

Competitive Advantage Strategy Implementation to Gain Customers Engagement and Brand Positioning

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Abstract

The segmented Apparel business is an attractive and creative business that still has many opportunities to enter-emphasized on specific customer interest; the trend still grows. The motorcycle Jacket is one of the segmented Apparel Businesses that target motorcycle bikers within a particular segment. For Bikers, Motorcycle Jackets are not just for covering the body. Motorcycle Jackets are an Identity to show their unique characters and personality. This research focuses on the motorcycle jackets businesses strategy to gain customer engagement and build brand positioning. This research aims to analyze the implementation of the competitive advantage strategy of the motorcycle jacket business to achieve customer engagement and build business brand positioning. This study uses a qualitative analysis method to analyze the research data. The research used the participant-observer method, depth interview, and survey for gathering the information from NR Riding motorcycle jacket's customers. The result shows that NR Riding, as Motorcycle Jacket Business, has specific brand positioning focusing on design, quality, function, and identity. The customer engagement of NR Riding builds through their networking to the motorcycle community to recognize the community's characters and originality. This research gives a new perspective for new and entrepreneurial businesses struggling to find an alternative strategy to build brand positioning in their customer's minds.

Keywords

Competitive Advantage strategy, Motorcycle Jackets Business, Customer Engagement, Brand Positioning, Creativepreneurship

1. Introduction

Everyone requires transportation to go from one location to another. One of the most frequently utilized transportation in Indonesia is a motorbike. The motorbike is the preferred transportation since it is quicker and simpler to avoid typical traffic congestion issues in Indonesia. In addition, the convenience of obtaining a motorcycle, one of which is with credit facilities from credit agencies, makes motorbikes the most commonly owned vehicle. The motorbike population in Indonesia is supported by the number of motorcycle sales which grow every year. The Association of Indonesia Motorcycle Industry (AISI) published motorcycle sales in the past ten years. The overview of the sales data is given in Table 1.

Data collected from AISI indicates that motorcycle sales dropped in 2012, then marginally rose in 2013 and 2014 before continuously dropping in 2015-2017. Sales rose in 2018-2019 until ultimately, during the Covid-19 epidemic in 2020, sales dropped dramatically to 43.4 percent (Asosiasi Industri Sepeda Motor Indonesia (AISI), 2021).

Based on this fact, the number of new motorcyclists is possibly rising, following the increasing number of motorcycle sales. Based on the desire and sales of motorbikes in Indonesia, there is quite a large community of motorcycle riders. Riders need to wear riding jackets with specific characteristics to protect and reduce danger as part of safe riding. This phenomenon provides a chance for the riding jacket industry to develop. One of the small entrepreneurial companies,

NR Riding Apparel, attempts to catch up with this potential. They created a riding jacket product touted as a windproof and waterproof jacket with pleasant materials. As part of the business processes, NR Riding Apparel has to verify their product and gather the consumers' input about their product and the expectation of the customers. These measures need to execute to create a competitive strategy for the company. This action study was done to verify and develop the competitive advantage that could be managed as NR Riding Apparel's advantages

Table 1. motorcycle sales in 10 years

Years	Domestic	Export
2011	8,012,540	30,995
Years	Domestic	Export
2012	7,064,457	77,129
2013	7,743,879	27,135
2014	7,867,195	41,746
2015	6,480,155	228,229
2016	5,931,285	284,065
2017	5,886,103	434,691
2018	6,383,108	627,421
2019	6,487,460	810,433
2020	3,660,616	700,392

1.1 Objectives

As stated before, this study focuses on product validation to consumers. Specifically, the study aims to comprehend consumers' opinions of NR Riding Apparel's Jacket to obtain the image of NR Riding Apparel's competitive advantage.

2. Literature Review

The current business environment is hard to predict (Hubeis and Najib, 2014). Especially with all the drastic changes that happen during the covid 19 pandemics. The pandemic made a significant change to all business processes. Small businesses struggle to survive. Without any knowledge and miss of strategy implement, some businesses could fail to survive. Some of the research already proves that the right strategy could help the business survive during this epic moment (Alvin et al., 2021; Arvianto et al., 2021; Deborah et al., 2021; Irvan & Karmagatri, 2021; Megawan et al., 2021)

Responding to the current situation, Businesses need to implement the right strategy by keeping customers' needs. Businesses need to analyze the business's environment, both internal and external environments. Thus, the business will understand the implications of change to compete more effectively. It is necessary to understand that the business environment influences the operation of a business. The external business environment is a force, condition, and situation that interrelate and cannot be controlled (Jatmiko, 2004). A business interacts with the external environment in its operations, and external factors cannot be controlled by the business (Cadle et al., 2010).

