

**DETERMINING COMPANY'S MARKETING STRATEGY USING BLUE
OCEAN STRATEGY (STUDY CASE: GUDEG KALENG)**

UNDERGRADUATE THESIS

**Submitted to the International Undergraduate Program in Industrial
Engineering in Partial Fulfilment of Requirement for the Degree of Sarjana
Teknik at the Faculty of Industrial Technology
Universitas Islam Indonesia**

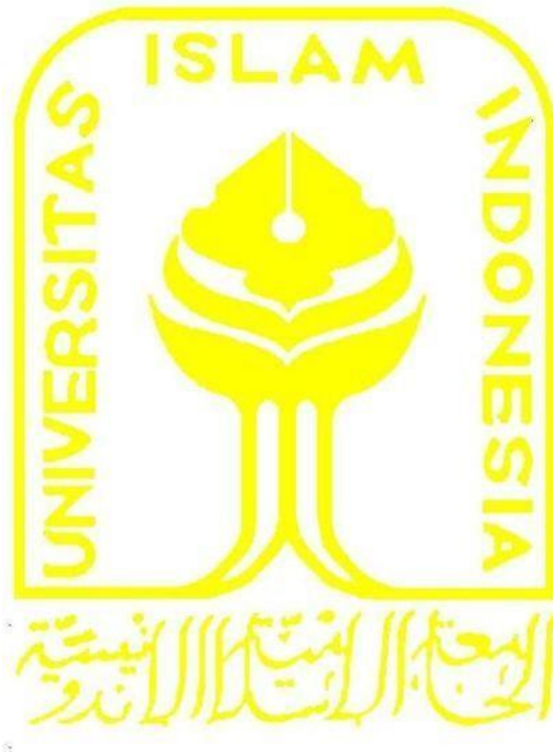


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**INTERNATIONAL UNDERGRADUATE PROGRAM IN
INDUSTRIAL ENGINEERING
FACULTY OF INDUSTRIAL TECHNOLOGY
UNIVERSITAS ISLAM INDONESIA
YOGYAKARTA
2023**

SUPERVISOR APPROVAL SHEET

**DETERMINING COMPANY'S MARKETING STRATEGY USING BLUE
OCEAN STRATEGY (STUDY CASE: GUDEG KALENG)**



Yogyakarta, November 6th, 2023

Supervisor,

A handwritten signature in blue ink, appearing to read 'Nur Cahyo', is written below the text 'Supervisor,'.

(Ir. Winda Nur Cahyo, S.T., M.T., Ph.D.)

EXAMINER'S APPROVAL PAGE

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UNDERGRADUATE THESIS**

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**Has been defended before the board of examiners in partial fulfillment of the
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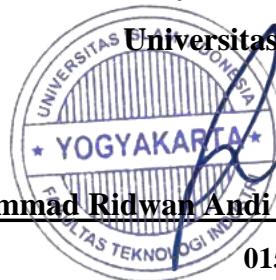
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DEDICATION PAGE

This report is created to show how much love I have for the one and only God, Allah SWT, my father, my mother, my sister, my friends, and my supervisor.

Without their support and help, I will not be able to perform this research properly.

May Allah bless you all and always grant you His blessing, aameen.

MOTTO

"And indeed We will give you a test or trial, with a little fear, hunger, lack of wealth, life and fruit. And convey good news to those who are patient." – (Q.S Al-Baqarah: 155).

"Indeed, if you are grateful, We will surely increase (favours) to you, but if you deny (My favours), then truly My punishment will be very painful." – (QS. Ibrahim: 7).

"The Prophet Muhammad SAW said: no one gets better than what he produces with his own hands." - Sunan Ibn Majah.

PREFACE

Assalamualaikum Wr. Wb.

Alhamdulillahisyukur, all of the gratitude is said to the presence of Allah جل جلاله who has bestowed His grace and hidayah to all of us, especially the author so that the undergraduate thesis entitled " Determining Company's Marketing Strategy Using Blue Ocean Strategy (Study Case: Gudeg Kaleng)" can be completed properly. We also give greetings to our Prophet Muhammad صلى الله عليه وسلم, who has brought us from the darkness to the bright light of Islam.

In completing the undergraduate thesis, the author faces a lot of difficulties. However, the help of prayers, ideas and references to thinking are given by the supervisor, lecturers, and friends to solve problems that arise. Therefore, the author would like to thank the parties who helped in the completion of this report, namely both of my parents who have been working hard and supporting me so that I can finish my research.

May God repay all the good they did with grace and additional guidance so that they can receive goodness for all of us.

The author realizes that in doing this undergraduate thesis, there are many shortcomings and weaknesses in terms of material and technical aspects. Therefore, the author apologizes and expects criticism and suggestions for the perfection of this undergraduate thesis. The author hopes that this apprenticeship report can be useful for many parties. May goodness always be with you, and may sadness pass from you. Finally, the author says thank you.

Wassalamu'alaikum Warohmatullahi Wabarakatuh

AUTHENTICITY STATEMENT

For the sake of Allah SWT, I admit this work is the result of my own work, except for the excerpts and summaries from which I have explained the source. If in the future, it turns out that my confession is proven to be untrue and violates the legal regulations in the paper and intellectual property rights. In that case, I am willing to get a bachelor that I have received to be withdrawn by Universitas Islam Indonesia.

Yogyakarta, 11-6-2023



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ABSTRACT

The background of this research is due to intense competition between gudeg brands, causing some brands are left behind and collapse on its own. The big picture of this research is to explore the best marketing strategy to keep Gudeg Cans company survive and keep growing. Blue Ocean Strategy is used to achieve those goals. The proposed marketing strategy by using Blue Ocean results that Gudeg Cans Product should be more attractive in packaging, exist in more e-commerce and sells product with more interesting promos in order to increase the sales and continue to grow.

TABLE OF CONTENTS

DETERMINING COMPANY’S MARKETING STRATEGY USING BLUE OCEAN STRATEGY (STUDY CASE: GUDEG KALENG)	i
SUPERVISOR APPROVAL SHEET	ii
EXAMINER’S APPROVAL PAGE	iii
DEDICATION PAGE	iv
MOTTO	v
PREFACE.....	vi
AUTHENTICITY STATEMENT	vii
ABSTRACT.....	viii
TABLE OF CONTENTS.....	ix
LIST OF TABLES.....	xii
TABLE OF FIGURES.....	xiii
CHAPTER 1 INTRODUCTION.....	1
1.1 Background	1
1.2 Problem Formulation.....	3
1.3 Research Objective.....	4
1.4 Scope of Research	4
1.5 Benefit of Research	4
CHAPTER 2 LITERATURE REVIEW.....	5
2.1 Empirical Study.....	5
2.1.1 Strategy	5
2.1.2 Business Strategy	5
2.1.3 Marketing Mix	5
2.1.4 Blue Ocean Strategy	6
2.1.5 The Difference Between Blue Ocean and Red Ocean Strategy	6

2.1.6	Blue Ocean Strategy & Shift Tools.....	7
1.	The Strategy Canvas	7
2.	Eliminate-Reduce-Raise-Create Grid	7
2.2	Inductive Study	8
CHAPTER 3	RESEARCH METHODOLOGY	16
3.1	Research Object.....	16
3.2	Research Instrument	16
3.3	Data Collection Method	16
3.3.1	Primary Data	16
3.3.2	Secondary Data	16
3.3.3	Observation	16
3.3.4	Questionnaire	16
3.4	Data Processing	17
3.5	Data Analysis Method	17
3.6	Research Flowchart.....	18
CHAPTER 4	DATA COLLECTING AND PROCESSING.....	21
4.1	Company Profile	21
4.2	Data Collection.....	21
4.2.1	Product Marketing Factors.....	22
4.2.2	Questionnaires	23
4.2.3	Data Processing.....	30
CHAPTER 5	RESULT AND DISCUSSION.....	44
5.1	Reliability Test Analysis	44
5.2	Validity Test Analysis	44
5.3	Blue Ocean Strategy Analysis.....	45
5.3.1	Strategy Canvas Analysis	45
5.3.2	Four-Actions Framework Analysis.....	46

5.3.3	Proposed Strategy	49
CHAPTER 6	CONCLUSION AND SUGGESTION	50
6.1	Conclusion.....	50
6.2	Suggestion.....	50
REFERENCES	51
ATTACHMENT	lii

LIST OF TABLES

Table 2.1 Differences Between Blue Ocean and Red Ocean.....	6
Table 2.2 Inductive Study	34
Table 4.1 Factor Price	23
Table 4.2 Factor Originality.....	24
Table 4.3 Factor Variance.....	24
Table 4.4 Factor Packaging Quality.....	25
Table 4.5 Factor Product Certification.....	26
Table 4.6 Factor Offline Marketing Channel.....	26
Table 4.7 Factor Online Marketing Channel.....	27
Table 4.8 Factor Brand Promotion Method	28
Table 4.9 Factor Discount Promotion Method.....	29
Table 4.10 Validity Test Of Brand A.....	31
Table 4.11 Validity Test Of Brand B	31
Table 4.12 Average Weight for Each Factor	32
Table 4.13 Average Value of the Questionnaire.....	33
Table 4.14 Result of ERRC Grid	35
Table 4.15 Customer's Frequency of Shopping Through Online Marketplace.....	37
Table 4.16 Customer's Preference.....	37
Table 4.17 Customer's Frequency of Shopping Through Offline Marketplace	38
Table 4.18 Customer's Consideration	39
Table 4.19 Marketing Mix Factors	42

