good measurement consistency. Conversely, if a different result is obtained with the same subject, it is said to be

inconsistent. To find out the results of the reliability test calculations can be seen in the Reliability Statistics table in the Cronbach's Alpha column. Reliability test results can be seen in the table 4.8.

Table 4.9 Attribute Reliability Test Table

Cronbach's Alpha	N of items
0,881	10

8. T One Sample Test

T One sample test is an analytical technique to compare one independent variable. This technique is used to test whether certain values differ significantly or not from the average of a sample.

As explained in Chapter III, the results of the comparison between the t_{count} with the t_{table} and the probability value (β) with the significant level of 5% ($\alpha=0.05$) will be used as the basis for decision making.

Hypothesis Testing on the influence of Motivation (X_1) on Teachers' Performance (Y) partially.

To interpret the data in the table 4.16, the hypothesis are described as follows:

- a. $H_0: \beta_1 \leq 0$: Propose strategy (X) has no influence on Marketing Performance (Y).
- b. $H_1: \beta_1 > 0$: Propose strategy (X) has an influence on Marketing Performance (Y).

If $t_{\text{count}} < t_{\text{table}}$ or $-t > -t_{\text{table}}$ then H_0 is accepted

If $t_{\text{count}} > t_{\text{table}}$ or $-t < -t_{\text{table}}$ then H_0 is rejected

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
skor	80	31.55	4.182	.468

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
skor	67.474	80	.000	31.550	30.62	32.48

One-Sample Kolmogorov-Smirnov Test

		skor
N		80
Normal Parameters ^{a,b}	Mean	31.55
	Std. Deviation	4.182
Most Extreme Differences	Absolute	.245
	Positive	.245
	Negative	-.135
Kolmogorov-Smirnov Z		2.187
Asymp. Sig. (2-tailed)		.000

a. Test distribution is Normal.

b. Calculated from data.

The t-count value (67,474) is greater than the t-table (2.00) which means there is a positive influence between propose Blue Ocean Strategy and marketing performance. The probability value (β) is 0,000 which shows that the probability value is less than α (0,05) so we can categorize it as significant. Thus, the result is H0 is rejected and H1 is accepted. It means that an increase in motivation will increase the marketing performance.

The test results above show that t count = 64,474. T table is obtained with df = 80, sig 5% = 1.66412. Because - t table <from t count (-1.66412 <64.474), then Ho is

rejected, meaning the blue ocean strategy is effective in determining marketing strategies.

Based on the results of the normality test, shows that the Kol-Smirnov value is 2.187 and Asymp. Sig is not significant, which is 0.000 (> 0.05), so it can be concluded that the data is normally distributed

CHAPTER V

DISCUSSION

5.1 SWOT Analysis

From the results of SWOT analysis, it could be identified that UD Garass Comm faced various threats, the company still has the strength of the internal aspect. The strategy is applied to exploit long-term opportunities by means of a diversified strategy (product / market). The definition of diversification is to multiply the kind of goods that will be sold to reach a wider market. This can be done because the strength of UD Garass Comm is the quality and variety of good product variations that allows UD Garass Comm to diversify the product. And also varieties of products that will be made to overcome the threat of a market that tends to change.

5.2 Niche Market

In this research, niche market is used as a tool to confirm that proposed strategy is aim to the Blue Ocean Strategy which makes a new market without competition with another company anymore called as a blue zone. Current market of UD. Garass comm are students and people who only order in small quantities and consumers who are not sustain in partnership. So the company is unable to maximize the revenue. According to the principle of niche market that emphasis on the individuals specific needs, UD. Garass comm should find out the innovation and creative product based on market to be

targeted. Today the wedding industry is also popular. Many young couples plan their wedding party as perfectly as possible, starting from small things, such as invitations and souvenirs. This is a good opportunity to make a new market which covers people who plan a wedding or the wedding organizers.

UD. Garass comm already made a consideration to make a new market based on the customer needs. They have captured that nowadays the demand of the product not only from the results, but also from the selection of raw materials. The customer demand to make product from good material or they called as fancy paper in this industry. It makes UD. Garass comm want to take this opportunity to provide the complete variation of fancy paper as a raw material for wedding invitation, paper bag, souvenir or other packaging product. UD. Garass comm not only print the material but also build a customer's product until the finishing that the product is ready to use.

5.3 Blue Ocean Strategy

After the SWOT analysis phase, then it will be continued with blue ocean strategy analysis method. Not all BOS steps are used, only steps that are considered appropriate to follow up the SWOT analysis have been used. A follow-up step that is considered suitable is a four-step framework that eliminated, improved, reduced, and created.

In the spirit of expanding the market, UD Garas Comm would like to offer both existing customer and potential customer which have extensive expenditure for their projects with selection of high-end material and processes - use of the fancy paper and intricate finishing process. By the time UD Garass comm keeps offering the high-end material and processes, it is believed that would help the company to market the service and shape the market based on their own. By the end, that is the aim of implementation of Blue Ocean Strategy.

