

## **CHAPTER II**

### **MARKETING PLAN**

#### **2.1 Market Size**

Discovering market size is important for a business as they can know a lot about their customers, by understanding the demand they can focus more on what the customer really needs rather than guessing. It is also good for targeting, when a business knows its target market it is easier to satisfy them and gain more profit at the end. Comprehending the market enables businesses to foresee and ready themselves for obstacles. Initiating or broadening a business entails inherent risks, and familiarity with the market can aid in mitigating those risks (Chi, 2023).

There are several ways businesses could gain information about their market size, it could be done quantitatively and qualitatively. In a qualitative survey, people usually examine the fundamental drivers, perspectives, and encounters using methods that do not involve numerical data collection. Qualitative survey is most likely done by doing interviews and deep discussions. In a quantitative survey, people collect numerical data from a sizable sample group through structured questionnaires to conduct statistical analysis and make inferences about the broader population. This can be done by spreading a survey and asking a lot of people about their opinions on the topic.

A Boston Consulting Group (BCG) study indicates that Indonesians are among the top two nations in the Asia Pacific region with the most significant snacking behavior (Snapcart, 2020). Indonesian people consider eating snacks as a habit and a daily thing to do, therefore there are lots of snack businesses in Indonesia. In 2019, Statista reported that approximately 59.8% of respondents indicated that Korean snack was highly favored in Indonesia. Hochib is a Korean snack kiosk that will be appropriate for the market in Indonesia considering the numbers from that data, but to be sure the owner did both qualitative and quantitative surveys for Hochib.

### 2.1.1. Quantitative

The quantitative survey is done to gain numbers from people in the market segment using Google form survey, about their demographic, geographic, psychological, and behavioral. The owner has gained 42 respondents which hopefully could narrow down the market size of Hochib. Here are the results of the demographic quantitative survey done by the owner:

Table 2. 1 Demographic quantitative survey result

Attribute	Components	Percentage
Age	13 - 20 years old	73.8%
	21 - 25 years old	26.2%
	26 - 30 years old	0%
	> 30 years old	0%
Gender	Men	38.1%
	Women	61.9%
Profession	Student	95.2%
	Employee	4.8%
	Businessman	0%
Spending power (monthly)	<Rp.500.000	21.4%
	Rp.500.000 - Rp.1.000.000	42.9%
	Rp.1.000.000 - Rp.2.000.000	19%
	Rp.2.000.000 - Rp.3.000.000	7.1%
	>Rp.3.000.000	9.5%

According to the data, most of the respondents are 13 - 20 years old with a percentage of 73.8%, and there are some of the respondents who are 21 - 25 years old with a percentage of 26.2%. The respondents were mainly women with 91.9% and men with 38.1%. The profession of the respondents in this survey is mainly students with 95.2% and some are

employees with 4.8%. Most of the respondents have a monthly spending power of Rp.500.000 - Rp.1.000.000 with a percentage of 42.9%, and some have less than Rp.500.000 spending power with a percentage of 21.4%, there are 19% with a spending power of Rp.1.000.000 - Rp.2.000.000, 9.5% have a spending power of Rp.3.000.000, and there is also 7.1% who has Rp.2.000.000 - Rp.3.000.000 spending power monthly. Based on the data, mostly students with the age of 13 - 20 years old have the spending power of Rp.500.000 - Rp.1.000.000.

Next to gain information about the behavioral aspects of the consumers, the owner has several questions on the quantitative interview about it. Here are the results:

Table 2. 2 Behavioral quantitative survey result

Type of food that is usually consumed	Sweet foods	45.2%
	Savory foods	54.8%
Snack consumption per month	0 - 1 times	2.4%
	2 - 5 times	38.1%
	5 - 10 times	33.3%
	10 - 15 times	9.5%
	15 - 20 times	2.4%
	>20 times	14.3%

The respondents in the survey answered that most of them prefer to eat savory food as a snack with a percentage of 54.8%, but a lot of them also like sweet foods with a percentage of 45.2%. The owner also asked about their snacking habit, how many snacks they consume per month and the results were that 38.1% of people usually ate 2 - 5 times, 33.3% ate snacks 5 - 10 times per month, 14.3% ate more than 20 times per month, 9.5% ate 10 - 15 times per month, 2.4% ate 15 - 20 times per month, and another 2.4% of people ate 0 - 1 snacks per month. From

the data, the owner knows that there is not that much difference between sweet and savory preferences of people, and most people in Indonesia like to snack. The owner also did a psychological survey for Hochib, these are the results:

Question: How much does this factor affect customer's purchase decision?