TABLE OF FIGURES

Figure 1.1 Four Business Fields That Contribute The Largest To GRDP In The Yogyakarta.....	1
Figure 1.2 Graph of Tourist Development.....	2
Figure 1.3 Gudeg	2
Figure 3.1 Research Flowchart	18
Figure 4.1 Graph of Average Value for Questionnaire.....	34
Figure 4.2 Four Actions Framework.....	34
Figure 4.3 Comparison of Strategy Canvas	41
Figure 5.1 Comparison Graph.....	46
Figure 5.2 Strategy Canvas Graph Comparison.....	49

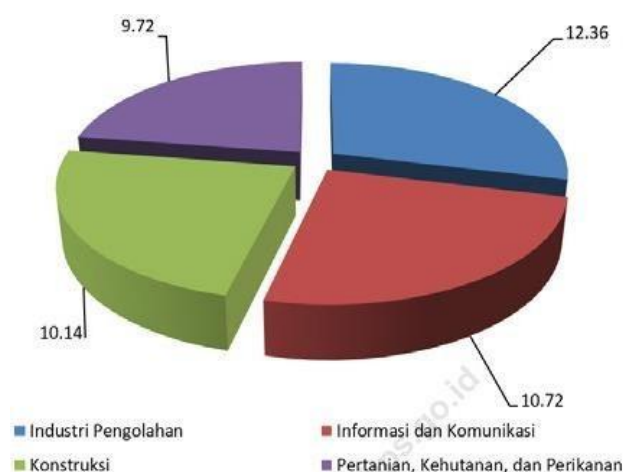
CHAPTER 1

INTRODUCTION

1.1 Background

The manufacturing industry has an important role in the economic development of a region. This is demonstrated by the large contribution of the manufacturing industry in the formation of the Gross Regional Domestic Product (GRDP). For D.I Yogyakarta, the manufacturing industrial sector is important in the economy. The average contribution made by this sector is around 13 percent per year, and this value places the manufacturing industry as the first largest sector, followed by the information and communications sector in second place. In this way, its performance will be sufficient to determine the economic performance of Yogyakarta, as what will happen in 2021. In this period, the industrial sector experienced growth of 0.37 percent, this condition is in line with the Yogyakarta economy experiencing growth of 5.53 percent. In 2021 the contribution of manufacturing will be 12.36 to the GRDP of the Special Region of Yogyakarta.

Figure 1.1 Four business fields that contribute the largest to GRDP in the Special



Region of Yogyakarta in 2021.

Source: Yogyakarta Special Region Central Statistics Agency in the publication of *Perkembangan Industri Manufaktur Daerah Istimewa Yogyakarta, 2021*.

According to subcategories, in 2021 the food and beverage industry was the industrial sub-category with the largest contribution. The gross added value (GAV) provided by this subcategory is IDR 10,048.92 billion rupiahs (54.44 percent). Then followed by the textile

and apparel industry and the tobacco processing industry amounting to 2,316.22 billion rupiah (12.55 percent) and 1,338.17 billion rupiah (7.25 percent).

Because the contribution of the food and beverage industry in Jogja is quite large, the sub-sector of the food industry, namely the food souvenir industry also contributes. One of the factors that supports economic growth in the food and beverage industry is the number of tourists who come to Jogja.

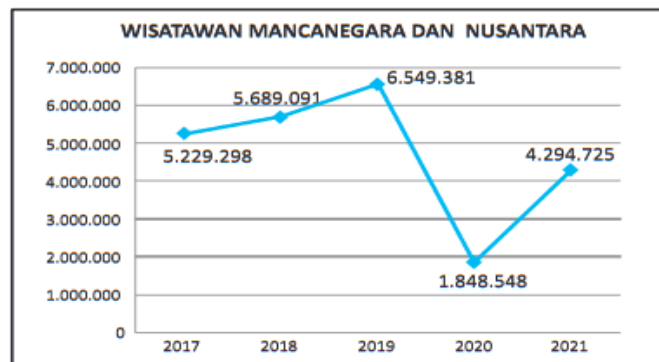


Figure 1.2 Graph of tourist development in the Special Region of Yogyakarta from 2017 to 2021.

Source : Yogyakarta Special Region Tourism Statistics Book in 2021, 2022.

From the graph above, it can be seen that the growth of tourists coming to Jogja has brought positive stimulation to the growth of the food souvenir industry.

Of the various types of food souvenirs in Jogja, one of which is gudeg. Gudeg is a typical Jogja food that has a unique taste because of the spices that have been preserved from generation to generation. This makes tourists interested in trying to consume gudeg and often make gudeg as a souvenir from Jogja.



Figure 1.3 Gudeg

When purchasing it as a souvenir, gudeg has two types of packaging, namely canned gudeg and boxed gudeg. Not all sellers or brands of gudeg souvenirs package their products in cans, therefore this research focuses only on canned gudeg products.

From field observations, there are several brands of canned gudeg on the market, including Gudeg Yu Djum, Gudeg Yu Narni, Gudeg Hj Amad, Gudeg Bu Narti, Gudeg Bu Tjitro 1925, Gudeg Hj Rini, Gudeg Dapoer Toegoe and Gudeg Bu Lies. In reality, not all canned gudeg brands are available in souvenir shops, this causes some of these brands to be less well known and not sell well in the market due to the main factor, namely the lack of a marketing strategy for these products.

Marketing strategy is a form of a plan that is in the field of marketing. To obtain optimal results, this marketing strategy has a broad scope in the field of marketing including strategies for facing competition, pricing strategies, product strategies, service strategies and so on. According to Tjiptono in Tambajong (2013:1293) marketing strategy is a fundamental tool that is planned to reach the company by developing competitive advantage through the market it enters and the marketing program used to serve the target market.

Since there are so many different Gudeg Can brands in Yogyakarta, those businesses are competing with each other to attract the market. A strategy should be created carefully for not losing the current customers while attracting new ones. Because the competition from brands is very tight, the company should explore more ways than the competitors or the classic method so that it can generate new markets and create new demands. Blue ocean strategy is the best method to explore this problem and find the best effort to prevent sales declines, maintain sales and increase sales. In further analysis, a strategy should be made and applying the Blue Ocean Strategy's Tools and Frameworks to achieve the result from current situation.

12 Problem Formulation

According to the research background, the problem is formulated on how is the proposed marketing strategy can make the Gudeg Cans company survive and continue to grow in the local souvenir market segment.

13 Research Objective

According to problem formulation, this research's objectives are to know the right marketing strategy that can be used to make the Gudeg Cans company survive and continue to grow in local souvenir market.

14 Scope of Research

The limitations of this research are as follows:

1. This research was only conducted for two brands.
2. This research does not reveal the name of the company and brand.
3. The secondary data information obtained from the firm and persons associated with the company.

15 Benefits of Research

By doing this research, the expected benefits from this research are as follows:

1. Benefit for students
 - Increase the knowledge in using Blue Ocean Strategy as a Marketing Strategy.
2. Benefit for company
 - The results of this study are intended to be useful to the company.
 - The company got a solution to solve the problem.

CHAPTER 2

LITERATURE REVIEW

2.1 Empirical Study

This chapter, will explain the literature review studies which are divided into two, empirical study and inductive review. An empirical study is one that will explain a fundamental theory in relation to research that will be done via textbook research. Meanwhile, an inductive review is one that is based on reputable prior research that has correlations with this research. It is necessary to do an empirical study and inductive review to identify the gaps in earlier work so that the present study can fill them.

2.1.1 Strategy

The strategy is an organization's activity to achieve the intended goals; the strategy involves a pattern of goals; the goals that will be carried out by the company are what type of business it is and what form it takes (Laruddin, 2021) (Johnson & Scholes, 2005). According to strategy, which explains how organizational resources, skills, and competences should be merged to achieve a competitive advantage, an organization's unique position is defined and communicated (Bukhari, 2019).

2.1.2 Business Strategy

The word "business strategy" refers to a framework for deciding the long-term field and direction of an organization as well as how it will acquire the resources required to meet its stakeholders and the market's demands (Bailey, 2018). It identifies how the organization as a whole supports and increases the value of the business units inside it, and it responds to the question, "How can we build the entire business so that all of its parts create more value together than they would individually?" (Bukhari, 2019). The goal of strategy at the business unit level is to dominate the market and compete successfully.

2.1.3 Marketing Mix

The classic marketing mix, as established by Professor of Marketing at Harvard University, Prof. James Culliton in 1948 and expanded upon by Jerome McCarthy, incorporates Product, Price, Placement, and Promotion into a theory of marketing that has been important to the industry for more than 70 years. Since then, the theory has been expanded into the 7 P's of marketing.

Marketing mix is a selection of marketing tools that include several areas of focus that can be combined to create a comprehensive plan. The term refers to a classification that began as the Product, Price, Promotion, Place, People, Packaging, and Process.

2.1.4 Blue Ocean Strategy

Blue Ocean strategy is founded on value innovation, which holds that market borders and industry structures are not fixed and may be reconfigured by the actions and attitudes of industry participants (Chrimardani, 2010). In a blue ocean strategy, a corporation decides to pursue both low costs and competitive distinctiveness such as innovation.

There are 4 (four) actions that make up the Blue Ocean Strategy implementation process. Initially, remove components from the product that are not valuable. Second, Reduce, which entails removing parts of lower value but still necessary. The third step is to improve, which entails raising the characteristics of the product that will be utilized to distinguish it from competitors' products. Fourth, create something fresh that has never been done before in the field (Ningrum, Sari, & Hermawan, 2016). The blue ocean strategy is ideal for businesses looking to generate new demand, and need to highlight and identify new prospective markets (Yunus & Sijabat, 2021).

