

**COMPETITIVE STRATEGY BASED ON INNOVATION OF PRODUCTS AND IMPLICATIONS TO
MARKETING PERFORMANCE TO IMPROV SALES
IN CORPORATE PRODUCT COMPANY IN BALI**

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Abstract

Stengthening Rural Economy (11)

To increase the sales value of sculpture products, then in need of competitive strategy based on product innovation on marketing performance. With the research entitled "Competitive Strategies Based on Product Innovation And Its Implication On Marketing Performance To Increase Sales On Sculpture Products In Bali" The purpose of this study is to determine the variables that become the strengths, weaknesses, opportunities and threats faced in marketing sculpture products . Knowing the effect of sculpture product innovation on competitive strategy at sculpture company and analyzing sculpture product innovation strategy which developed to increase sales value and its implication to marketing performance. Data collection technique is done by using interview method, observation, and documentation. While the analysis technique using SWOT analysis. The strengths in increasing the value of sales lie in a variety of models and creativity, technical innovation, design changes, distribution changes and payment administration system and trust. The disadvantage lies in the lack of promotion in various media, the opportunity exists in the external environment which is demonstrated by the stability of Balinese security that is conducive, flexible local government policy, and the threat there is on the many sculptures produced in mass production. From the results of research in the know product innovation plays an important role in increasing the value of sales on sculpture products in Bali.

Keywords: Strategy, Competitive Strategy, Innovation, marketing performance and sales value.

1. Intractation

Marketing of sculpture products in the era of globalization requires a strategy in winning a competition. Appropriate marketing strategy in the form of product innovation, market penetration, market development and service quality. Rangkuti (2006: 3) mentions, strategy is a tool to achieve marketing objectives. A highly competitive competition forces a company to maximize marketing performance in increasing sales and be able to compete in the global market place. Such rapid changes in technology, customer needs and shorter product cycles cause serious problems for the business world as well as businesses engaged in services and

goods, one of which is cultural-based companies, sculpture. Marketing of sculpture products in the global era requires the right strategy to win the competition. Appropriate marketing strategy in the form of product development, market penetration, innovation and market development. Strategy is a very important tool for achieving competitive advantage (Porter, 2007). To achieve competitive advantage a company must have scarce, valuable, incomparable, and non-renewable and innovative resources (Resources Base View Theory). Product development strategies to improve marketing performance have strengths and weaknesses as well as opportunities and threats when distributed to the market. The power of sculpture lies in the ability of artists to produce creative products and innovations in the form of ideas and ideas in creating new products. The purpose of creating creative and innovative products is solely to get maximum results that have economic value and can win global competition. While market penetration is done through market innovation by developing bigger and wider market and more reaching the realization of consumer desire. With innovation can provide a competitive advantage (Mustafa Bekmezci, 2015) * Marketing strategy used in expanding market penetration through selective selective personal selling that is to directly show the performance of the artist how the sculpture products distributed to the market are made directly through a process and done in stages. While market development (market development) is done by introducing new innovation products to the global market in local, national, and global skala. Mudana (2015) in his dissertation said the global market is a mainstay sector that has a very wide influence on various aspects of community life. New innovations developed by artists aim to distribute consumer desires as a form of imaging. The product of imaging by Baudrillard (2004) is called simulacra or simulacrum where the original product with the produced is difficult to distinguish. The artist's skill in producing art products is both a force and an opportunity to meet market needs so as to improve marketing performance can also motivate artists to innovate to create creative products that can be distributed to the market. While the weakness and challenges of artists in working market orders tends to be difficult to regulate, not on time so as to reduce consumer confidence in meeting market needs.