5.4 Application of the Four-Step Framework

5.4.1. Eliminated Factors

1. Strategic location

To reduce costs, the company does not need to use a strategic location, simply with a location that is easily accessible by its customers. Strategic location requires more expensive cost. The company does not need to perform production activities at the offices located on the main road. Production activities can be carried out in an existing location, for example in the area of the owner's house that is large enough to conduct production activities.

2. Difficult raw materials

The use of hard-to-find materials makes the execution time of the order more durable, because if the material does not exist in the vendor, the company should look for another vendor to stick the fulfillment of the products' quality as promised to the consumer, this requires more search times and expenses.

5.4.2. Improved Factors

1. Discipline employees

Disciplining employees intends to make employees reduce their errors in working, so that the defective products produced by the company can be reduced. This can be done by forcing employees to be more methodical in the work and to provide specific targets.

2. Product quality

The quality of the product is an important thing that must be promoted, but still hold no emphasis on the cost incurred. The quality of the product does not have to use

expensive materials, but can use appropriate materials so as to reduce the risk of defective and unused product.

3. Invest the capital to buy a new machine.

This process should be conducted to overcome employee overtime costs when machines are under maintenance, as well as to increase the company's production capacity.

4. Managerial Skill

Due to the lack of a managerial system, it seems that UD Garass Comm has no clear size as a company. This can be seen from the accountancy arrangements and the running of the company's transaction process, and can be shown by the targets to be achieved. From the accountancy perspectives, the company is considered as weak, due to its irregular transactions and the absence of certain targets for its growth. That improvement in managerial skills needs to be done in order to improve company performance.

5.4.3. Reduced Factor

1. Individual order

Individual orders in a small scale can only have a small effect in company productivity. Small-scale individual orders can cost the same production as large-scale orders. Because the machine owned and used by the company is a machine with specifications that produce orders with large quantities.

2. Reduce the activities that have no added value for the company.

One way that can be done is to eliminate the movement of goods from the production site to the storage warehouse. It would be more effective if every result of production directly sent to the consumer without being sent to the storage warehouse.

5.4.4. Created Factor

1. Consultation Service

Customer is a person that only knows the product that they want, with no understanding on the production process and the cost required. The consultation service is a way to help the customer to make the expected product with a good quality based on their budget.

2. Product variation

With the variation of fancy paper, it is expected that costumers have many options in accordance with his wishes. Products offered must also follow the existing developments in order to increase customer satisfaction and recommendations to be provided to the community.

5.5 Schema Eliminated-Reduced-Improved-Created

After going through four questions in a four-step framework, the next is to act in accordance with the results of the above framework. Here's the scheme Eliminate-Reduce-Improved-Created as shown in Table 5.1.

Table 5.1 Schema of Eliminated-Reduced-Improved-Created

<p>ELIMINATED</p> <ul style="list-style-type: none"> - Strategic location - Difficult raw materials 	<p>IMPROVED</p> <ul style="list-style-type: none"> - Employee discipline - Product quality - Updating Machine - Managerial skill
<p>REDUCED</p> <ul style="list-style-type: none"> - Individual order - Activities that have no added value to the company 	<p>CREATED</p> <ul style="list-style-type: none"> - Consultation service - Product Variety - Gift pack

CHAPTER VI

CONCLUSIONS AND SUGGESTIONS

6.1 Conclusions

Based on the research discussion in the previous chapter, then conclusion can be resumed:

- a. The coverage of UD. Garass comm market is quite extensive and already has a loyal customer. It was derived from the data of the customer that make a repeat order and choose the UD. Garass comm as a partner in production process with the good quality product. It makes UD Garass comm could compete in this industry and could enter the ranks of customer choice.
- b. The right business strategy for UD. Garass comm that should be implemented is it should capture the niche market in this industry and make a new market with no competition as a principle of Blue Ocean Strategy in order to maintain the existence of the company.

6.2 Suggestions

Several suggestions are provided from this research:

1. The strategy proposed based on Blue Ocean Strategy (BOS) is to eliminate the strategic location and difficult raw materials, because it will gain the expense and has no great profitable effect on the company. Reduce the individual

domestic orders; the capacity of production can be allocated for greater production so that in one production can be maximizing the profits on the company. To improve the employee discipline to reduce the defect product, so the product quality will be improved and maintained and to improve the managerial skills to make company more organized. Updating the machine technology, so the company's production capacity will be increased. Creating the consultation service, product variety with the fancy paper and making the gift packs.

2. The factors that can support the improvement of the company is described as follows; UD Garass.comm should focus on effective and efficient promotion media, creating website that could facilitate customer to order products and providing attractive motto.
3. For further research, it can be carried out not only one region, but also in more than one regional even national in order to get variants of other factors that influence it. In addition, by the limitations of research with the object of nonprofit companies or government sectors, researchers suggested to use the object of research in companies in some sector.
4. In addition to use data based on customer needs, it can be added to the factors that affect customers in choosing their needs.
5. For further research, the researcher who will conduct further research on strategic planning using Blue Ocean Strategy approach, is suggested to examine deeper on functional lines of the company with more complex structure and to deepen the material as well as to study good literatures related to strategy management as the master of science, strategic planning, or Blue Ocean Strategy. Other methods should be used as a comparison for business development, especially Small and Medium Enterprises (SMEs).

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