2.1.5 The Difference Between Blue Ocean and Red Ocean Strategy

Two different strategies are commonly implemented in business. Those two strategies are the Blue Ocean Strategy and Red Ocean Strategy. Here is the characteristics of each strategy (Kim & Mauborgne, 2004):

Table 2.1 The Difference Between Blue Ocean Strategy and Red Ocean Strategy

Blue Ocean Strategy	Red Ocean Strategy
Create unchallenged market.	Engage in competition in the current market.
Competition is meaningless.	Contending with competitors.
Make fresh requests and record them.	Utilize a current request.
Disrupting the interchange of value and expense.	Choose between value and cost.
Integrate every aspect of your business operations to get cost- and differentiation-savings.	Integrates the entire company activity system while strategically deciding between differentiation and cost-cutting.

2.1.6 Blue Ocean Strategy & Shift Tools

Blue Oceans strategy requires some shift tools to help the analysis, such as :

1. The Strategy Canvas

The strategy canvas serves as a framework for both diagnosis and action in the development of a solid blue ocean strategy. The goal of this framework is to provide a concise summary of the present state of a well-known market area while considering business and competitor aspects (Kim & Mauborgne, 2004). This strategy canvas will serve as a road map for comprehending the components that make up the competitive landscape. Using comparisons, the strategy canvas is used to determine the position of the product in the marketplace. The results of the strategy canvas can be used to determine where the product stands concerning to its rivals (Nugraha & Priminingtyas, 2016).

2. Four Actions Framework

The factors affecting buyer value will be known once the strategy canvas has been created. Next, using a four-step structure, these factors are rebuilt. The four-step framework is a tool for achieving significant value at a reduced cost and reconstructing buyer components to produce a new value curve. A company's strategic thinking and business model should be put to the test using the following four questions (Sagarti, 2012) (Ahmad, 2020):

- 1) Which elements should be eliminated among those that the sector has previously taken for granted?
- 2) What elements ought to be diminished from the industry norm?
- 3) What variables should be elevated above the sector?
- 4) What elements must be developed because they have never been given by industry?

The answers to the queries will offer fresh insight into developing a new value curve.

3. Eliminate-Reduce-Raise-Create Grid

The four actions framework's accompanying analytical tool is this grid. This plan urges businesses to implement the four statements to produce a new value curve in addition to asking the four questions in a four-step structure. To build a new value curve for clients, this strategy urges the industry to not only pose the four questions but also to take action on them (Arifin & Abdillah, 2018). This plan offers four advantages, specifically:

- 1) Encouraging firms to concurrently pursue differentiation and cheap costs.
- 2) Companies that were hit hard only focused on producing and improving.
- 3) Managers at all levels will be able to comprehend this plan with ease.
- 4) This program pushes businesses to examine every aspect of the industry, which serves as the field of competition.

22 Inductive Study

The inductive review consists of previous literature that correlates with this current research that talks about using the Blue Ocean Strategy on business. So, here is the inductive review of previous literature:

Table 2.2 Inductive Study

No	Author	Title	Research Method	Result
1	Arifin & Abdillah, 2018	Penerapan Blue Ocean Strategy (BOS) dalam Usaha Memasuki Pasar Internasional	Blue Ocean Strategy, Grand Strategy Matrix	Pricilla's Strategy Matrix and Canvas show how the business can start extending markets and offering a range of products. Pricilla does not have alternative items but has intended to produce additional products in the form of online classes and household appliances. Pricilla stays true to her goal of continually elevating social ideals while she considers the strategic group and the emotional impact of the product.

No	Author	Title	Research Method	Result
2	Hanifah, Setyawati, & Octaviani, 2015	The Implementation of Blue Ocean Strategy to Create A Market Niche	Blue Ocean Strategy	The purpose of this study is to evaluate the state of PT Kintetsu World Express, a company that is executing the Blue Ocean Strategy in the years 2012–2013. It is evident how the application of the Blue Ocean Strategy by PT Kintetsu World Express Indonesia may help the company beat the competition and establish itself as the "Market Leader" by utilizing the descriptive approach and strategic management theories. Creating the Internal Process Company (IPF - BOS) will improve the Blue Ocean Strategy's execution and raise the perceived value of the business and its products among consumers.
3	Albayrak & Beybur, 2018	In Investigation on the Implementation	Blue Ocean Strategy	Because to the fierce rivalry in the finance industry, participation

No	Author	Title	Research Method	Result
		of the Blue Ocean Strategy in Participation Bank Located in Turkey		banks can be observed attempting to use blue ocean methods to get a nonprice competitive edge. These organizations gradually grew their market share over time after creating a new value as required by the blue ocean strategy. In order to stand out from the red oceans where they already compete, Participation Bank must build blue ocean initiatives. So, in order to have a bigger stake in the banking industry, participation banks should create goods and services that will guarantee a competitive edge over the price.
4	Alam & Islam, 2017	Impact of Blue Ocean Strategy on Organizational Performance: A Literature Review	Blue Ocean Strategy	The study's conclusions attempt to demonstrate the ultimate effects of using BOS, and the recommendations urge using BOS with some caution. The findings

No	Author	Title	Research Method	Result
		Toward Implementation Logic		showed that BOS, when used in businesses, has a beneficial impact on organizational performance. Overall, the study is successful in helping the business determine whether to use BOS. The corporation is advised to conduct a thorough analysis of BOS before implementing it to determine its suitability taking into account the company size, industry conditions, and adaptability.
5	Nugraha & Priminingtyas, 2016	Business Development Strategy of Cemara Soy Sauce with the Methods of Blue Ocean Strategy and Balanced Scorecard on Cemara Food Small Medium Enterprise,	Balanced Scorecard, Blue Ocean Strategy	The R/C ratio of 1.25 and ROE of 16.4% indicate that capital is being used effectively and that the company's financial flow is healthy, albeit efficiency might be improved. The CSI rating is 71% which suggests that the overall consumer satisfaction index calculated based on

No	Author	Title	Research Method	Result
		Talun District, Blitar Regency		product qualities is in the pleased criteria.
6	Harianto & Lookman, 2021	Implementation of Blue Ocean Strategy for Long-Term Business Strategy in Land Transporter Companies in Indonesia	Blue Ocean Strategy	The outcome of this research is a strategy canvas that gives a summary of the current competitive landscape's conditions, including PT Lookman Djaja's advantages and drawbacks in relation to its rivals. PT Lookman Djaja can concurrently remove, reduce, enhance, and create elements that are supplied to produce value innovation using the ERRC matrix. Three Six Pathways Framework paths that PT Lookman Djaja can use to reconstruct industry boundaries. In this study, warehouse services, multimodal transportation, and information systems were finally discovered to be a new innovation strategy.

No	Author	Title	Research Method		Result
7	Astuti, Zulkarnain, & Mukarramah, 2019	Penerapan Blue Ocean Strategy pada Village Coffee di Kota Langsa	Blue Ocean Strategy	Blue Ocean Strategy	The findings of this study show that the development of the Blue Ocean Strategy is progressing well, particularly Village Coffee's choice to produce a coffee history and coffee table that can educate coffee drinkers and set Village Coffee apart from rivals.
8	Kusnita, 2019	Blue Ocean Strategy di Industri Perhotelan	Blue Ocean Strategy	Blue Ocean Strategy	There are various ways that pre-existing potency grows. The first step is to keep the website's quality high. Websites that are already online need to undergo regular security and aesthetic updates. By showcasing all of Harper Kuta's strongest qualities, visual communication design can be made more thorough. A thorough presentation should nonetheless foster two-way communication between the hotel and its guests. To prevent the

No	Author	Title	Research Method	Result
				<p>web from being readily harmed by outside parties leading to data leakage, website security needs to be strengthened. The second method is the effectiveness of human resource marketing. Internal marketing HR must develop their abilities to sell Harper Kuta's products.</p>
9	Hashem & Joudeh, 2017	The Extent of Implementation of the Blue Ocean Strategy in Jordanian Commercial Banks	Blue Ocean Strategy	<p>The commercial banks in Jordan should concentrate on learning entrepreneurial skills related to blue ocean strategy operations. Additionally, Jordanian commercial banks want to support and motivate staff people as they develop their blue ocean strategy application skills. The members should also decide what fits the character of these banks' works. Additionally, those members should create</p>

No	Author	Title	Research Method	Result
				strategic strategies to effectively implement the blue ocean strategy to give Jordanian commercial banks a strategic advantage.
10	Didukh & Aou, 2019	Application of the Blue Ocean Strategy in Ukrainian Winemaking Industry	Blue Ocean Strategy	Based on an evaluation of the attractiveness of the wine industry and an evaluation of the firm's competitiveness, the research gives an assessment of the effectiveness of the "blue ocean" corporate strategy using the example of the "Shabo" winemaking company. It has been demonstrated that implementing the "blue ocean" strategy will boost a company's degree of competitiveness, and that this approach is viable given the state of the market.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Object

The research aims to make the right marketing strategy for the Gudeg Cans company by using Blue Ocean Strategy. The data used in this research is obtained from questionnaires and interviews. This research aims to make the Gudeg Cans company sell their product without the need to compete with fellow competitors.

3.2 Research Instrument

Questionnaires will be utilized as the research tool in this study. Also the Gudeg local souvenir market's manager and owner will be asked to provide some supports for basis data.

3.3 Data Collection Method

Primary and secondary data are the two categories of data used to support this study. These two sorts of data are collected using various methods. An explanation of the data used, and the procedure used to obtain the data is provided below:

3.3.1 Primary Data

Ajayi (2017) defined primary data as information that the researcher gathers for the first time to address the issue at hand. The primary data is obtained from the Questionnaire.

3.3.2 Secondary Data

Secondary data, as defined by Martins & Serra (2018), is information that has previously been compiled, created, and accessible by other researchers. The secondary data is obtained from prior literature, including books, journals, articles, and other publications and mini interviews with Gudeg Cans company's manager or owner.

3.3.3 Observation

To identify any issues that might have an impact on the marketing of the local Gudeg souvenir market, observation is carried out while following the existing marketing plan.

