SALES AND MARKETING STRATEGIES IN THE MARKETPLACE BY BUSINESSES IN SOLO RAYA

Aminudin Ma’ruf,1* Putri Maidina Fadila,2 Sausan Liski Aulia3

123 Universitas Muhammadiyah Surakarta, Sukoharjo, Indonesia

*Corresponding author: aminudin.maruf@ums.ac.id

Information Abstract:

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Every human being buys and sells to meet their needs and desires; technological developments make it easy for everyone to do various jobs, especially in buying and selling activities. This study aims to examine the strategies used by business owners at Shopee to increase their sales and marketing. This study adopts qualitative research methods with data collection techniques used are interviews with several business actors at Shopee by asking questions through Google Forms. The results of this study are sales and marketing strategies carried out by business owners to encourage business growth, namely improving product quality, using advertisements, introducing products in detail to consumers, and maintaining service performance. In this study, several factors were found to support business actors selling on Shopee, namely a wide range, easy access, and a free shipping and payment system on the spot. The results of this research can be put forward by research implications that may be useful in the future by business actors at Shopee. This paper humbly attempted to be used as an additional reference for further studies with similar topics, namely sales and marketing strategies in the Shopee marketplace.
A. INTRODUCTION

The development of Islam in the world is based on many essential factors, one of them being trade (Anisah et al., 2017). In the 21st century, the development of information and communication technology has created a borderless world that makes the internet grow rapidly (Javalgi et al., 2004) it is unavoidable that trade begins to penetrate the digital world (Gallab et al., 2021), which results in a very wide range of promotions and marketing (Montgomery & Chester, 2009). Thus many fresh ideas emerge (Moskowitz & Hartmann, 2008) about the online buying and selling room (Touhidul, 2016). In the end, selling products on the marketplace is an opportunity for business people to sell goods via cell phones (Donner & Escobari, 2010).

Looking back, the COVID-19 pandemic has hit the whole world, including Indonesia (Workie et al., 2020), which is increasingly supporting activities in E-Commerce (Harahap et al., 2021). With the implementation of Micro-based Community Activity Restrictions in early 2021, it has changed people's behaviour in shopping activities (Saragih & Andrabi, 2021), more consumers are shopping through digital platforms in online networks (Inneke & Fanny, 2022). Accordingly, sellers or marketers must ensure their consumers loyal to the products they offer (Yosy, 2016). One way is through attractive promotions, until now various kinds of promotional media are starting to grow rapidly (Constantinides, 2009) one of them is promotion through the internet (Bala, 2018; Parasuraman, 2002).

Online buying and selling activities begin with creating an online shop on a marketplace that is carried out by business people (Yazdanifard & Li, 2014). Until now, E-Commerce sales activities have grown rapidly, especially since the arrival of the COVID-19 pandemic around the world (Harahap et al., 2021). One of the most widely used marketplaces by sellers and in the top 3 to offer their products in Indonesia is the Shopee application (Sanjaya et al., 2021). Buyers often use the Shopee application because the Shopee application has a more affordable price and has lots of free shipping (Dang, 2021; Mbete & Tanamal, 2020) make people do not have to spend more energy to buy goods. People are getting used to the use of digital technology-based financial services (Fatimah, 2021).
Based on the description above, it can be concluded that the formulation of the problem regarding the strategies carried out by business actors to increase sales and marketing at Shopee stores are highly needed. Therefore, this paper humbly attempts to explore and examine the strategies adopted by the business actors in Surakarta. This study is hoped to contribute to the untapped area of the literature in this aspect.

B. LITERATURE REVIEW

Strategy is a set of goals and objectives, policies and rules in response to the company's response to the ever-changing competitive environment and circumstances (Gökmen, 2012). In the current generation, there is very tight competition between service providers, such as market places in promotional strategies (Sheth, 2011) where marketing and sales activities have turned into the digital age (Kelly et al., 2015; Montgomery, 2009). At the same time, consumers from all over the world are in a very good position to make product comparisons between companies (Doz et al., 2001) because of the ease of access via the internet (Bala & Verma, 2018; Nuseir, 2018). As long as they have access, they can see the desired item and compare it with other market place platforms that they think are more interesting or profitable (Kung et al., 2002; McQuitty & Peterson, 2000).

As a result, there is uniformity of market characteristics in various countries (Agrawal, 1995; Eckert, 2013) including Indonesia. Although this can provide convenience to the company, it also has other effects, which means that each company has a much heavier burden to be able to compete among consumers who tend to be selective (James, 2008). A number of small marketplace companies are starting to adopt mass customization strategies for a much wider reach of consumers (Abdelkafi, 2008; Tseng & Radke, 2011). It can be said that almost all companies use Crowdsourcing Strategy to increase opportunities in market competition (Minet et al., 2017; Seltzer, 2013). This means that they must be able to dominate the market and customer desires (Widoyono, 2006).

