

Improvement of Product Logo, Online Marketing Activities and Cost of Goods Sold Formulation of Pawon Fasdiin

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Abstract—The purpose of the business coaching activities carried out was to improve product logo, maximize online promotional activities and formulate cost of goods sold. This study used a qualitative approach. The object of this research was Pawon Fasdiin which was engaged in the food and beverage industry. This research employed a business coaching method as well as interview and observation as the instruments. Based on the whole discussion and the implementation of business coaching by a coach to Ms. Retno as a coachee, the following conclusions were drawn: the coach and the coachee managed to create a new logo in a combination of yellow and green as the identity of the brand Pawon Fasdiin; Pawon Fasdiin now uses COGS and profit margin formulae to properly calculate the cost incurred to produce each product; and Pawon Fasdiin's Instagram account now is better and more consistent in promoting its products, and the coach as well as the coachee agreed to separate the personal account and business account of Pawon Fasdiin.

Index Terms—business coaching, marketing mix, small medium enterprise, product logo, online promotion, cost of goods sold

I. INTRODUCTION

The business world is currently growing rapidly. Every large or small company is faced with numerous challenges in running its business. The most commonly used terminology is VUCA, an acronym of volatility, uncertainty, complexity and ambiguity.

Volatility is defined as a very rapid change that often happens in a business. Uncertainty is the state of being uncertain that makes it difficult for anyone to predict what events may occur in the future. Complexity is about the clash of various forces as well as the elusive situation that surrounds an organization. Ambiguity is an unclear, blurred situation, and it is possible to misunderstand the cause and effect of such a situation. The term VUCA emerged from the military world in the 1990s and later was adapted into the business management field [1].

Challenges are also faced by micro, small and medium enterprises (MSMEs) in Indonesia in the midst of their rapid growth. The increase in large MSMEs' role significance is shown by the number of business units and employers as well as the provision of employment. Data from the Ministry of

Cooperatives and SMEs in the year 2013 show that MSMEs accounted for up to 99.9 percent of all business units, consisting of 52,106 business units of medium enterprises and more than 57 million business units micro and small businesses enterprises. SMEs absorbed more than 14 million workers or 96.9 percent of the total workforce in 2013.

According to a professor of the Faculty of Economics of Universitas Padjadjaran, Prof. Dr. Ina Primiana Syinar, it is difficult to develop MSMEs in Indonesia because government support—capital, market access, coaching and assistance—in this sector is low. They need not only capital, but also coaching and mentoring. Assistance as referred to above includes the aid provided for MSMEs to create products, market the products and find a market in which consumers will get the products easily.

In a 2006 article Bappenas states that MSMEs' growth in quantity was not offset by their growth in quality. The classic problem they faced was low productivity. This was caused by the internal problems faced by MSMEs, namely the low quality of managerial human resources, organization, technology and marketing, weak sense of entrepreneurship of their actors, limited access to capital, information, technology and markets and other factors of production.

Among the MSMEs that develop in Indonesia are businesses that sell food and beverages. According to the data from the Ministry of Industry, in the fourth quarter of 2016 the food and beverage industry grew by 8.46 percent or above the growth rate of non-oil/gas processing industry (4.42 percent). The export of food and beverage products, including palm oil, in 2016 reached a value of US\$26.39 billion. Meanwhile, the realization of investment in the food and beverage industry as of the third quarter of 2016 reached Rp24 trillion for domestic investment and US\$1.6 billion for foreign investment.

A. Problem Formulation

There have been a number of problems hindering the development of Pawon Fasdiin, namely:

- Nonexistent product identity

In running her business, Ms. Retno, the owner of Pawon Fasdiin, frequently changed her product's logo and packaging label as none of the logos and packaging logos created was satisfactory. This caused Pawon Fasdiin products to have a constant change in the packaging color and product logo, affecting the material or promotional content used. Consequently, Pawon Fasdiin products gained little popularity among the public.

- Lack of promotional activities
In fact, Pawon Fasdiin has been maximizing online marketing through the use of the latest media. However, there has been confusion as to what to be posted and at whom the posts were to be targeted. This shows that the owner's posting on social media merely served as a formality, which she perceived as good. In addition, the owner did not post promotional content on a regular basis. In other words, the promotional activities were conducted arbitrarily according to the owner's wishes and mood.
- The prices set were still an estimate
The prices set by Pawon Fasdiin for all of its products were only an estimation. There was no detailed calculation of the cost incurred and the expected profits. As a result, the selling prices applied were too low, and the profits were too small.

According to the background described above, the problems faced by Pawon Fasdiin are as follows:

- How to make a logo that can represent Pawon Fasdiin's product identity?
- How to improve promotional activities, especially through Instagram, to promote Pawon Fasdiin's products?
- How to calculate the cost incurred for each product to improve Pawon Fasdiin's pricing strategy?