3.3.4 Questionnaire

The researcher distributed a questionnaire with a stakeholder and a marketing strategy specialist. The purpose of the questionnaire is to learn more about the current marketing plan and what has to be improved for the local Gudeg souvenir market to succeed.

3.4 Data Processing

The Blue Ocean Strategy is used to process data and will be compared with Marketing Mix to identify why the Blue Ocean Strategy is more applicable and fits the current problems of less well known Gudeg Cans Brand. By identifying the company's existing position in the market and its marketing strategy, the researcher may create the best plan to be employed to provide distinctive value and innovation to the firm.

3.5 Data Analysis Method

With no purpose of reaching any conclusive generalizations, the descriptive analysis technique is a statistic that is used to analyze data by describing or summarizing the data that have been gathered (Sugiyono, Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D, 2014). Although some of the data in this study may have been acquired qualitatively, statistical analyses are usually utilized to determine the validity and reliability of the data. The qualitative input will be used for canvassing and 4-step framework in blue ocean strategy analysis. But still used quantitative data which is questionnaires as the main data to achieve the actual data for customers preference in choosing the Gudeg Cans Brand to be purchased.

3.6 Research Flowchart

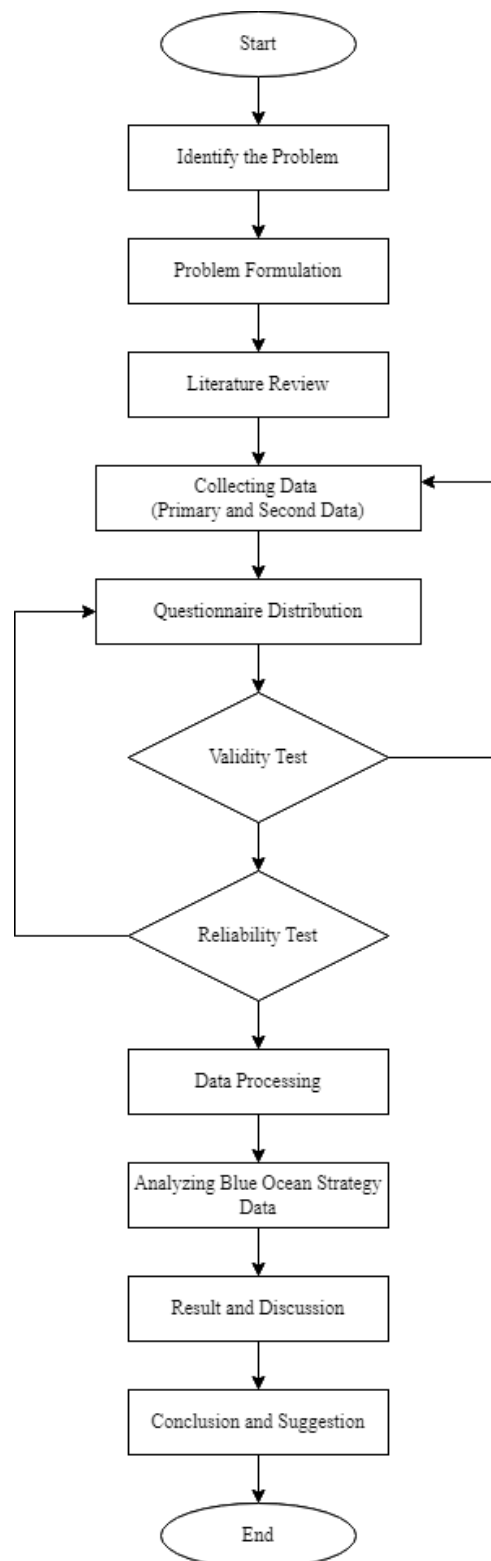


Figure 3.1 Research Flowchart

The following is the explanation of the flowchart:

1. Problem Identification

Preliminary observations and interviews can be used to determine the nature of the identified issue. The topic that will be investigated and the emphasis of this research is the problem that has been identified. At the Gudeg food stand, the problem is identified through preliminary observation and interviewing to determine whether it can be solved using an industrial engineering method.

2. Problem Formulation

Identifying the issues that are related to the marketing plan being used to capture the local souvenir market at the Gudeg food stand. The problem formulation is what this study needs to address and provide an answer for. Choosing the subject of the research problem is the goal of this stage.

3. Literature Review

Finding the research to use as a guide for this new issue. The literature reviews cite recent studies that are relevant to developing marketing strategies and identifying gaps in earlier studies to support the research. A book, journal, or recent study might all be included in the literature review. Both empirical and inductive research can be used as the study case.

4. Collecting Data

To acquire data for this study, two types of data were used: primary data and secondary data. Questionnaire's responses are the key data sources. The information gathered will be in the form of quantitative. In contrast, secondary data is gathered through reading or quoting from relevant literature or earlier studies and some direct interviews with business owners. Data collecting begins with company profiles and moves on to the business's current marketing plan. The major factor in this study is the information about current marketing strategies.

5. Questionnaire Distribution

Distributing questionnaires to stakeholders and experts about the Gudeg food stall's marketing strategy as a local souvenir. This questionnaire can give the researcher the information he needs, including insights into the company's existing position in the market, professional comments regarding the marketing techniques currently being used, and some potential improvements. The researcher gathered data for his study and offered recommendations for marketing plans that would work for the Gudeg food stall by distributing questionnaires.

6. Validity Test

Following the distribution of the surveys, a test will be run on the collected data. Tests run to collect reliable data. Using the statistical software SPSS (Statistical Package for Social Sciences). Knowing the value of the r count is necessary for validity testing, the data is deemed valid if the r count is positive and greater than r table. In contrast, the data is deemed invalid if the r count is negative and lower than the r table.

7. Reliability Test

The reliability test was run to see if the disseminated questionnaires produced reliable and consistent results.

8. Data Processing

Using the Blue Ocean Strategy, data is processed. The researcher can develop the best plan to be used to add distinct value and innovation to the business by determining the current position of the company in the market and its marketing strategy.

9. Analyzing Blue Ocean Strategy Data

Analysis of the blue ocean strategy is carried out to move away from the vulnerable market or the red ocean. The action that is being taken at this time is canvassing, after which the researcher can carry out a four-step framework. While analyzing the obtained data with the Blue Ocean Strategy, the Marketing Mix Strategy will be used to compare the actual result of current problem in using these two marketing strategies. This comparison will be the main reason why researcher used Blue Ocean Strategy to fix the current problems.

10. Result and Discussion

Based on the outcome of the data processing, discussion and analysis will be conducted. The appropriate marketing plan will subsequently be created using the analysis and implemented in the Gudeg Cans market.

11. Conclusion and Suggestion

The purpose of the conclusion is to address the original, predetermined study goal. The suggestions include recommendations and considerations for related future study.

CHAPTER 4

DATA COLLECTING AND PROCESSING

4.1 Company Profile

The company in this research has a well-known brand of *Gudeg Kaleng*, a canned *Gudeg* (traditional food of Yogyakarta) as a convenient local souvenir for tourists in Yogyakarta. The company started by selling the *Gudeg* for dine-in. It was a home-based business since the 1990s and has become famous ever since. Because many people go to Yogyakarta to eat *Gudeg* here, many people also want to take *Gudeg* to their hometown. At first, *Gudeg* was packed in *besek*, a traditional packaging made from bamboo. Since it does not have any preservation method, the customers demand for a longer shelf life of *Gudeg*. This idea has been carefully thought by this company, resulting in the innovation of *Gudeg Kaleng* as the preserved *Gudeg* to create a longer shelf life. The packaging is a simple and compact form, easy to carry and easy to pack. This company then became the pioneer of *Gudeg Kaleng* in Yogyakarta.

4.2 Data Collection

This section will describe the data that has been collected to investigate the current condition of the company and as the input for developing blue ocean strategy for the company.

4.2.1 Product Marketing Factors

In order to improve the marketing strategy of the company, important factors which are highly related to product marketing should be known. The product marketing factors in this research were obtained from the experts in the company.

The factors are as follows:

1. Price
2. Originality
3. Variance
4. Packaging quality
5. Product certification
6. Offline marketing channel
7. Online marketing channel
8. Brand promotion method
9. Discount promotion method

4.2.2 Questionnaires

From the result of product marketing factors, a questionnaire has been spread to identify the gap between the company and its competitors. In this questionnaire, there is only one competitor considered. The questionnaires are divided into 2 sections, the first section is for respondents' identification and serves as respondents' requirement filters. The second questionnaire is for the comparison of Brand A and Brand B, while the name of the brand remains undisclosed. The characteristic of eligible respondents is knowing the product, *Gudeg Kaleng*, no matter if they have ever bought it or not. If they do not know about *Gudeg Kaleng* products of any kind of brand, then the questionnaire will come to an end. Below is the list of questions and the number of respondents collected for specific answers.

1. Price

Table 4.1 Factor Price

	Low	Fair	High
Brand A	7	27	0
Brand B	8	25	1

Bagaimana harga produk A dan produk B menurut Anda?