Digitization plays an important role in building brand equity in companies (Almeida et al., 2020; Truant et al., 2021; Zahoor & Qureshi, 2017), which will also build loyalty (Zahoor & Qureshi, 2017) and customer satisfaction (Larsson & Broström, 2019). With digitalization companies can control and monitor the
implementation of their promotions and marketing (Katsikeas et al., 2019). In addition to advertising through traditional advertising media such as television, (Hanekom & Scriven, 2002), they have started advertising the company through the internet and social media (Rugova & Prenaj, 2016). In fact, it is not uncommon for marketplace companies to carry out sales promotions to consumers by providing various types of additional coupons (Raghubir, 2006). In Indonesia, marketplace service providers are competing fiercely in terms of promotion using coupons (Mohan & Ali, 2019), even create social media content and the like specifically to attract consumers (Kaplan & Haenlein, 2010; Lehnert et al., 2020).

In Indonesia, many marketplaces have emerged (Dewanti & Indrajit, 2018), including Shopee, which is one of the leading e-commerce for online buying and selling in Southeast Asia (Liu et al., 2021; Mok & Celis, 2017). Launched in 2015, Shopee is a platform that has been customized for each region (Sharma et al., 2015) and provide an easy, secure and fast online shopping experience for customers through strong payment and logistics support. Shopee provides many opportunities for sellers to easily sell at home using a cell phone (Ismail & Masud, 2020).

The marketplace has provided space for sellers of various types of goods, and in April 2020 Shopee Indonesia began promoting the sale of fast food, namely Shopee Food (Christine & Berlianto, 2022) competing with other similar companies. With this new feature, Shopee is increasingly in demand by Indonesian consumers. However, it is possible that there will be a decline in consumer interest in Shopee, therefore Shopee must survive by maintaining and developing sales promotion methods and strategies. (Tabuena et al., 2022). Thus, sellers registered in the marketplace will be able to adjust their strategy with service providers to attract consumers (Mantrala et al., 2009).

To encourage business growth, the company can use sales and marketing strategies through advertising (Zhao et al., 2021; Syamsudin et al., 2015), both paid and free ads, using free ads on Shopee (Pandy, 2018). Discount prices are an important thing in selling products on Shopee (Ilmiyah & Krishernawan, 2020), Besides that, you can provide free shipping with a minimum purchase of 0 rupiah (Ariyanti & Iriani, 2022). The motivation of business actors to sell on Shopee is one of
the supporting factors is that it is easy to do (Iqbal et al., 2021) and market products throughout Indonesia (Andrian, 2019).

One of the store features that can motivate businesses to sell on Shopee is extra cashback (Rosmita et al., 2022). Even so, there are factors that can be improved by each store, one of which is the stock and quality of goods (Pratama, 2020). Then in terms of store promotion, they can use social media to promote products to buyers (Müller et al., 2018), This is because the reach of the internet is wider so that it can be accessed by the public (Weare & Lin, 2000).

Islam teaches its people to act in accordance with the Shari’a based on the Al-Quran and As-Sunnah (Ulama’i et al., 2022), buying and selling is included in activities which are allowed in Islam (Siswadi & Soemitra, 2022). Buying and selling online provides convenience in transactions (McCole, 2002). Conducting online buying and selling transactions is legal in Islam if it meets the principles that are in accordance with trade, namely pleasure between the two parties (Febriandika, Nurzaman, et al., 2022). The contract with the sale and purchase agreement of khiyar rights provides legal protection, so that the consumer’s position becomes strong in purchasing a product or service (Sakti et al., 2016).

In the services displayed by Shopee, which are contrary to Islamic law, namely using the ShopeePayLater payment method, it can be called a purchase in debt at the beginning and paid 1 month later. (Indrianto et al., 2022). The payment of the loan is contradictory because of the additional money on the principal debt or usury, the additional time and additional burdensome costs (Neuberger & Reifner, 2019). In addition, there is also a Mystery Box trend where the goods sold are not clear, this makes consumers feel disadvantaged and is not allowed in Islam (Febriandika et al., 2022).

Halal industry in Shopee can be in the form of goods that are traded and the price is determined after all buying and selling transactions are carried out according to the Shari’a. Consumers must choose goods that are lawful by Islam, both in terms of substance because it can result in haram if it violates sharia, the production process, distribution, to the purpose of consuming the goods. (Hashim & Mat Hashim, 2013). However, consumers also have to pay attention to what halal and haram they will consume (Ma’ruf et al., 2022).
C. METHODOLOGY

This study uses a qualitative research method (Busetto et al., 2020). The researcher took data using the interview method by asking several questions related to the research title (Kallio et al., 2016). The resulting data in the form of words or text and percentages. The data is processed and analysed which is useful for the contents of journal writing. This study takes the types and sources of primary data (Ball et al., 2019), indeed, the data taken has obtained the approval of the relevant parties. This study uses places in Solo Raya covering areas: Surakarta, Boyolali, Sukoharjo, Karanganyar, Wonogiri, Sragen, and Klaten. The study takes 14 categories of sales products, namely; Women’s Clothing, Beauty/Cosmetics, Electronics, Food and Beverages, Hijab, Accessories, Socks, Eid Envelopes, Gift Crafts, Batik, Unique Items and Household Appliances, Bed Sheets and Children’s Clothing, Clothing/T-shirts, Sheets and Bed Covers.