Table 2. 3 Psychological quantitative survey result

Price	Not at all	0%
	Not really	11.9%
	Affects a little	23.8%
	Affects the decision	45.2%
	Very important in making the decision	19%
Location	Not at all	0%
	Not really	14.3%
	Affects a little	16.7%
	Affects the decision	45.2%
	Very important in making the decision	23.8%
Place facility	Not at all	4.8%
	Not really	16.7%
	Affects a little	19%
	Affects the decision	42.9%
	Very important in making the decision	16.7%
Social media	Not at all	11.9%
	Not really	14.3%
	Affects a little	21.4%
	Affects the decision	38.1%
	Very important in making the decision	14.3%
Menu variant	Not at all	2.4%

	Not really	14.3%
	Affects a little	9.5%
	Affects the decision	47.6%
	Very important in making the decision	26.2%

According to the survey, most people (45.2%) think the price of a product affects their decision to purchase it, as well as the location (45.2%), place facility (42.9%), social media (38.1%), and menu variant (47.6%). But the most important of them all is the menu variant. Knowing this information, the owner will look more into the price, location, place facility, and social media but focus most on the menu variants. Other than demographic, psychological, and behavioral surveys the owner also asks the respondent's opinion on Hochib itself, here are the results:

Table 2. 4 Hochib quantitative survey result

Are you interested in trying "Hochib"	Yes	92.9%
	No	7.1%
Variant wanted	Menu	78.6%
	Packaging	11.9%
	Locations	9.5%
Preferred location	Street food area	73.8%
	Mall	11.9%
	Bazaar	14.3%

From the survey, the owner got to know that most people are willing and interested in trying Hochib with a percentage of 92.9%, then the variants wanted by customers are menu at 78.6%, packaging at 11.9%, and locations at 9.5%. Then the respondents also answered that their preferred location would be at the street food area at 73.8%, the bazaar

at 14.3%, and the mall at 11.9%. It is a good thing as Hochib will open at a street food area in Bandung and will have a lot of menu variations.

### **2.2.2. Qualitative**

Qualitative survey is done to gain deeper information from the interviewee, from doing the interview the owner could know the customer's thoughts on the product and also a manager's perspective. The owner asked around to gain answers from customers that has consumed products of similar business and also managers from people with a similar business. The result of the interview is inserted in the appendix, From the qualitative survey, the owner concluded that from the customer's point of view, their purchasing decisions rely on menu varieties, business concepts, other customers, social media, and unique products. To catch the eye of a customer, a business needs to have attractive packaging, good food visuals, a social media appearance, a cute shop, and good-looking packaging.




The things that Hochib needs to pay attention to are uniqueness, hygiene, promos, innovation, employee attitude, good taste, and food quality. According to the interview, the customers are willing to try new products, which means that Hochib has an opportunity to get into the market. The owner also asked a manager from a similar business and gained some answers. The manager thinks that street food businesses are trending right now. The reason their stall is successful is because they have delicious food, an affordable price, and great employees. Lastly, the manager thinks that their competitor right now is a brand with a bigger name that has a lot of branches.

## 2.2 Competitor Analysis

### 2.2.1 Direct Competitor

Doing a competitor analysis is important for a business as there are a lot of things that could benefit the business by doing it. It helps a business to position itself in the market by comparing the products with competitors, by doing that the business could see opportunities and learn from other's mistakes. The owner did a competitor analysis with three other competitors, which are K-Dogg (a hotdog business), Chicken Plus (a Korean snacks business), and Seoulju (a Korean snow ice business).