Brand A



28.000-39.000

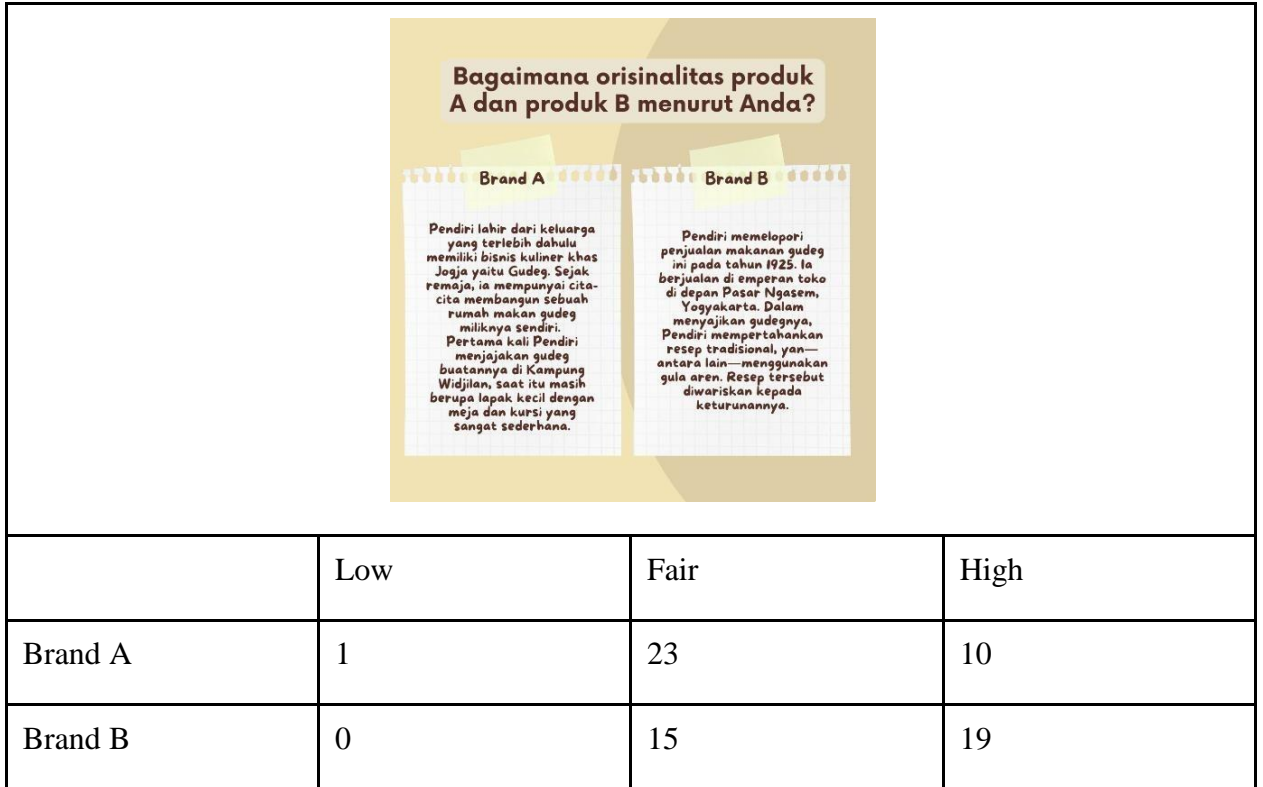
Brand B



32.000-36.000

2. Originality

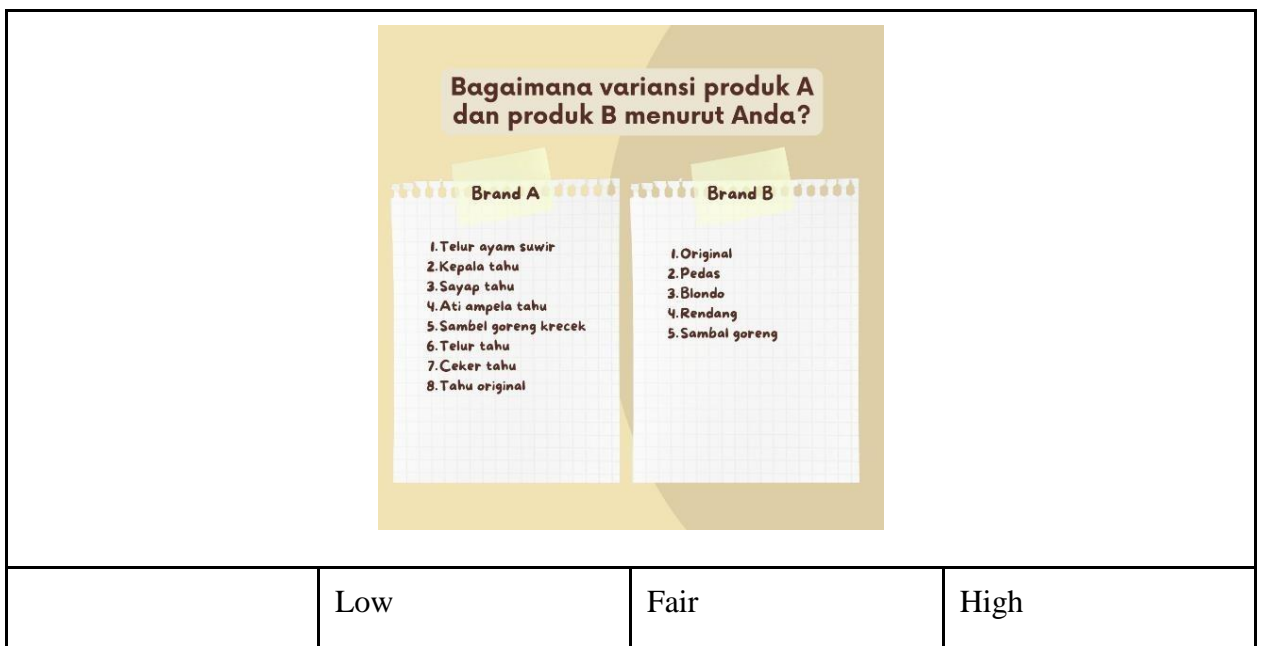
Table 4.2 Factor Originality



	Low	Fair	High
Brand A	1	23	10
Brand B	0	15	19

3. Variance

Table 4.3 Factor Variance




	Low	Fair	High
Brand A			
Brand B			

Brand A	0	12	22
Brand B	2	26	6


4. Packaging quality

Table 4.4 Factor Packaging Quality

			
	Less Decent	Fairly Decent	Very Decent
Brand A	1	20	13
Brand B	0	10	24

5. Product certification

Table 4.5 Factor Product Certification



	Not Affecting	Not too Affecting	Very Affecting
Brand A	2	11	21
Brand B	1	12	21

6. Offline marketing channel

Table 4.6 Factor Offline Marketing Channel



Brand A	Brand B
<ol style="list-style-type: none"> 1. Kantor sales pusat 2. Alfamart 3. Mirota kampus 4. Pusat perbelanjaan oleh-oleh 	<ol style="list-style-type: none"> 1. Kantor sales pusat 2. Mirota kampus 3. Pusat perbelanjaan oleh-oleh

	Not Easy	Fairly Easy	Very Easy
Brand A	0	14	20
Brand B	1	24	9

7. Online marketing channel

Table 4.7 Online Marketing Channel

			
	Not Easy	Fairly Easy	Very Easy
Brand A	0	13	21
Brand B	0	12	22

8. Brand promotion method

Table 4.8 Brand Promotion Method

	Less Decent	Fairly Decent	Very Decent
Brand A	0	19	15
Brand B	2	19	13



9. Discount promotion method

Table 4.9 Discount Promotion Method

	Less Decent	Fairly Decent	Very Decent
Brand A	1	21	12
Brand B	1	21	12



4.2.3 Data Processing

1. Reliability Test

The reliability test aims to determine whether the questionnaire used has consistency as a measuring tool or not. A variable is said to have high reliability if it has a Cronbach's alpha coefficient of 0.70 - 0.90. The following is a table of the results of the reliability test of the questionnaire used for gaining data in this research. The reliability test is done using the Cronbach alpha method.

$$r_{ac} = \left(\frac{k}{k-1} \right) \left[1 - \frac{\sum \sigma_b^2}{\sigma_t^2} \right]$$

Keterangan :

r_{ac} = koefisien reliabilitas alpha cronbach

k = banyak butir/item pertanyaan

$\sum \sigma_b^2$ = jumlah/total varians per-butir/item pertanyaan

σ_t^2 = jumlah atau total varians

Based on the calculation, the lower bound of the reliability calculation result is 0.7. If the result is below 0.7, then the questionnaire is not reliable for gaining the data. The calculation result for the questionnaire used in this research is 1.05, which means that the questionnaire is very reliable to be utilized.

2. Validity Test

The validity test aims to determine the accuracy of each item/item of the instrument. As a test instrument, the data used in the validity test were 34 respondents who were samples from the research population. The number of samples taken was 34 respondents, this is in accordance with the opinion of Singarimbun and Effendi (1995) which said that the minimum number of questionnaire trials was a minimum of 30 respondents. With a minimum number of 30 people, the distribution of values will be closer to the normal curve.

