

# THE ANALYSIS OF MARKETING MIX 7P'S IN INTERIOR DESIGN BUSINESS (TNR STUDIO)

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**ABSTRACT** Interior design as one of the sixteen sub-sectors of the creative economy that has an influence on economic growth in Indonesia. The high demand in interior design is an excellent opportunity for interior design business. As newcomer to an interior design company, Tnr Studio needs a marketing strategy to be able to compete with competitors. The majority of this problem is that Tnr Studio is lack of marketing activities and doesn't have a marketing officer. This paper formulates a new interior design company marketing strategy to increase the brand awareness and the number of potential projects. At first, Tnr Studio needs to increase the marketing activities, by analyzing the company's current business situation using Marketing Mix 7P'S. The findings from the analysis carried out determine the company's new marketing scheme for Tnr Studio using 7p marketing mix analysis. This will support to maintain its design characteristics, maximize its marketing productivity and increase the number of potential projects.

**KEYWORDS:** Interior Design, Marketing Strategy, Marketing Mix 7P'S

## I. INTRODUCTION

The creative economy is one of the sectors that continues to grow in Indonesia. Statistics Indonesia noted that the Creative Economy contributed 922 trillion, or around 7.44% of the national economy in 2016. This figure is expected to continue to rise significantly until 2019. Last year, the Creative Economy's GDP was estimated to have reached more than one thousand trillion rupiahs.

Over the past two decades, developments in the Interior Design Sub-Sector has shown very rapid progress. More and more people are increasingly becoming aware of the importance of aesthetics or design in an interior space, as can be evidenced by the proliferation of residences, hotels, and offices that are specially designed by professional interior designers to fit a specific client needs. This is an emerging potential which can serve as a positive momentum for the rise of the Interior Design Sub-sector, and coupled along with the growth of interior design schools, studios, companies and associations, can propel this Sub-sector into the international stage. Indonesia, with its rich cultural heritage that are reflected in the country's designs, has a real chance to shine and proudly displays its national identity.

Tnr Studio is an interior design consultant that was established in Bandung in early 2017. Tnr Studio provides interior design consultant and build services based in Bandung, Indonesia, which is focused on designing luxury residences, apartments, cafes, and clinic to accommodate its client's needs. Besides interior design consultant services, Tnr Studio also works on interior design build. Tnr Studio is based on a culture of excellent craftsmanship and also adds some value from the initial idea to the finished product. The excellent design must consider other aspects such as function and context. The meaning of functional design is the importance of prioritizing the needs of its clients because everyone has different needs. Tnr Studio approaching with dig deep what client's dreams and balance it with what their needs to achieve our ultimate goals, which is our client satisfaction.

During the process of more than 4 years, Tnr Studio has certainly done a lot of improvisation on its business model. Started with only provide interior design consultant services, in 2019 Tnr Studio developed into a design and build service. This was done because it saw an opportunity for an additional revenue stream if Tnr Studio had its own workshop and expanded its business into design and manufacturing. Therefore, Tnr Studio must increase the company's revenue by increasing the number of incoming projects and besides that, the most important thing is that Tnr Studio is able to consistently achieve high end projects on a larger scale. Currently Tnr Studio only relies on word of mouth marketing. Innovation in digital marketing has not been touched to the fullest. Most of the Tnr Studio projects are in the city of Bandung. Tnr studio wants to have more projects outside the city of Bandung such as in Jakarta, Surabaya, Bali, or other cities. Therefore, Tnr Studio needs a marketing strategy that can further expand the market.

## II. LITERATURE REVIEW

The Marketing Mix 7Ps could be a marketing strategy that's carried out in a coordinates way. Kohler and Armstrong characterize the Marketing Mix 7Ps as a set of marketing factors utilized by the company to

attain the required deals target (Kohler and Armstrong, 2014). This strategy is used by applying various elements of the process contained in the Marketing Mix 7Ps.

### III. RESEARCH METHOD

The research method is a scientific way to obtain data with specific purposes and uses. This research uses qualitative method by doing observation and interview. The secondary data is obtained from literature studies which include journals, books, articles and internet research such as websites.

**Table 1 Research Method**

| Research Type  | Research Method    | Sources                                      | Purpose                                                             |
|----------------|--------------------|----------------------------------------------|---------------------------------------------------------------------|
| Primary Data   | Observation        | Internal data, social media                  | To analyse internal problems and current condition                  |
|                | Interview          | Customer, contractor, work partner interview | To find out opinions, feedback, and related information from others |
| Secondary Data | Literature Studies | Journals, books, articles                    | To obtain theories, tools, analysis related to business issues.     |
|                | Internet Research  | Websites                                     | To obtain other related information and supporting data             |

### IV. RESULT AND DISCUSSION

Furthermore, in this section, the author will analyzing existing of Marketing Mix 7P's of Tnr Studio. They were intended to find out the advantages and disadvantages of its promotion. To assist in making decisions and determining what to do in the future. The data listed in the table below are taken from the existing Marketing Mix 7P's .