2. Literature Review

2.1 strategy

Understanding the strategy according to Michael E. Porter (2007: 2) in the competition strategy there are five forces that affect competition in an industry consisting of: the threat of newcomers, the threat of replacement products or services, the bargaining power of suppliers, bidding from buyers, and competitive competition among industry members. Porter also proposed a strategy is a very important tool to achieve competitive advantage. All companies are always trying to be creative and innovative in order that the resulting product can achieve the expected goals. Chandler in Rangkuti (2006: 3) mentions that strategy is a tool to achieve corporate goals, in relation to long-term goals, follow-up programs, and resource allocation priorities. While Kotler (2008: 25) says, strategy is a managerial process to develop and maintain harmony between corporate goals, corporate resources, and changing market

opportunities, with the aim to form and adjust the company's business to the resulting product so that it can achieve profit and a favorable growth rate.

2.2 Competing Strategies

To achieve competitive advantage a company must have scarce, valuable, incomparable, and irreversible and innovative resources (Resources Base View Theory.) Product development strategies for marketing performance have strengths and weaknesses and opportunities and threats when distributed to the market. Competitive advantage is a factor or combination of factors that make the organization more successful than other organizations in a competitive environment and can not be easily imitated by its competitors (Feurer and Chaharbaghi, 1995; Lin and Chen, 2008) .To achieve competitive advantage, organizations should consider their external positions , based on marketing perspectives (porter, 1980), whereas in RBV, it is explained that internal capability must be handled (Barney, 1991) In achieving competitive advantage the company must know the internal capabilities of the company.

2.3 Innovation

Innovation is a process that can not be dammed on its journey to find new forms to gain satisfying creations. For artists who have been working on traditional sculptures for years it is very difficult to change a habit. Adequate technical skills make local artists very existence in adopting new ideas to pack them into a new art form but not too far from the will of tradition. From the combination of ideas that depart from local values reflects a real renewal of traditional sculpture more tends to be called "post traditions". Meaning of the concept and values that can be absorbed make the embodiment of this artwork more like to be made icons in the arrangement of the room, yard, furniture, even in made an important part of a building construction. Morgan (1996: 19-20) states: innovation is the understanding of something, the embodiment of something, about endless efforts, the implementation of something, about the achievement of results. The basis of this innovation is the creativity associated with ideas, spontaneous inspiration, new thinking, something unusual, and by making something new it becomes a reality.

2.4 Marketing Performance

Marketing performance is a common construct used to measure the impact of enterprise strategy implementation. However, the problem of performance measurement becomes a classical problem and debate because as a construct, marketing performance is multidimensional in which it contains various goals and types of organization. Therefore performance should be measured using multiple measurement criteria. If using a single measurement criterion then it will not be able to provide a comprehensive understanding of how a company's performance actually (Prasetya, 2002: 227). Marketing strategies are always geared towards generating good marketing performance (such as sales volume and sales growth rates) as well as good financial performance. Good performance can only be achieved if the company can win the competition

2.5 Sales Value

Actually the definition of sales is very broad. Some experts put forward the definition of the sale. According to Basu Swastha in his book entitled *Azas-azas Marketing* (1998: 8), sales are

"Sales is the science and art of personal influence undertaken by the seller, to invite others willing to buy goods or services offered". While the sense of sales by Moekijat in his 5th Dedicated Print Management Dictionary (2000: 48), is "To conduct sales is an activity aimed at finding buyers, influencing and giving guidance so that purchases can match their needs with the offered production and enter into agreements on prices favorable to both parties".

3. Analysis.

Tools used to analyze competitive strategy research based on product innovation and its implications on marketing performance to increase sales In Bali products company in Bali is "SWOT Analysis" (strength, weaknesses, opportunities, threats). SWOT analysis is a tool capable of systematically identifying various factors to formulate corporate strategy. This analysis is based on logic that maximizes strength and opportunities, while simultaneously minimizing weaknesses and threats.

3.1 External Environmental Analysis (Opportunities and Threats)

In a company should pay attention to and know the strength of the macro or demographic environment-economic, technological, political-legal, and socio-cultural and principal micro-environment actors (customers, competitors, distribution channels, suppliers) that will affect the company's ability to earn profits. Opportunities that exist in the sculpture products business include: a conducive stability of Balinese security, flexible government policies that encourage people to improve their economic life with entrepreneurship. Threats on sculpture products are: the number of sculptural products that are mass-produced, so as to degrade the quality and uniqueness of the sculpture products.