II. LITERATURE REVIEW

A. Marketing Mix

Marketing mix refers to the aggregation of planned marketing instruments a company uses to attract specific response from a group of target customers. Marketing mix covers anything a company can do to influence the demand for its product. Many probabilities can be classified into four categories of variables commonly known as four Ps [2].

B. Product

Products are defined as physical goods or services buyers are willing to pay. They can be material goods, electronic products, apparel and grocery products or intangible products or services bought by users [3].

Philip Kotler and Armstrong (2012) defined a product as what can be offered to the market and customers to attract their interest, to be the acquisition of used or used and to meet buyers' wants or needs. It is believed that in most of the literature product has been understood in a narrow sense.

C. Price

Price is one of the most significant marketing mix elements, and many consider it as one of the most significant elements of the market, which increases not only financial profits, but also share in the market. Not only is it an important element in competitive circumstances, where it immediately influences sales and profitability, it is also one of the most flexible marketing mix elements, which can immediately adjust to environmental shifting. Hence, price is recognized as the only marketing mix element that can generate earnings and the most important element for buyer satisfaction and loyalty.

Being one of the marketing mix elements examined in scientific studies, price is defined according to varying conception and interpretation. A case in point is the concept that price involves a fair valuation of a product or service, for example, a good price for a good product [4]. Philip Kotler and Armstrong explained price as the amount of money paid for a product or service or the value at which customers or buyers obtain a product or service.

D. Place

The next critical marketing element is place or spot that is famous for distribution, which is explained as a way or method by which products or services reach customers or buyers (Martin, 2014). Place includes business activities that make the producer of services ready to target consumers and buyers [2]. Uznieńe (2011) argues that marketing distribution has more than one function, namely

- distribution as a marketing channel or line, whose purpose is to make a product or service become not only more accessible but also readily obtainable to a user and
- physical distribution, which is associated with local conditions, technical possibilities, transportation and other conditions, depending on the origin of the product or service.

E. Promotion

Promotion means an activity or program of delivering and disclosing the features or characteristics of a product to convince consumers to buy it [2]. The last 4P marketing element, promotion, increases consumers' awareness and cognition regarding a product or service, generates higher sales and revenue and builds customer brand loyalty. In other words, promotion is a tool that helps spread positive information, boost sales and affect purchase decision-making process.

III. RESEARCH METHODOLOGY

A. Data Analysis

According to Malhotra, qualitative data analysis can be carried out in three stages [5]:

- data reduction, which is a stage where researchers sort qualitative data obtained from interviews and field observations and codify, summarize and dispose of data that are not relevant to the study;
- data display, which is a stage where researchers perform a visual interpretation of the data in the form of matrices,



Fig. 1. New designs of Pawon Fasdiin logo.

graphs or diagrams in order to see patterns and relationships between data; and

- conclusion drawing and verification, which is the stage where researchers give an explanation of meaning and draw conclusions from the results of the interpretation of the data previously analyzed.

Data reduction was carried out on the results of in-depth interviews and field observations of research subjects and the data relevant to the research. Display data was carried out by interpreting the data using six analytical tools, namely segmenting, targeting and positioning (STP) analysis, business model analysis, marketing mix analysis, SWOT analysis, five forces analysis and gap analysis. From the results of the data interpretation, some conclusions about the gap between the actual condition and the ideal condition in SME Pawon Fasdiin were drawn.

IV. RESULTS

A. Brand Logo

The coach and the coachee discussed about the logo used by the brand Pawon Fasdiin. Ms. Retno has remade or redesigned Pawon Fasdiin's product logo, but none of the logos created satisfied her. The following are some examples of logos used by Pawon Fasdiin.

Ms. Retno wanted a simple logo that does not look too complicated. The colors preferred are a combination of green and yellow. According to saveasbrand.com, the color green gives the impression of the nature and the earth, and it is predominantly used by products produced from the nature. It also gives freshness to the products. In Pawon Fasdiin's case, the raw materials used for its products are cassava and its derivatives which are good for health. Meanwhile, the color yellow is the color that gives birth to happiness and joy. Thus, this color is often used in the logo design of creative products. This also fits Pawon Fasdiin, which comes with innovations for its products, for example, by adding green tea flavor variants for traditional food such as getuk.

The coach and the coachee agreed to create a new logo design for the brand Pawon Fasdiin. There were four new logo designs proposed to Ms. Retno.

The slogan "homemade patisserie" was inspired by Ms. Retno's idea to further highlight the traditional impression of Pawon Fasdiin's products. In general, Ms. Retno liked all logo designs because they contain the colors and shape of her interest. To better inform the decision-making regarding which

logo to use, the coach carried out a simple survey of which logo was preferred by the community, who were the market targets of Pawon Fasdiin's products. The results obtained are as follows.

The results of this survey were discussed by the coach and the coachee for the decision-making process. Finally, Ms. Retno chose logo 1 as the logo to be used. This logo will be posted on Pawon Fasdiin's Instagram account and will start to be used in all Pawon Fasdiin products.