The business environment could be divided into two parts: the internal and external environment. The Internal environment is related to organizational factors in the company. In contrast, the external factor is every situation related to the company that cannot be controlled, hard to predict. By using analysis tools, the company could be preparing itself with any scenario to achieve less risk. PESTLE is one of the analysis tools that could analyze the

external environment. PESTLE stands for Political, Economic, Socio-Cultural, Technological, Legal, and Environmental. PESTLE analysis is used as a situational analysis tool for business evaluation needs. It is one of the most used forms in evaluating the highly dynamic external business environment (Gupta, 2013). PESTLE is very helpful for business. Model (PESTLE) helps develop a dynamic and competitive business environment. This model assesses every important factor that directly or indirectly affects business performance. Therefore strategies can be developed to have a better market position (Johnson et al., 2013). Dwyer & Tanner (2002) stated that the (PESTLE) model makes the organization understand its position in the market, trends, and many advantages for updating strategies, targets, and performance schedules.

Another tool that could be considered use is a SWOT analysis. SWOT analysis is a tool used for strategic planning and management in organizations. It can be used effectively to build organizational strategy and competitive strategy. Following the systems approach, the organization is a whole that interacts with its environment and consists of various sub-systems. In this sense, the organization exists in two environments, one is within itself, and the other is the outside. It is imperative to analyze the environment for strategic management practices (Gurel, 2017).

The SWOT analysis has four components: Strengths, Weaknesses, Opportunities, and Threats. Strengths and Weaknesses are included in internal factors, while Opportunities and Strengths are included in external factors.

Microeconomics is a branch of economics that studies the behavior of individuals and firms in making decisions regarding the allocation of scarce resources and the interactions among these individuals and firms (Marchant, Mary A., Snell, William M, 2017). The industrial environment is the place where an industry runs. Jauch and Glueck (1998, p. 87) state that to achieve optimal performance, strategies must be formulated, considered to protect the environment. The industrial environment describes the industrial conditions in which a company stands. The conditions of each industry vary according to demand and competition. Industries with high consumer demand will benefit but tend to have considerable competition because many companies are also entering the industry. Intense competition will benefit consumers because companies are forced to keep their prices low to compete (Madura, 2006).

Michael E. Porter from Harvard Business School developed the Five Forces model in the late 1970s. The Five Forces Model could help us to understand more about business environments. The Five Forces Model is a simple but powerful tool for identifying where power lies in certain business situations using an outside perspective (Scholes & Whittington, 2008). The idea is that market attractiveness and overall profitability can be determined by market structure (Slater & Olson, 2002). In addition to competition among the existing competitors, there are four other forces in Porter's Five Forces: Bargaining power of Supplier, Bargaining power of Buyer, Threat of Substitutes, and Threat of New Entrants (Porter, 1979).

3. Methods

The research will be conducted using the applied research method. Applied research aims to find solutions to problems directly faced by society, an organization, or a business. The research method used is a survey method that requires contact or relationship between the researcher and the research respondent to get the required data. Most of the data obtained are descriptive data. However, data collection can explain cause and effect or express ideas. General survey methods were used to collect the same data from many respondents. The technique can be used in the form of interviews and also distribute questionnaires. The researcher distributed online questionnaires using Google Forms. This questionnaire is distributed with a minimum number of respondents of twenty people, with the respondent criteria determined following the target market for NR Riding Apparel. This study used primary data with data collection techniques by observation and questionnaires (questionnaires). In the questionnaire we use a semi-open questionnaire by giving questions with the answers that have been given. However, we also provide opportunities for respondents to answer according to the respondent's wishes. The surveys spread through 172 respondents and 251 respondents from Google Forms. The questions were about the jacket's features, design, social media appearance, and promotion.

4. Results and Discussion

The researchers implement PESTLE Analyses in this research to analyze the microenvironment of the Motorcycle Jacket Industry The PESTLE analysis of NR Riding Apparel is as below:

4.1 Political

Politics or legislation are regulated all activities in a country starting from the economic, health, environmental, and so on. NR Riding Apparel must be running within applicable laws in Indonesia in its application to business. NR Riding Apparel must comply with UU no. 16 of 2000 concerning Taxable Entrepreneurs (PKP). The taxable entrepreneur is an entrepreneur who delivers taxable Goods and delivers Taxable Services subject to tax based on the VAT Law of 1984 and its amendments. According to the regulation, NR Riding Apparel is still classified as a small business. The NR Riding Apparel's gross turnover and gross revenue are below Rp.4,800,000,000.00 (four billion eight hundred million rupiahs).