The validation approach used in this study is Pearson Product Moment method, where the variables involved are the number of observations, dependent variable, and independent variable. The validation results are described as follows:

Table 4.10 Validity Test of Product A

Product A		
R Product	R Table	Remarks
0.345364419	0.3387880539	VALID
0.5408313957	0.3387880539	VALID
0.3808068513	0.3387880539	VALID
0.6042654725	0.3387880539	VALID
0.6157213403	0.3387880539	VALID
0.6425222222	0.3387880539	VALID
0.7667527679	0.3387880539	VALID
0.5427952023	0.3387880539	VALID
0.5345800243	0.3387880539	VALID

Table 4.11 Validity Test of Product B

Product B		
R Product	R Table	Remarks
0.3507375852	0.3387880539	VALID
0.4995945572	0.3387880539	VALID
0.4668471537	0.3387880539	VALID
0.5952938755	0.3387880539	VALID
0.5227401778	0.3387880539	VALID
0.3696042314	0.3387880539	VALID

0.7254153326	0.3387880539	VALID
0.3737924237	0.3387880539	VALID
0.4718888686	0.3387880539	VALID

3. Questionnaire Recapitulation

Based on the input data from the questionnaire, a recapitulation is needed to grasp a bigger view. The data obtained from each variable, calculated the average weight, following the calculation of the average weight calculated by the formula:

$$\bar{X} = \frac{\sum_{i=1}^n X_i}{n}$$

Arikunto (1997:68)

Table 4.12 Average Weight for Each Factor

	Product A	Product B
Price	1.794117647	1.794117647
Originality	2.647058824	2.558823529
Variance	2.264705882	2.117647059
Packaging Quality	2.352941176	2.705882353
Product Certification	2.558823529	2.588235294
Offline Marketing Channel	2.588235294	2.235294118
Online Marketing Channel	2.617647059	2.647058824

	Product A	Product B
Brand Promotion Method	2.441176471	2.323529412
Discount Promotion Method	2.323529412	2.323529412

4. Blue Ocean Strategy Analysis

a. Initial Strategy Canvas

The strategy canvas itself has the function of summarizing the current situation in a known market space. This allows us to understand where the competition is currently happening and understand what factors are used in a competitive arena in products, services and delivery, as well as understand what customers get from competitive treatments on the market (Kim & Mauborgne, 2005). For the initial strategy canvas, the data used is the result of the average value of the questionnaire recapitulation as follows.

Table 4.13 Average Value of the Questionnaire

	Product A	Product B
Price	1.794117647	1.794117647
Originality	2.647058824	2.558823529
Variance	2.264705882	2.117647059
Packaging Quality	2.352941176	2.705882353
Product Certification	2.558823529	2.588235294
Offline Marketing Channel	2.588235294	2.235294118
Online Marketing Channel	2.617647059	2.647058824
Brand Promotion Method	2.441176471	2.323529412
Discount Promotion Method	2.323529412	2.323529412

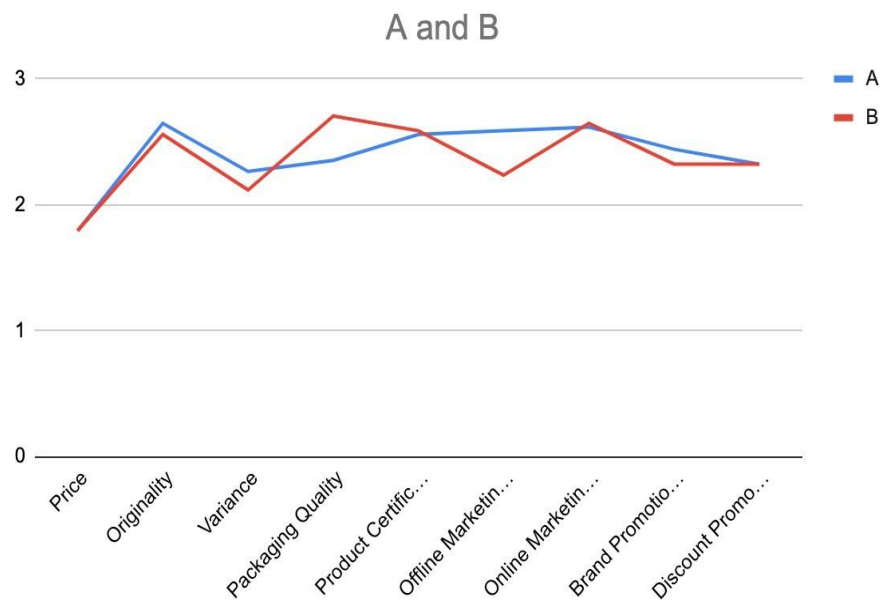


Figure 4.1 Graph of Average Value for Questionnaire

b. Four Actions Framework

In order to create a fresh value curve or strategic profile, Chan Kim and Renée Mauborgne's Four Actions Framework is utilized to reconstruct buyer value elements. The framework challenges the strategic logic of an industry by posing four fundamental questions, as illustrated in the picture, in order to break the trade-off between distinction and low cost in order to create a new value curve. The brand chosen to be developed is Brand B, because based on the Initial Strategy Canvas Brand B still lacks in 4 factors.

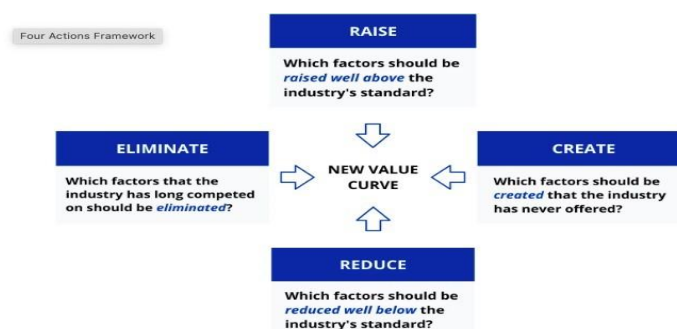


Figure 4.2 Four Actions Framework

c. ERRC Framework

The Eliminate-Reduce-Raise-Create (ERRC) Grid, created by Chan Kim and Renée Mauborgne, is a key instrument of the blue ocean strategy. It is a straightforward matrix-like tool that encourages businesses to concentrate on cutting and decreasing as well as rising and building while opening up a new blue ocean. Based on the chosen brand which is B, there are no aspects that must be eliminated because these factors are regarded as significant. A factor must be deleted if it is low in value and has no bearing on the business unit.

Table 4.14 Result of ERRC Grid

Eliminate	Reduce	Raise	Create
		Offline Marketing Channel	Brand Promotion Method
		Online Marketing Channel	Factory Tour
		Variance	
		Discount Promotion Method	

A second questionnaire was conducted to determine the considerations in buying products through online marketplaces, such as Shopee, Tokopedia, Bukalapak and Blibli. This questionnaire was divided into two sections, which are the respondents' identification and their judgment toward buying products in e-commerce. The first section is to filter the one who is not an e-commerce user and to know the frequency of online purchases of the e-commerce users. In the second section, respondents should fill out the questionnaire using the 5-Likert scale, ranging from strongly disagree (1) to strongly agree (5). There are several points that the respondents should consider, namely the store's status (credibility), performance (rating and responsiveness), also promotion (discount and vouchers).

Table 4.15 Customer's Frequency of Shopping Through Online Marketplace.

Criteria	Frequency
<3 transactions per month	16
3-5 transactions per month	15
6-10 transactions per month	3
>10 transactions per month	3
TOTAL	37

From Table 4.15, it can be seen that most of the respondents seldom buy gudeg through the online marketplace, but still, there are some sales in a month by the customers. This opportunity can be used by Brand B to raise their online marketing transaction.

Below is the questionnaire recapitulation using the 5 Likert Scale to determine what kind of store in an online marketplace perhaps attract customer to buy the product. By using 5 questions, the result is shown below :

Table 4.16 Customer's Preference

Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Do you think the Star Seller predicate is important?	24	7	2	1	3
Do you prefer to choose an Official Store?	19	8	4	2	4
Do you think store performance (rating and responsiveness) is important?	22	7	5	0	3
Are you waiting for a discount or special events?	12	8	9	6	2
Will you use a voucher from the store?	19	6	6	6	0

From Table 4.16, it is shown that the “Star Seller” predicate owned by the store in e-commerce is very important. It can be seen from the result that 24 respondents chose “strongly agree”. Besides, 19 respondents also strongly agree that they tend to choose stores labeled as the official stores. It might be because it will be more trusted and reliable. Moreover, most of the respondents a total of 22 chose “strongly agree” which said the performance of an online store is important to consider while buying products. The respondents will look for its rating and responsiveness from the data provided in the online stores’ profiles.

For the promotion, the respondents more often used the voucher or promo code provided by the stores rather than waiting for the discount or special event. It can be seen that only 12 respondents chose the “strongly agree” option for the discount, while 19 respondents chose the “strongly agree” option for the promo code. It is because the voucher or promo code provided by the stores is not occasional like a special event. Usually, the promotion is more often and has a longer period. Those above are the solutions to raise the online marketing transaction.

The third questionnaire is made to find out customer’s frequency of shopping through offline marketplace and the way to distribute their product through offline marketing. Below is the result from the first section of the questionnaire that determines the frequency of shopping by the customer through the offline marketplace :

Table 4.17 Customer’s Frequency of Shopping Through Offline Marketplace

Criteria	Frequency
< 3 Transaction	4
3-5 Transaction	9
6-10 Transaction	7
>10 Transaction	17
TOTAL	37

Based on the table above, the high number of purchases through offline marketing is promising for the company to sell their product. So, in order to find the best way to attract customer, the company should revise its offline marketing strategy by using the Blue Ocean Strategy which focuses on creating new value in the offline marketing strategy. The second section is the customer's consideration in choosing gudeg cans to be purchased through the offline marketplace :

Table 4.18 Customer's Consideration

Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Do you think availability of product through every offline shop is important?	26	4	4	2	1
Do you think product that exist in every event is trusted?	13	10	8	6	0
Do you think product that present live cooking is more attractive and trusted?	19	15	2	1	0
Do you think product that have many different <u>size</u> is more attractive?	24	12	1	0	0

The table above shows that most of the customers strongly agree that the product should be sold in every offline shop, exist in many events is more trusted, present live cooking is more attractive and have different size is more attractive. Based on the result, Brand B should develop an Offline Marketing Strategy by applying the Blue Ocean Strategy in order to win the segment by creating a new value that Brand A has never used before.

d. Proposed Strategy Canvas

Based on the eliminate-reduce-increase-create scheme, the researcher can develop a proposed strategy that can increase the competitive advantage of the company through innovation and value-added:

