

CHAPTER 1

INTRODUCTION

1.1 Background

Marketing is a vital tool and plays a key role in the organization. The marketing department together with the sales department is instrumental in any organization to achieve the growth of the company. Marketing and Sales should go hand in hand for a company to be successful. They are the driving forces behind the growth and financial performance of the company.

A successful marketing and sales strategy and its tactics are the result of a profound analysis of the market, the level of competition, customer and trade needs, and are usually combined with a sound strategic and financial plan. Therefore, a successful sales and marketing organization always makes sure that all of these are undertaken. With a clear strategic medium term plan and its tactics in place, the company's marketing and sales organization can drive the business in a sustainable, profitable and successful way. Vision, mission, and objectives must be clear and its execution can be shaped accordingly by the team. A consistent marketing strategy is the basis of a sustainable and successful sales and marketing organization.

PT D Company with headquarters in Surabaya is in the business of manufacturing and distributing building materials. It seeks to expand the business by enlarging the field of operation in the market as well as addition of new distributors (building material agents and sub-agents) as a form of long-term investment and as a means to compete better and reach more and new client stores to increase their market share in the long-run. As to how the company will carry out this objective, the company wanted to know how effective their marketing and sales operations are among its present client stores in East Java. To get valid and up-to-date information, the company has done an extensive survey collecting data from each client retail stores that are located in the areas of Madiun, Kediri, Tuban, Malang, and Banyuwangi. Although the survey is still on going until now, it covers the whole of East Java.

This study will put emphasis on marketing, particularly on how promotion enhances sales. Additionally, the study will reveal what factors of the marketing are the key drivers for higher revenues by the sales force. The study will also shed light on how sales and marketing are organized in a business to business setting. Eventually, this research of the study aims to show the positive impact marketing has on the sales and distribution of building materials.

More specifically, this Case Paper proposes to examine the tools or instruments used by the Marketing and Sales Department of PT D Company to drive their business. This Case Paper will

concentrate on one of the marketing mix elements. The aim is to know the kind of marketing mix in promotion and distribution, the marketing and sales team is doing to help PT D Company increase their sales.

1.2 Research Scope

As mentioned in the background of the case, the research scope of this Case Paper will be the basic consideration of a company in determining its marketing strategy and implementation of marketing mix. In this, focus will be on the four elements of the marketing mix: product, price, place and promotion.

In particular, the aspects that this Case Paper intends to the questions of the case study are:

1. What concepts are used by Company PT D in business to business marketing in executing an effective marketing strategy?
2. How effective is the implementation of appropriate marketing mix elements for Company PT D to attract more buyers and thereby increase sales?

The results of the study will be based on valid and up-to-date data taken from a survey conducted by Company PT D to a total of three

hundred (300) client retail stores located in Madiun, Tuban, Kediri, Malang, and Banyuwangi conducted in February and March 2016.

1.3 Research Objective

In this research there are three main objectives:

1. To know how a business to business (B2B) marketing works with respect to Company PT D's marketing and sales organization.
2. To analyze what factors are exploited by the marketing and sales organization in relation to the 4Ps of marketing.
3. To understand how the promotion and distribution in the marketing mix is being done by Company PT D to increase their sales.

1.4 Significance of the Study

1.4.1 Academic Significance

To give useful illustration and information for academic purposes regarding marketing and to understand better how companies make a good marketing strategy in a business to business (B2B) setting. This study will describe how and in what way

marketing strategies are implemented to face specific challenges by a company on a business to business setting.

1.4.2 Practical Significance

For Company PT D, this research would give useful information to the company based on data collected from the survey among their client retail stores. It also aims to suggest certain improvements that can be utilized by their marketing and sales organization to enhance company sales.

1.5 Chapter Outline

This Case Paper will consist of five chapters namely:

Chapter 1 Introduction

This chapter explains about the background of the case study in relation to Company PT D. This chapter also includes the scope of the case study, the objectives of the case study, and the academic and practical significance of the study.

Chapter 2 Literature Review

This chapter describes some of the theories that can be used to provide the conceptual framework, so as to understand the factors related to the 4Ps in marketing. Marketing strategy theory will determine the short-term and long-term activities in the field of marketing that deals with the analysis of the strategic situation of a business to business company.

Chapter 3 Research Methodology

In this chapter, the method used which is descriptive statistical analysis of the data collected through the survey questionnaires will be explained. This chapter will describe how the data were collected and the method of analysis used for each particular type of data collected, Selective interviews and scanning of company documents were also done to make an in-depth explanation of the results and findings.

Chapter 4 Analysis and Discussion

This chapter tells initially about the internal and external phenomenon related to the marketing and sales organization of Company PT D. The discussion will be followed by the results based on the documentation, data processing, observations, and then the interpretation of the survey results based on interviews.

Chapter 5 Conclusion and Recommendation

This chapter gives the conclusions of this Case Paper. It also includes recommendations to the marketing and sales organization of Company PT. D that might help the company to further improve its marketing and sales activities.