Table 2. 5 Direct competitor analysis

Factors	K-Dogg	Chicken Plus	Seoulju
			
<b>Location</b>	Paskal Food Market	Paskal Hyper Square 23	Paskal Hyper Square 23
<b>Core Product</b>	Korean hotdog	Korean snacks	Korean snow ice
<b>Price range</b>	Rp.22.000/pc	Rp.23.000/pc	Rp.38.000/pc
<b>Target Customer</b>	younger generation korean lovers	all age korean lover	younger generation korean lovers
<b>Service</b>	Quick and friendly	Friendly and quick	Quick and knowledgeable
<b>Marketing</b>	Social media (their own and influencers)	Social media (their own and influencers)	Social media (their own and influencers)

### 2.2.2 Indirect Competitor

The owner also did an indirect competitor research and found out about the competitor's strategy, core, customer, competitive, advantage, revenue, and cost model. Here are the result of the indirect competitor:

Table 2. 6 Indirect competitor analysis

	<b>Hochib</b>	<b>Bolu Bakar Tunggal</b>	<b>Bola Ubi</b>
<b>Strategy</b>	Variety of menu	Lots of promotion	Well known product
<b>Core</b>	Korean hotteok specialty	Grilled bolu cake specialty	Fried sweet potato balls
<b>Customer</b>	Young adults	Young adults	Young adults
<b>Competitive</b>	New brand	Branding	Nostalgic
<b>Advantage</b>	Uniqueness	Fit Indonesian taste bud	People of all ages enjoy
<b>Revenue</b>	Food products	Food products	Food products
<b>Cost model</b>	Variable cost and fixed costs	Variable cost and fixed costs	Variable cost and fixed costs

According to the research of the owner, Bolu Bakar Tunggal's strategy is by having lots of promotion, with a core of Grilled bolu cake specialty, focusing on young adult customers, having good branding, having an advantage of fitting Indonesians taste buds, having the revenue of food products, and cost model of variable cost and fixed cost. Meanwhile Bola Ubi's strategy is by having a well known product, with a core of fried sweet potato balls, focusing on young adult customers, being nostalgic, having an advantage of people of all ages enjoy, having the revenue of food products, and cost model of variable cost and fixed cost.

### 2.2.3 SWOT

Businesses typically use SWOT to analyze their business and to gain knowledge for the business to improve. by doing a SWOT analysis, a



business could see its strengths and keep them up, see its weaknesses and improve them, see its opportunities and use them, as well as its threats and be careful of them. Here is the SWOT analysis done by the owner of Hochib:

a. Strength

1. Hochib is a unique and new snack option that is currently not widely available in Indonesia
2. Hochib has an affordable price range, suitable for a lot of people
3. Hochib has a variety of flavors that customers can enjoy

b. Weaknesses

1. Hochib's brand is new and is currently unfamiliar to customers
2. Hochib's menu is not something people need or crave every day
3. Hochib is currently only available in a one place, so people need to come far to try it

c. Opportunities

1. Hold events that Korean lovers in Indonesia would be interested in, like fan gatherings or watching K-drama together event
2. Do collaborations with ice cream brands for the menu (Wall's, Campina)
3. Build a bigger kiosk like in malls or more crowded places

d. Threats

1. Hochib has more well-known competitors, so it might be hard to compete
2. The taste of Hochib's menu might not be good for every person
3. Indonesians prefer snacks that they are familiar with

## 2.3 Marketing Strategy

### 2.3.1 Product

Hochib is a new opening snack kiosk that will create a new eating experience for the customers. Most business makes a product that is simple and already exists, Hochib's goal is to make a combination of flavors that will amaze customers. Currently Hochib has 5 different menu with different experiences for the customers, there is the original hotteok, there is hotdeog, sweetest, tacoed, and cheezy. We will add flavors as time goes on and have our own reputation in the market. Hochib has a cup packaging for single purchases that is cute and easy to hold that adds to the whole eating experience, as well as a box packaging for bundle purchases.



Figure 2. 1 Single purchase packaging



Figure 2. 2 Bundle packaging

### 2.3.2 Distribution

The first opening kiosk will be at Paskal Food Market, Bandung. Paskal Food Market is a well-known street food area in Bandung. After that we also have plans to spread out around Indonesia, starting from Jakarta, Tangerang, and many more. Customer will also be able to order from the comfort of their own home by using online applications like Gofood and Grabfood. Not only the kiosk, Hochib plan to also offer frozen hotteok that customers can easily reheat at home. The frozen hotteok will be sold not only through the kiosk and food delivery

platforms but also in online shopping applications like Shopee and Tokopedia.