B. Online Marketing

In this section, the social media used by Pawon Fasdiin will be discussed. There were two main media that were used, namely Instagram and Facebook. The channel that will be maximized in the business coaching process is the Instagram account. This is because the Facebook account owned is a personal account that contains a lot of personal content, and Ms. Retno also felt overwhelmed if she was to manage two accounts at once. Thus, for the Facebook account, Ms. Retno will only activate the feature automatically connected to the Instagram account.

Pawon Fasdiin's Instagram account, @pawonfasdiin, was created in April 2016, and by the time this study was conducted, it had 208 followers, 244 followings and a total of 42 posts. The Instagram account was managed personally by Ms. Retno with an erratic posting intensity. We agreed to make an improvement to this account by providing some additional information in the bio and trying to increase the number of followers and followings.

Firstly, we added information about Pawon Fasdiin, such as the information on the products provided by Pawon Fasdiin, H-2 order terms, contact, link to Facebook account and full address of Pawon Fasdiin.

Furthermore, the coach referred to a 2018 article of [Sproutsocial.com](http://sproutsocial.com) about the most appropriate time to post on Instagram. According to the article, the best time to post on Instagram to achieve the highest engagement in general is anytime between Tuesday and Friday. Hence, it is highly recommended to post in that time range.

C. Cost of Goods Sold and Pricing

In general, the coach used the theory by Kotler and Keller regarding the pricing steps. The steps are as follows [2]:

- Set the pricing objective. Pawon Fasdiin's pricing objective was to maximize current profit from current products.

Semprit Sagu New Price Suggestion	
Total cost per Jar	Rp13.900
Current Price	Rp16.500
Profit Margin	19%
Proposed Price	Rp25.000
Profit Margin	80%

TABLE I
Semprit sagu: NEW PRICE SUGGESTION.

Getuk Gulung New Price Suggestion			
	Coklat	Green Tea	Ubi Ungu
Total Cost	Rp24.490	Rp28.990	Rp23.515
Current Price	Rp30.000	Rp35.000	Rp30.000
Profit Margin	22%	21%	28%
Proposed Price	Rp35.000	Rp40.000	Rp35.000
Profit Margin	43%	38%	49%

TABLE II
Getuk gulung: NEW PRICE SUGGESTION.

- Determine the demand. In this step, the sensitivity of the consumer demand is determined. It can be said that the demand for Pawon Fasdiin's products was less price-sensitive because they were difficult to compare in terms of quality, and they had low prices, which only caused a little impact on its expenses.
- Estimate cost, where the costs incurred to make a product are determined.
- Analyze competitors' costs, prices and offers. At this step, the offers made by competitors against similar products are taken into account.
- Select the pricing method, in which the pricing method to be used is determined. The method used was a simple method named Markup Pricing.
- Select the final price. The final price was to be decided by Ms. Retno as the owner of Pawon Fasdiin. The coach would come up with new price suggestions that can be used by Ms. Retno with due consideration to various factors.

Firstly, the coach and the coachee rewrote the recipe and identified the ingredients used in making *semprit*. Then, the price of each material was factored in in the calculation using current price assumption. To simplify the calculation process, the coach moved the note into a worksheet using Microsoft PowerPoint program. The production cost for per jar of *semprit sagu* was Rp13,900, and the a sale price of per jar of *semprit*

sagu was Rp16,500. Thus, the profit earned from the sale of per jar of *semprit sagu* was Rp2,600 or approximately 19% of the cost of goods sold.

For *getuk*, the calculation was not much different from that used for *semprit* with a slight difference for each taste due to the difference in the price of the flavor powders used.

Based on the calculation, the cost of goods sold of *getuk gulung* was Rp24,490 for chocolate flavor, Rp28,990 for green tea flavor and Rp23,515 for purple sweet potato flavor. The profit margins for chocholate flavor, green tea flavor and purple sweet potato flavor were 22%, 21% and 28%, respectively.

These calculation results were very valuable to Ms. Retno because they allowed her to know the lower limit of price for each product and how much profit can be obtained.

The coach also provided the coachee with some information relating to product pricing. First of all, the coach tried to find out the prices of similar goods on the Internet. From this process, the coach found some similar products with different levels of price.

Based on the existing information, the coach suggested new prices as follows.

V. CONCLUSION

Based on the discussion and the results of the implementation of the business coaching the coach provided for Ms. Retno as a coachee, the following conclusions were drawn:

- The coach and the coachee managed to create a new logo for Pawon Fasdiin in a combination of yellow and green, which will be used as the brand identity of Pawon Fasdiin.
- Pawon Fasdiin now has COGS and profit margins formulae for calculating the costs incurred for each product. The coach and the coachee also performed financial recording using the Friend Business application.
- Pawon Fasdiin's Instagram account has been better and more consistent in posting product promotions. The coach and the coachee also agreed to separate the personal account and the business account of Pawon Fasdiin.

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