4.2 Economic

Economic factors of a country can affect the course of a business both positively and negatively. The influencing factors are income, the country's disposable income, considerations of poverty, unemployment, taxes, currency exchange rates, etc. According to Pereira (2017), when economic factors are good, (business) persists. The industry cannot attract new investors, growth, and resilience (business) where economic conditions are uncertain. Therefore, the NR Riding Apparel business is highly dependent on the state of the economy. If the economic conditions are not good, our business will find it challenging to develop. The businesses require to adjust prices according to economic conditions. When income is declining, the price strategy must be adjusted to penetrate the market and make sales (Pereira's, 2017)

4.3 Socio-cultural

Socio-culture emphasizes behavior or habits in certain areas such as traditions, cultural aspects, norms, myths, religions, and other beliefs. A business is required to adjust these values according to their respective places. NR Riding Apparel strives to follow the socio-cultural values that exist in Indonesia. For example, on certain holidays, such as Eid al-Fitr or Christmas. NR Riding Apparel holds an ongoing holiday-themed discount program.

4.4 Technology

NR Riding Apparel is greatly helped in running its business by the presence of technology. Almost all of our activities are related to technology, especially the internet. We communicate with vendors using the Whatsapp application to make communication easier in terms of production. We use social media such as Instagram and Facebook for marketing, which have many users. In addition, they also offer convenience to choose the target market from NR Riding Apparel with various features for advertising. NR Riding Apparel utilizes e-commerce in Indonesia for sales, namely Tokopedia and Shopee. They offer a full range of features, from advertising, sales data, and delivery. All of these technologies further simplify our current business performance.

4.5 Law

Regulations in force in a country affect business operations. For example, when the pandemic struck in early 2020. NR Riding Apparel's operational activities were hampered due to government instructions during the pandemic. NR Riding Apparel is focusing the activity manageable during the covid-19 quarantine. The company realizes that quarantine is an effort to prevent and prevent the entry or exit of disease or public health risk factors that can cause an emergency Public.

4.6 Environmental

According to Pereira (2017), environmental interests are an important consideration in business, global warming, adverse environmental impacts, and sustainability considerations. For this reason, NR Riding Apparel is determined to maximize the use of fabrics from our production process. We don't want much fabric left to be wasted so that in the end, the remaining fabric becomes waste.

The SWOT analysis is implemented to NR Riding Apparel Business to analyze company Strengths, Weaknesses, Opportunities, and Threats. Strengths and Weaknesses are included in internal factors, while Opportunities and Strengths are included in external factors. The results of the SWOT analysis of NR Riding Apparel are in the following Table 2

Table 2. SWOT analysis of NR Riding Apparel

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • The quality of the outer fabric is that it can stand wind (windproof) and water (water repellent). • Competitive price • Can be obtained 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • The cost of production is still quite high so the price can't be too low • There is no physical store that can display goods directly
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Motorcycle riders continue to increase every year • There are many emerging motorcycle communities in the city of Bandung • The cool weather of Bandung City matches the windproof feature 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Raw materials are sometimes hard to find • With the vendor system, there is a possibility that an irresponsible person will reproduce the jacket • Have to compete with competitors who have already entered the motorcycle jacket industry

We have done two surveys spread through 172 respondents and 251 respondents from Google Forms. The first questions were about the jacket's features.

In the survey explained in Figure 1 and Figure 2, respondents are allowed to choose more than one feature. 80.2% of respondents want a jacket that has a waterproof or waterproof feature. As many as 76 people choose a windproof or windproof feature. In the third place, respondents chose more pocket features on jackets with 53 respondents. In fourth place, respondents wanted a jacket with the theme of the biggest motorcycle racing event in the world, namely MotoGP, with 52 respondents. The second question was about the jacket's design. About 94,8% chose a more straightforward design than a colorful design. In the third question, we asked how much price people afford to buy our products. 40.1% chose Rp. 201-000 - Rp. 300.000. The other 22.1% chose Rp.301.000 - Rp. 400.000, and 26.7% chose for Rp. 100.000 - Rp. 200.000. The other chose more than Rp.401.000 respectively.