- 1) Provide various packaging sizes or form in order to ease the customer in carrying the product.
- 2) The company expands its offline marketing channel by offering and placing its product through every souvenir shop.
- 3) The company expands its online marketing channel by opening accounts on several e-commerce platforms and upgrading the account status/predicate in each platform to be more trusted, stand on the top of the search list and be recommended by the platform itself by fulfilling some requirements provided by the platform.
- 4) Provide vouchers and discounts on e-commerce platforms to gain interest from customers to buy the product.
- 5) Create new value that is a Tour Factor in marketing strategy such as presenting live cooking in front of customers in their own official store or factory tour, making a video that shows the production process, and presenting it on some big screen in their own official store. This also affects the factors of originality to be raised or improved because customers can directly see the ingredients used and the manufacturing process whether provided in the form of a video that is presented on some screen or by applying live cooking sessions in their own official store.
- 6) Exist in some big events by opening some booth or being the sponsor of the event itself in order to increase the knowledge of the customer of the product and aims to be the top of mind in Gudeg Cans brand.

e. Comparison Strategy Canvas

The following is the comparison between the initial strategy canvas Brand A and Brand B and also the proposed strategy canvas Brand B :

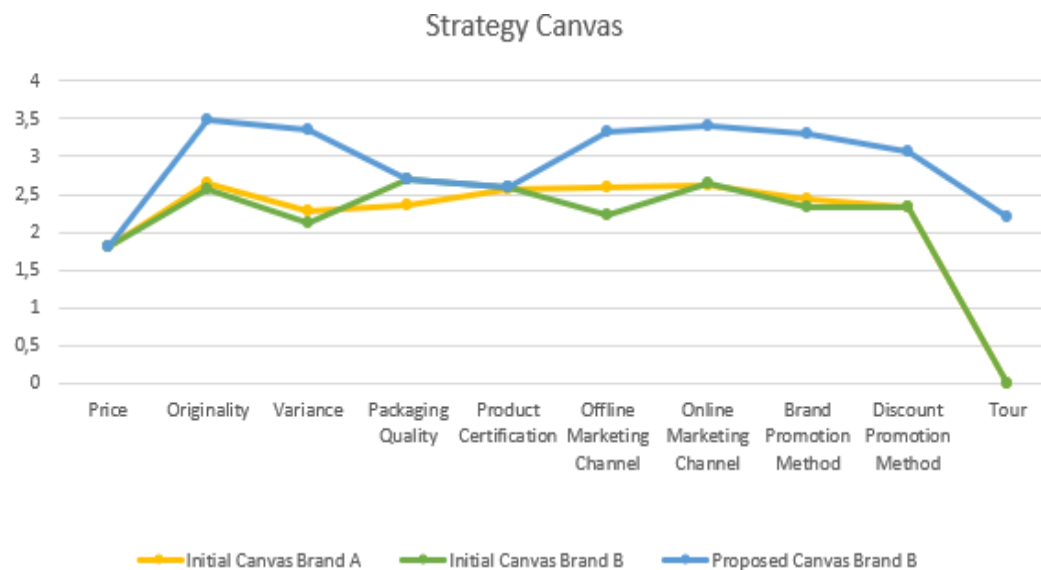


Figure 4.2 Comparison Strategy Canvas

Based on the picture it can be seen that there are factors that are used, and new factors are added to avoid competition. Factors that are improved include originality, variance, online marketing, offline marketing, brand promotion, and discount promotion. The factor added is Tour which basically come from Brand Promotion Method, it set to be the new value that obtained from Blue Ocean Strategy in order to convert the current situation of Brand B in the market that is from Red Ocean to Blue Ocean and perhaps interest customers especially tourists to come and purchase gudeg cans from Brand B.

5. Comparison to Marketing Mix Strategy Analysis

Based on the result obtained from Blue Ocean Strategy, Marketing Mix Strategy Analysis will be used to compare which of these strategies is the best to solve the current problem of Brand B.

Marketing Mix is known for its 4Ps and now is developed to be 7P. Here is the analysis using this marketing strategy:

Table 4.19 Marketing Mix Factors

Elements	Brand A	Brand B
Product	Lack	Strong
Price	Same	Same
Promotion	Strong	Lack
Place	Strong	Lack
People	Strong	Lack
Packaging	Lack	Strong
Process	Strong	Lack

Based on the table above, Brand B lacks in some elements such as Process, People, Place, and Promotion. In order to solve the current problem that is not well known and not selling well, those elements should be revised and improved in order to achieve the goal. Below is the step to using Marketing Mix and proposing a new marketing strategy:

1. Place: Expand the market reach by opening several accounts on e-commerce platforms to collect the customers that wanted gudeg but could not buy it directly in the store. Also, expand the market reach by putting the product in every offline souvenir shop in Jogja to introduce to customers that the product exists with different tastes, price, and uniqueness.
2. Process: Improve the process in the body of the company of Brand B like setting the cycle time of the product, if the product expiration date is approaching 2 months, the company must withdraw their product from the market and replace it with the new one. This aims to keep the freshness of the product that affects the taste.
3. People: The company of Brand B should treat its employees in order to improve their performance and the employees are asked to treat the customer with the best service to achieve customer satisfaction.
4. Promotion: Brand B should create interesting promo such as bundling package with a minimum number of purchases that aims to collect customer's interest beside give them the additional product or special discount that the customers already achieved, Brand B could give them special limited

merchandise such as Unique Umbrellas, Unique Glass, Unique Plate, Gift Voucher, and Unique Key Chain, in which the customer is free to choose one of them.

6. Comparison between Blue Ocean and Marketing Mix

In Blue Ocean Strategy Analysis, the company obtained a new value that there is no competitor obtained it, that is Tour Value. This new value could interest the customer to come to the factory or official store because the tour is a new thing and likely fun to try. Besides it being fun to try, it also increases the customer's curiosity of the product usually leads them to purchase the product, the transparency of the process of making the product increases the customer's trust so they usually tend to purchase the product because they feel safe to consume the product. In this new value, Brand B does not need to compete with other competitors, because applying this new value is quite challenging and needs further analysis and consideration since they will only be the second brand to apply this new value rather than the Brand B that firstly introduce this new value to the customers. Also usually the initial move-maker that is Brand B is more well known because if they remain to survive with the new value, it will be more remembered by the customers and lead them to be at the top of customers' minds rather than the newcomer brand.

In the Marketing Mix Strategy Analysis, the 4 lack factors need to be improved and improvised in order to solve the problem. In applying the improvised and improved strategy, they are still in the Red Ocean market which means there is no new value-added from the brand, and if the competitor is aware of the improvement of Brand B, they could possibly adapt and apply the same strategy and also highly possible to improve it better than Brand B does. This led the company of Brand B to face fiercer competition rather than if they used Blue Ocean Strategy that focused on creating a new value and strengthening it.

CHAPTER 5

RESULT AND DISCUSSION

5.1 Reliability Test Analysis

Data processing using SPSS 16 software produces ralpha (Cronbach's Alpha) which is greater than rtable (for each questionnaire, see attachment), with this it can be concluded that the attributes of the questionnaire are reliable, and it can be said that these attributes have a reliability value good results, or it can be said that the results of the questionnaire can be trusted.

In statistical analysis in research, the reliability test serves to determine the level of consistency of a questionnaire used by researchers, so that the questionnaire can be relied upon to measure research variables, even though this research was carried out repeatedly with the same questionnaire or questionnaire. The computation yields a lower bound of 0.7 for the reliability calculation result. If the outcome is less than 0.7, the questionnaire is unreliable for gathering data. If the value of Cronbach's Alpha > 0.70 then the questionnaire or questionnaire is declared reliable or consistent. The calculation result for the survey used in this study is 1.05, which indicates that it may be used with great confidence.

5.2 Validity Test Analysis

In this study the data taken were as many as 34 samples. Validity testing was carried out using SPSS 16 software, the results of which can be seen in Corrected Item-Total Correlation. Testing the validity of the data in this study was carried out in only 1 iteration because in that iteration the question attributes were all valid. This means that all the attributes of this questionnaire can be included in the next research process, or there are no questions that must be removed from the list of questions.

According to Singarimbun and Effendi (1995), who believed that the minimum number of questionnaire trials was a minimum of 30 respondents, the number of samples obtained was 34 respondents. The value distribution will be more closely aligned with the normal distribution with a minimum of 30 participants (citation). The number of observations, the dependent variable, and the independent variable are the variables involved in the Pearson Product Moment method, which is the validation strategy employed in this study.

By looking at the R product moment critical price table, it may be determined whether the association is meaningful. The correlation is not significant if the value of R is smaller than the crucial value in the table. Similarly, the inverse meaning. The data can be stated to be valid because, according to the findings in the validity test table, the product R-value is higher than the crucial price in the R table.

53 Blue Ocean Strategy Analysis

The strategic canvas, an analytical tool that outlines the value curves of the organization and its competitors, is necessary to develop the Blue Ocean Strategy (Hanifah, Setyawati, & Octaviani, 2015). To reconstruct the components of buyer value and develop the blue ocean strategy, it also needs a four-step framework. The blue ocean strategy is developed using this concept. Six formulation principles, including four for the strategy's formulation and two for its execution, will be used to create the Blue Ocean Strategy. Reconstructing market definition/limitation, focusing on the large picture, going beyond the current demand, and taking a number of relevant strategic actions are the four guiding principles of strategy formation (Kim & Mauborgne, 2006).

5.3.1 Strategy Canvas Analysis

This strategy is an action framework that Gudeg Local has put into place and is also a diagnosis for how to establish a strong BOS by comprehending the current competition. Recognizing several aspects of product competition that are influenced by competing offers on the market, and then summarizing the level of offering that consumers receive under all the major aspects of that competition. The Likert scale is used to measure one's attitudes, opinions and perceptions of a phenomenon (Sugiyono, Metode Penelitian Kuantitatif, 2013). The Likert scale scores used in this study amounted to five points, namely: 5. Very Satisfied, 4. Satisfied, 3. Undecided, 2. Not Satisfied, 1. Very Not satisfied.