3.2 Internal Environmental Analysis (Strengths and Weaknesses)

In this analysis is very necessary to know by a company. In addition to knowing the opportunities that exist in the environment, companies need also have the skills needed to successfully take advantage of these opportunities. Every company should periodically evaluate its strengths and weaknesses. The strengths in increasing the value of sales lie in a variety of models and creativity, technical innovation, design changes, distribution changes and payment administration system and trust. The weakness lies in the lack of promotion in various media, the artists assume that if a product is promoted in excess, then the perception of the product does not have high art quality. Display the SWOT diagram in Figure 1.1. illustrates various SWOT analyzes that can guide managerial planning discussions into a more structured approach to assist strategy analysis. The goal / goal is to identify one of four unique patterns in pairing the company's internal resources with external situations

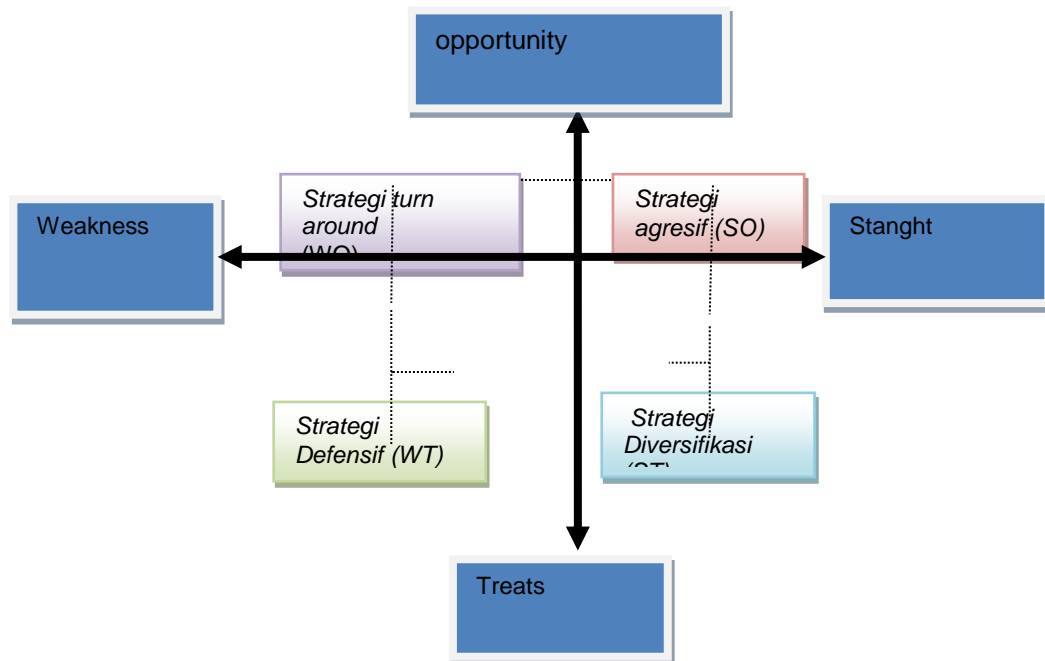


Figure 1.1 SWOT Analysis
Source: Pearce & Robinson (2007: 203)

From Figure 1.1.above can be described the types of strategies as follows:

- (1) Aggressive Strategy (SO). It is a situation most favored by companies, here the company faces many opportunities and many forces that encourage the exploitation of opportunities that exist. A growth-oriented strategy to take advantage of this favorable situation.
- (2) Diversification Strategy (ST). Companies with certain powers face an unfavorable environment. Strategies use the power to capitalize on long-term opportunities by means of product or market diversification strategies.
- (3) Vision and Mission of Self-Turn Around (WO) strategy. Companies face enormous market opportunities, but on the other hand companies face some internal constraints or weaknesses. Strategy to minimize internal problems of the company so as to seize greater market opportunities.
- (4) Defensive Strategy (WT). Is a very unfortunate situation, the company faced various internal threats and weaknesses. This situation leads to strategies that reduce or refine product or market involvement that has been studied with SWOT analysis

4. Discussion

Based on the analysis of indicators of variables that become the strengths and opportunities and weaknesses and challenges in the business of sculpture products in the future, then adequate marketing strategy applied to generate marketing performance is an intensive strategy that can be described as follows.