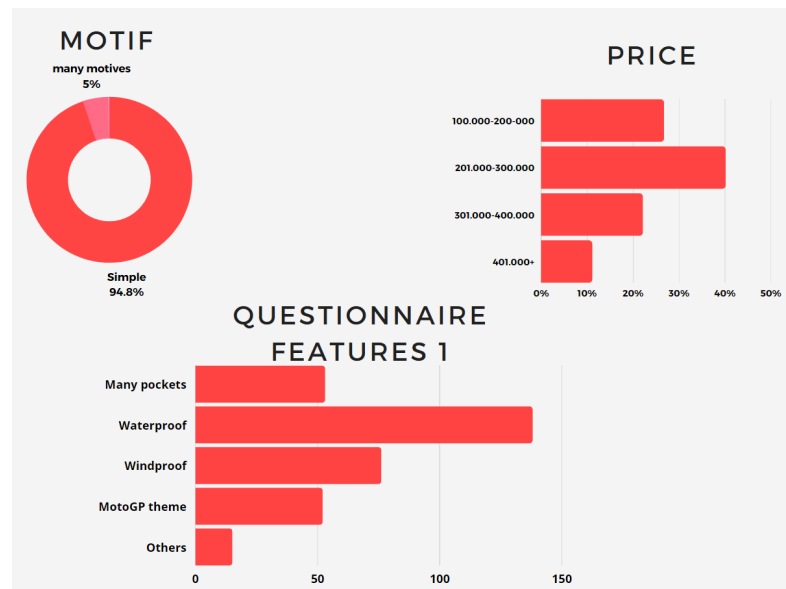


Figure 1. Survey result of motif, features, and prices

NR Riding Apparel develops/improves goods by researching our rivals and watching what motorcycle riders want. Before manufacturing, we do product development to ensure that our products meet the needs of our potential customers. NR Riding Apparel's business operations are entirely managed by the company's three owners and are responsible for issue analysis, solution search, concept generation, vendor survey activities, marketing, finance, and manufacturing. Sales are conducted online in the company's current operations through online e-commerce shops that

may be purchased directly. NR Riding gear items may be identified by their origins in the word of mouth customers and a few friends who have a common interest, namely riding motorcycles. NR Riding Apparel was created in collaboration with Instagram influencers. NR Riding Apparel collaborated on a t-shirt to launch the brand. As a result, NR Riding Apparel may collaborate more closely with various Instagram influencers in the future. NR Riding Apparel is a viable business, according to internal company data. The conclusion is based on sales data, favorable customer responses, a lack of debt, and the results of financial ratio computations between 2017 and 2021. The author may infer from the facts gathered that NR Riding Apparel's pioneering company is sustainable.

Evidence of activities carried out by NR Riding Apparel in production testing. Based on the survey filled out by 251 respondents, the superior features are still dominated by water-resistant and wind-resistant features. Besides that, what is prioritized by consumers is a comfortable jacket material, namely Taslan material.

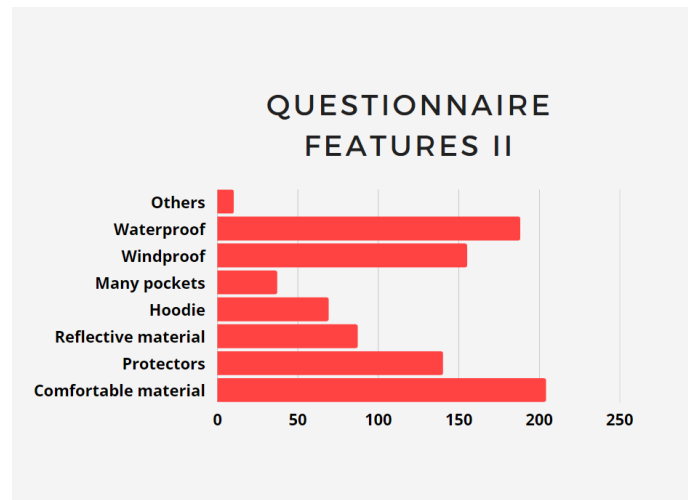


Figure 2. Questionnaire features 2

6. Conclusion

There is a sizable motorcycle riding community based on Indonesia's demand for and sales of motorcycles. Riders must wear riding jackets with particular features that protect and minimize risk as part of safe riding. This occurrence paves the way for the development of the riding jacket business. NR Riding Apparel, one of the teeny-tiny entrepreneurial businesses, makes an effort to keep up with this potential. They developed a riding jacket marketed as a windproof and waterproof garment made of comfortable materials. NR Riding Apparel must check their goods and get feedback from consumers about their product and their expectations as part of their business procedures. These steps must be implemented to develop a competitive strategy for the business. This action research was conducted to validate and create the competitive advantage that could be managed as a benefit of NR Riding Apparel. This research focuses on the customer validation of products. The study's specific objective is to ascertain customers' perceptions of NR Riding Apparel's Jacket to develop an image of NR Riding Apparel's competitive advantage. The study used the participant-observer technique, in-depth interviews, and a survey to get information from NR Riding motorbike jackets consumers.

Consequently, NR Riding, as a Motorcycle Jacket Business, has a distinct brand strategy that emphasizes design, quality, functionality, and identity. NR Riding's client involvement is strengthened by their connections to the motorcycling community, allowing them to identify their personalities and uniqueness. This study provides a fresh viewpoint for start-ups and entrepreneurs seeking an alternate approach to brand positioning in their customers' thoughts.

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Biographies

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