Figure 2. 3 Paskal food market



Figure 2. 5 Gofood



Figure 2. 4 Grabfood



Figure 2. 6 Shopee



Figure 2. 7 Tokopedia

### 2.3.3 Promotion

As one way to increase brand awareness with social media is to use influencers who have many subscribers and are credible (Armielia, et al., 2023), the marketing strategy used by Hochib is also using influencer marketing to gain customers attention, to have trusting relationship with customers, and attract customers with exciting events and promos. Hochib will also use e-commerce marketing like Instagram & Tiktok to promote combo deals as well as K-pop & K-drama related quiz to get special discounts and prizes. Because our target market is Gen-Z who love the Korean culture, our promotion mostly will be done through social media. The younger generations know places to go to and foods to try mostly from social media and word of mouth. Hochib will collaborate with influencers and make our own content. We will also have promotions related to the Korean culture, like decorating the packaging

with K-pop idols and actors, having fan meetings, etc. Other than that, Hochib is going to spread in bazaars so that customers are more familiar with the brand.

As for the branding, The brand identity prism describes what is the physique, relationship, reflection, personality, culture, and self image of the company is. The figure below is the brand identity prism and brand archetypes of Hochib, these are what the brand image is going for and how Hochib wants to be proceed by customers.

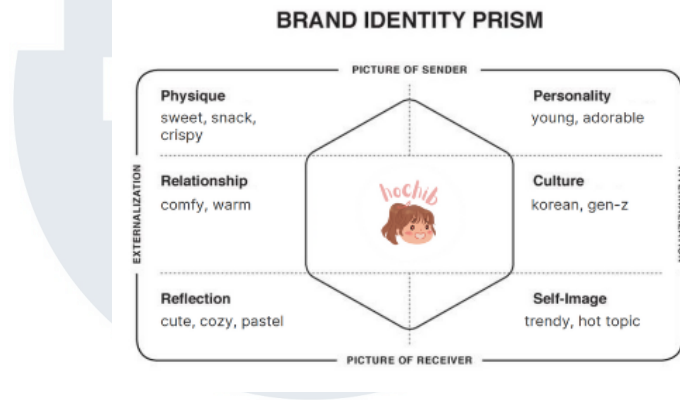


Figure 2. 8 Brand Identity Prism

Hocib is a sweet and crispy snack that is going for a comfy, warm, cute, cozy, pastel, young, and adorable theme. With korean and gen-z culture as well as a trendy and hot topic self image.

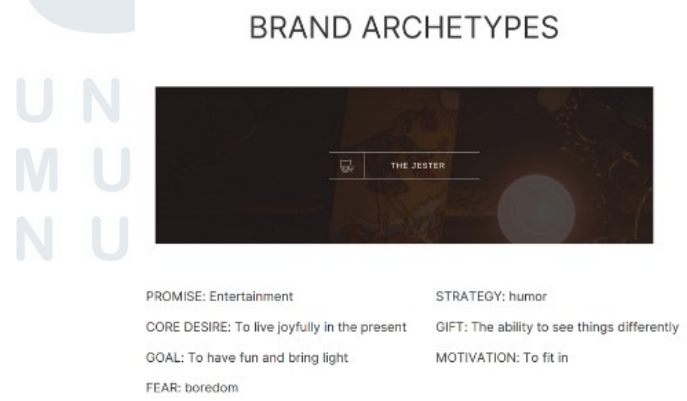


Figure 2. 9 Brand Archetypes

The brand archetype that fits Hochib the most is the jester as our goal is to have fun, give entertainment, use humor as a strategy, and fit in with the trend.

#### **2.3.4 Pricing**

According to a research the owner did about the pricing, the result shows that 41.2% of respondent chose Rp.15.000 - Rp.20.000, another 41.2% chose Rp.20.000 - Rp.25.000, 11.8% chose Rp.25.000 - Rp.30.000, 5.9% chose Rp.10.000 - Rp.15.000. From the result, in majority of customer's opinion Rp.15.000 - Rp.25.000 is the best range to sell Hochib products. By using this price range, Hochib will at least gain a profit of 62% from the selling price. The pricing strategy used by Hochib is penetration pricing, which indicates that Hochib has a considerably low price in order to gain and attract more customer and in the future might increase the price to adjust with the situation.