4.1. Product Development

The ability of artists to innovate and creativity in creating new products that are distributed to the market is an opportunity to fulfill consumers' wishes toward creative products. Global consumers are very fond of art products that have a unique and unique local identity. The imitating skills that artists have for applying consumer desires are the strengths of a product development strategy. The development of products distributed to the market refers to standardization and false idealism. Any product distributed to the market must have a production standard. Every production always deals with quality with price. The higher the quality of production the higher the price to be paid by the consumer. Consumers must be willing to spend more money when wanting a better quality of goods. Market products not only reach the small market quality of the small, but also adopt high-quality market that must be paid handsomely. The weakness of market products is highly dependent on consumers. Consumers with the ability of capital has been able to control the artist to produce his desires. Pseudo idealism is a threat to artists when they are about to conserve a great work of art. In the culture industry the art of never change is often used as the objects of innovation to produce new products that can be distributed to the market. New products distributed to the market are a representation of false idealism. Whereas pseudo-idealism relates to the degree of similarity and similarity of reproduced products. The more similar and similar than the products produced in the production and reproduction process show the higher the success rate in meeting the needs of consumers. Through the skills that have been there before then supported by an understanding of technology and science artists can innovate existing products into new products in accordance with market tastes. Art products that are overproduced when distributed to the market will change of radical and obscure the meaning. Nevertheless there is still a preservation of art production with old ideals although the number is decreasing from year to year.

4. 2 Market penetration

Strengths and Weaknesses and Opportunities and Threats of market penetration in marketing strategy of sculpture products in Bali can be described as follows. Strength, done with innovation-based business. Product innovation can be viewed from the technical or unique sculpture making process and not everyone is able to imitate, flexible design changes in accordance with market demand, changes in distribution are done effectively and efficiently, so as to benefit from various parties, payment system in the ease and take into account the security for consumers as well as producers, as well as trust to establish mutually beneficial cooperation. Indirectly the product already has a high bargaining power to promote art products that attract consumers. Personally selling promotions can be done by word of mouth (tradition), it seems this step is the most superior approach though impressed somewhat plebeian but inside there is contained trust (trust). For the wider market penetration and globalize now the art product marketing strategy in Bali using technology

4. 3 Market Development

Art products that grow in Bali have a very distinctive and unique identity so it is very liked by consumers. The historicity and uniqueness of the art production is a strength for the development of market products, both local and global markets. The local market only

distributes limited products because the population is very limited. The global market is vast, worldwide, coming from different directions and interests. Developed countries that have strong economic backdrops such as, America, Germany, Inggris, Australia, Japan, China are very likely to consume art products. The interest of advanced societies is very high for consuming art products because their primary and secondary needs are met.

While the weakness in the development of the market, artists are reluctant to establish relationships, reluctant to do cooperation, tends to artists only communicate with himself, so that emerging ego-ego, emotions that harm the artist himself. The market is very wide expanse does not appear in the eyes of artists, who see only himself that implemented through his works. When consciousness interacts with agents is done by businessmen who exploit the conditions of artists that tends to be unlikely to become a serious threat. By utilizing the artist's urgency, the capitalists freely distribute his ideas into products that meet the needs of the consumer. The expansion of the consumer market is fraught with counts of money and the consumer market is very relative and dynamic. Products distributed to the market are intertwined from the communication between consumers, producers, and markets. The expansion of the market to distribute art products not only targets a very limited local market but to a wider global market worldwide.

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