Research types are classified into basic research, development research and applied research (Salter & Martin, 2001). The research method used is case survey research conducted on each individual. Interview data collection techniques were used as a method of collecting data by asking questions, in this study with the subject of Shopee business actors in Solo Raya. Researchers use data collection methods through filling out questionnaires on google forms (Van Selm & Jankowski, 2006), by asking questions related to the problems in this research. Collecting data using the observation method, the authors observe Shopee shops which are the material for writing.

D. RESULT AND ANALYSIS

This study discusses the strategies carried out by business actors in Solo Raya to increase sales and marketing at Shopee Market Place. Shows that the number of research respondents as many as 20 people including 3 men and 17 women, aged from 21 to 40 years. A total of 14 different categories of sales products spread to 6 cities in Solo Raya. Each respondent has a business experience of 2 months to 7 years, the length of time selling affects product marketing growth.
From the results of data analysis, it can be seen that strategies to encourage business growth are improving product quality, using advertisements, introducing products in detail to consumers, and maintaining service performance and increasing traffic. The way to attract buyers’ attention to increase sales is to provide free shipping for a minimum of 0 rupiah, participate in flash sales and give bonuses to buyers. Each store provides discounted prices to buyers during Shopee events every month on average from 5% to 60% depending on product category. This method is in accordance with research by Ariyanti (2022) and Zhao et al. (2021).

Diagram 1. Supporting Factors for Selling on Shopee

From the diagram above, it can be seen that the highest supporting factor for selling on Shopee is 25%, which is wide access and easy reach, while the lowest 15% is the free shipping & payment system on the spot and having your own product & having free time. These results have similarities with the research that has been done by Iqbal (2021), Ariyanti (2022), and Andrian (2019).
Source: Author’s collection

Looking at the data above, it is known that the advantages of the Shopee marketplace compared to the traditional system are many consumers from various cities, product marketing throughout Indonesia, and many promos for customers. Store features at Shopee are extra cashback, product price discounts, low prices and COD (Cash On Delivery). Meanwhile, the survey results show that as many as 40% of respondents said that practicality, modern, not complicated, easy to learn, and using an online system are the main reasons for shops selling their products on the Shopee marketplace. From the data analysis, there are similarities in the results of Ariyanti’s research (2022), Ilmiyah (2020), and research by Rosmita (2022).

Diagram 3. Factors that Can be Improved
From the diagram above, it can be seen that the highest factor that can be improved in the Shopee store is 35%, namely promotion, while the lowest 10% is the number of buyers and delivery speed. The shipping services used by the most widely used stores are J&T Express, JNE Express, ID Express and SiCepat Halu. Many strategies are carried out by business actors to increase sales in the Shopee marketplace, such as improving product quality, using advertisements, giving discounts, and attracting buyers' attention with beautiful product photos and discounting product prices. The results of this analysis have similarities with research by Zhao (2021) and Pratama (2020).

Due to the wide internet reach, sellers can market their wares through promotions on social media that are connected to Shopee. Every business actor has factors that can hinder the progress of sales such as competition between stores from various cities and buyers who do not provide reviews after purchase. Competition between stores with almost the same selling products is an obstacle for business actors, each individual can overcome this in his own way. The analysis of the data obtained has similarities with the research conducted by Müller (2018) and Weare (2000).

E. CONCLUSION

Shopee is a marketplace mobile application that makes it easy for someone to shop online without having to spend more energy to buy something in a store or traditional market. Based on the statements of business actors from the results of data analysis, it can be concluded that the strategies taken to encourage business growth at Shopee are improving product quality, using advertisements, introducing products in detail to consumers, and maintaining service performance and increasing traffic. Supporting factors for business actors selling on Shopee include wide reach, easy access, and the existence of a free shipping and payment system on the spot. As well as factors that can be improved in Shopee stores such as promotions, number of buyers, stock of goods, and speed of delivery.

For business actors, it would be nice to have a strategy to encourage business growth when selling on Shopee, such as improving product quality and giving
bonuses to customers. For business actors in the halal product industry, it is hoped that they can optimize their role and develop businesses in the digital market so that they can complement the basic needs of the community, such as fashion and halal food that can be developed in accordance with Islamic law in order to get blessings in making sales. For people to look for products that are good in terms of product photos and store ratings before making a purchase, and give the best possible assessment because it can help increase sales and store performance. For further researchers are expected to use this research as a writing reference. Local governments are expected to be able to provide financial assistance to people who have businesses and provide training to the surrounding community to use technology in buying and selling activities.

F. REFERENCES


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Advertisement Management in 21st Century.