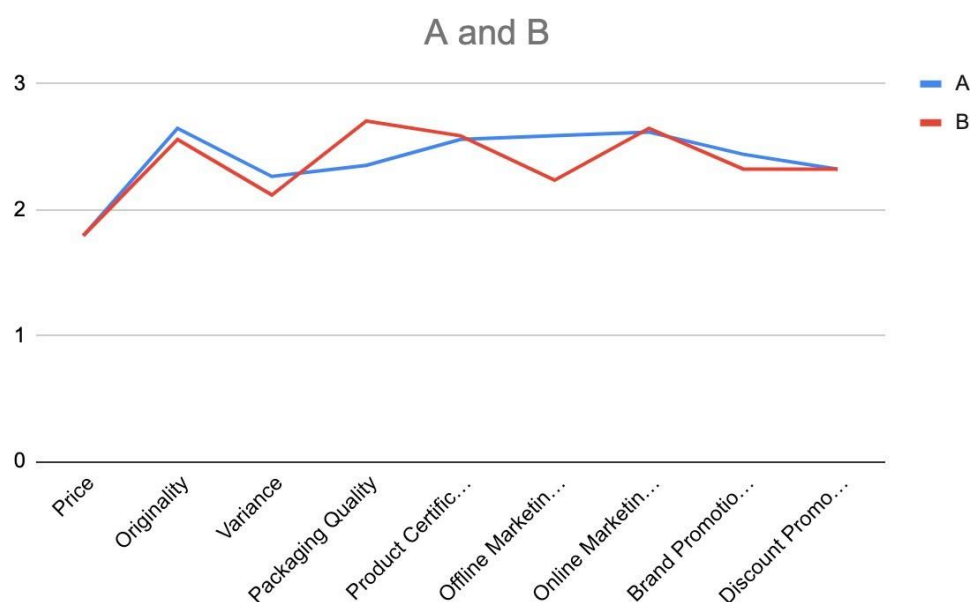


Figure 5.1 Comparison Graph

Based on the strategy canvas graphic in Figure 5.1 which shows the conditions of market competition between product A and product B, it is known that product A is inferior in terms of packaging quality and online marketing. The price factor and discount promo have the same value, so it needs to be increased through a 4-step framework in the form of a raise. Product A only focuses on originality, variance, offline marketing and brand promotion. To implement business strategy improvements based on the Blue Ocean Strategy, companies need to take strategic steps to develop Product A with the aim of moving from red ocean conditions to blue ocean conditions.

5.3.2 Four-Actions Framework Analysis

In making a strategy canvas, a 4-step framework is needed that companies should take to achieve a Blue Ocean Strategy. In order to eliminate the trade-off between distinctiveness and low cost and to establish a new value curve, the framework investigates the strategic logic of a sector by presenting four key issues (Kim & Mauborgne, 2006). The following is a framework formulated by researchers based on the researchers' personal observations and derived from suggestions from consumers who were research respondents:

- a. Eliminate

There are no factors that need to be eliminated because all factors have their respective roles which contribute significantly to creating unique value for product A's blue strategy.

b. Reduce

There is nothing to be reduced based on Blue Ocean Strategy Analysis.

c. Raise

1) Offline Marketing Channel

The existence of the product in the offline market is very needed. This determines whether the company wants to increase its sales and be well-known among customers. The larger the market reach they have the larger chance their product to be purchased. Increasing in sales and well-known among the customers led them to the continuity of their business and they could continue to grow year by year without forgetting to always do sustainable development through their service and especially their product which is Gudeg Cans.

2) Online Marketing Channel

The existence of their accounts on several e-commerce platforms also increased their sales and led them to the competition. When there are some products on the market, it will increase the customers' satisfaction because each product has its own uniqueness and characteristics. Upgrading the account status or predicate through several e-commerce platforms, also increases the trust of the customer to the brand and if the brand is always on the top of the search list in e-commerce, it also leads the product be on the top of customer's mind when searching for Gudeg Cans product.

3) Variance

The variance of the product packaging size could raise the customers's willingness to choose the brand, because customers often complain about the availability of packaging size of the product, some of them want to carry the product with compact size or travelling size and some of them does not care about the size. The variance of the product packaging size could reach both market segments and achieve higher possibility to be purchased by the customers.

4) Discount Promotion Method

Applying some discount such as discount voucher and bundling promos in some e-commerce platforms could raise the customers interest to buy the product, it is not just a prediction from the company because in reality most of customers are looking for discount or cheaper product. When purchasing the cheaper product, they will be more curious and when they get the satisfaction from the taste, packaging and the variance of size. They will step by step leave the previous product that they have been tried before. When that situation and condition meet, the Brand B that are cheaper, better in taste and more vary in size will dominate the market easier.

d. Create

The factors created are expected to create new markets according to the Blue Ocean strategy:

1) Brand Promotion Method

It is necessary for the company to develop their brand promotion method. In choosing the best plan for the promotion strategy, the company should consider every customers's preference even if just less of the customers prefer of a thing in purchasing Gudeg Cans.

Brand B should try to think about creating new value. By creating the Tour Value of the brand, perhaps could engage more customer to try the Gudeg Cans from Brand B because customer could see the manufacturing process directly and taking photos or videos to be documented, this new things could be rememberful by the customers if the tour program is packaged perfectly by considering what kind of service that the Brand B should provide to the customers. This new value will not easily applicable to the other brand and it takes a long time of consideration to apply the same strategy that the Brand B does. This resulting Brand B does not have to face competition between other brands.

Opening account on several e-commerce platforms, sell product through every offline store also including the Brand Promotion Method. If this strategy resulting the positive impact to the market and of course to the sales of Brand B, it could make the Brand B stay remains on the market and step by step reaching the top of market as the Gudeg Cans producer because has more sales,

better ratings, more trustworthy and more attractive in terms of service, taste, size and offerings.

5.3.3 Proposed Strategy

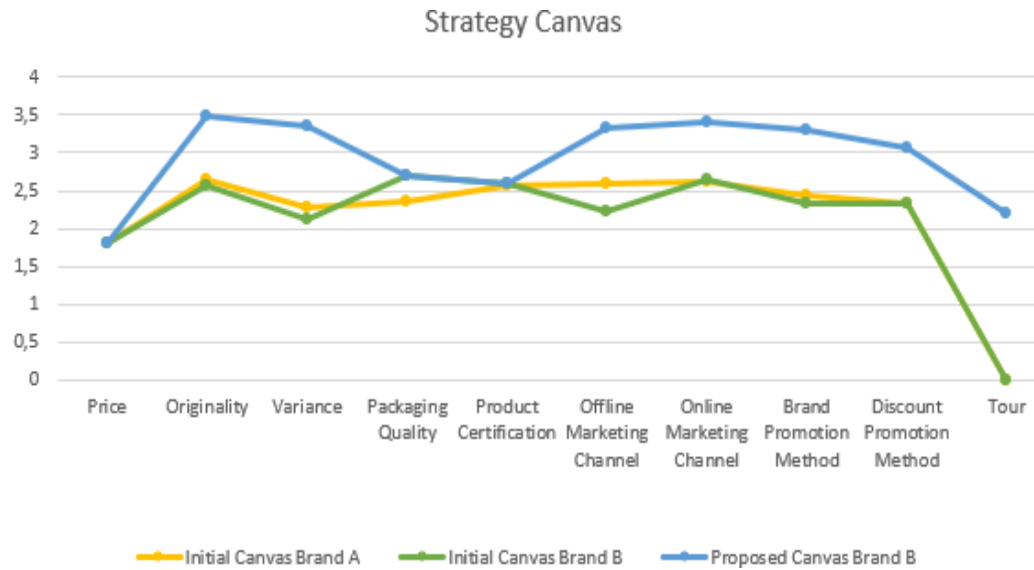


Figure 5.2 Strategy Canvas Comparison

Based on the canvas comparison between Initial Canvas of Brand A and Proposed Canvas of Brand B, shown on the Tour Value, Brand B win against Brand A and this could be the opportunity for Brand B to introduce the new value and be the only Brand that provides tour service to the customers.

The researcher can create a suggested approach to boost the firm's competitive advantage through innovation and value addition:

- a. Offering products with different size of packaging to expand market reach.
- b. Opening several accounts on e-commerce to expand market reach and increase customers's trust and also provide some promos on e-commerce to gain customers interest.
- c. Exist in some events to expand customers's knowledge about the product.
- d. Provide new value that is Tour Service to the customers in order to attract them and increase their trust of product and services.

Based on the results of the distribution of the questionnaire, it is known that the newest strategy can increase the satisfaction of the factors of originality, offline marketing channel, online marketing channel, brand promotion, discount promotion and tour service factor.

CHAPTER 6

CONCLUSION AND SUGGESTION

6.1 Conclusion

From the results of calculations and analyzes that have been done, it can be concluded that the proposed strategy that should be implemented by Gudeg through the Blue Ocean Strategy, namely:

1. Offering products with different size of packaging to expand market reach.
2. Opening several accounts on e-commerce to expand market reach and increase customers's trust and also provide some promos on e-commerce to gain customers interest.
3. Exist in some events to expand customers's knowledge about the product.
4. Provide new value that is Tour Service to the customers in order to attract them and increase their trust of product and services.

6.2 Suggestion

Based on the analysis and discussion, the researcher makes the following recommendations for the Gudeg Kaleng business unit as regional mementos and for future study:

1. The Gudeg Kaleng business unit needs to be more alert to opportunities that can be used to grow its operations in Blue Ocean Strategy.
2. The authors recommend extending the scope of current issues and making the issue more complex in order to do additional research.

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ATTACHMENT