**Table 2 Existing Marketing Mix 7P's of Tnr Studio**

| Existing Marketing Mix 7Ps |                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                          | Product           | All the design drawing plan and interior build production from the concept stage to the final project stage (design and build )                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2                          | Price             | The price is determined based on the size of the project and the scope of work. It starts from Rp.250.000,- per sqm. There are 4 phases of payment, as follow.<br>1. Design Concept Proposal (Deposit IDR 10.000.000)<br>2. Design Development Drawings 2D (50%)<br>3. Design Development Drawings 2D ( 40%)<br>4. Budget Plan (10%)<br>And for interior build works, Tnr Studio has 4 phases of payment as follow :<br>Term 1 : 40% (before start production)<br>Term 2 : 40% (before installation on site)<br>Term 3 : 15% ( after finish on site )<br>Term 4 : 5% (retention after 21 days ) |
| 3                          | Place             | Tnr Studio has office in Jalan Cidamar No. 44A Bandung. That office including workshop in 800sqm area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 4                          | Promotion         | Word of mouth by client's trust.<br>Instagram promote                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 5                          | People            | Tnr Studio has 5 permanent employees consists of interior designer, project supervision and administration, and freelance labours.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 6                          | Process           | 7 stages of working process:<br>1. Client brief<br>2. Design concept proposal<br>3. Design development drawings<br>4. Propose Budget Plan<br>5. Start construction<br>6. Project Supervision<br>7. Final project                                                                                                                                                                                                                                                                                                                                                                                |
| 7                          | Physical Evidence | Project design portfolio<br>Completed build project as portfolio<br>Provide good service to each clients                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

Source: Internal Data

**Product** : In the interior design and build firm, the product are design plan output and interior production until finish. The design plan output, including design concept, design development drawings and construction drawings. Interior production here means Tnr Studio makes interior production based on the design plan that was made from designer team. In this case, Tnr studio also perform site supervision services once a week or more to ensuring the project goes well as planned.

**Price** : As an interior design and build firm, price is determined based on the size of the project and the scope of work. The price for design plan offered by Tnr Studio start from 250.000, - per sqm and for interior build production start from 3.5000.000,-per sqm. The distribution of payment terms of design plan, Tnr Studio divides it into 4 phases, as follows: Client Brief, Design Proposal (50%), Design Development (40%), and Detail Engineering Drawing (10%). And for interior build production, payment terms divides into 4 phases, as

follow : Term 1, start production (40%), Term 2, before installation (40%), Term 3 after installation (15%), and the last is Term 4, retention (5%) after 21 days handover.

**Promotion** : In the case of interior design and build firm, the place doesn't really affect the number of clients. Most meetings with clients are held outside the office such as in a café, on a project site or in a presentation at the client's office. As an interior design and build company, Tnr Studio has a studio and furniture workshop at Jalan Cidamar No.44 A Bandung. Studio is a place/office used by employees for drawing and other supporting activities. Currently Tnr Studio has an office measuring 120m<sup>2</sup> with main office facilities for 6 staff, meeting room for 8 people, pantry, toilet, garden with an area of 32 m<sup>2</sup> and also parking with a capacity of 8 cars. Tnr Studio also has a furniture workshop with an area of 350m<sup>2</sup> with facilities for a cutting room, assembly room, finishing room, and also a packaging room. The studio office and workshop are in one location on an 800m<sup>2</sup> plot of land. The location of the Tnr Studio office is in the furniture industry area in the Bandung regency area with close access to the toll road. This can facilitate the delivery of goods sent outside the city.

**People** : In the case of an interior design firm, this promotion strategy is different from the product business in general because the promotion is very personal between the client and the designer. Therefore, the most valuable promotion tools are word of mouth by clients' trust. In this stage, Tnr Studio takes a great deal of responsibility to provide good service. Thus it can earn the trust of clients.

**People**: Currently, Tnr Studio has 5 employees. Consists of 2 employees as interior designers, 1 employee as project supervisor, 1 employee as construction drawing drafter, and 1 employee as administration. As an interior design and build company, Tnr Studio has 2 divisions, consisting of a studio division and a workshop division. The studio division consists of interior designers and teams, while the workshop division consists of project supervision and labour. In the workshop division, the artisans are divided into 2 divisions, namely the carpenter and finishing divisions. An administration to do the bookkeeping and purchase of workshop needs. Tnr Studio has not been able to add more resources to do development because Tnr Studio is currently still in need of more income to pay employees.

**Process** : An interior design and build firm, the process includes the initial stage to the final design. The working process from Tnr Studio consists of 7 steps, as follows: client brief, design concept proposal, design development drawing, propose budget plan, start construction, project supervision, and final project.

**Physical Evidence** : As an interior design and build firm, it is necessary to have a portfolio containing project designs that have been created. In addition, a building that has been completed is essential to build client trust. This customer experience represents the quality of a company and provides new potential clients. Tnr Studio increases confidence in clients by creating a project design portfolio and providing exemplary service to each of the clients.

## V. CONCLUSION

By applying the seven process elements contained in it, the company can determine how to achieve the desired sales target. This analysis found that Tnr Studio provide interior design and build services, from concept design, development design, and interior production build. Tnr Studio has affordable price in high-end segment and divided into four payment terms. Tnr Studio has office and workshop in area 800sqm at Jalan Cidamar No.44A Bandung. The promotions carried out are word of mouth by clients' trust and promotions through social media such as Instagram. Tnr Studio still lack of human resource such as marketing and financial officer. In process design and build, Tnr Studio has several stage; client brief, proposed design concept, design development drawing, proposed budgeting plan, starting interior build production, and final project. To gain customers' trust, Tnr Studio has a portfolio of project designs and provides exemplary service to each client.

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Case : Tnr Studio (Interior design and build firm)", School of Business and Management, Bandung Institute of Technology, Indonesia.

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