

# PROPOSED MARKETING STRATEGY FOR HERITAGE BASED - FOOD AND BEVERAGE INDUSTRY IN FACING NEW HABITS POST-COVID-19 IN BANDUNG: A CASE STUDY OF BRAGA PERMAI RESTAURANT

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**ABSTRACT:** *The number of restaurants in Indonesia, which always increases every year, has led to high competition in the food and beverage industry today. Braga Permai is one of the oldest restaurants in the city of Bandung that has been established since 1918, located on Jalan Braga. The number of more modern cafes and restaurants that have emerged as well as government policies in dealing with the COVID-19 pandemic have an impact on decreasing sales at Braga Permai restaurants. This study aims to analyze the current state of Braga Permai's business as the local heritage and propose a new marketing strategy for Braga Permai in dealing with the situation after the COVID-19 pandemic in order to increase sales and optimize its resources. The conclusion of this study resulted in new 7P's marketing mix strategies for Braga Permai which include: Developing signature products for Braga Permai, working with the government as a means of promotion, optimizing digital marketing & social media, making package menus, and maximizing physical facilities in the outlet's environment.*

**KEYWORDS** -food and Beverage Industry, local heritage, 7P's marketing mix, marketing strategy, Braga Permai.

## I. INTRODUCTION

Bandung has been a stage for food landscapes since the 1800s, with the growth of various culinary origins that stem from creating the people's cultural initiative. Over time, changes in the stage of food and beverage landscapes began to occur. The number of restaurants in the city of Bandung has had an increasing trend in the last eight years.

**Table 1. Number of Restaurants in Bandung**

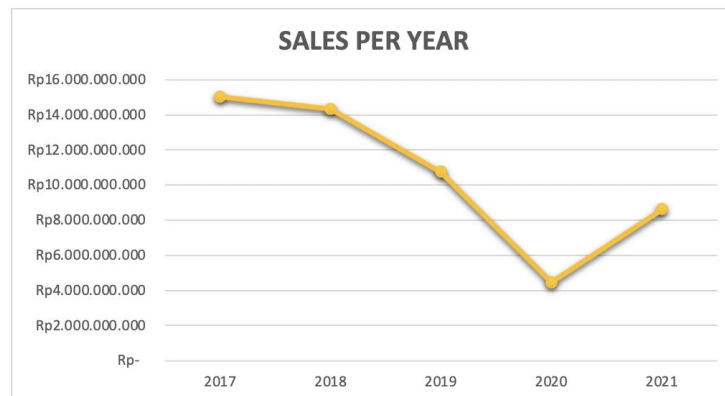
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Bandung</b>	625	643	653	782	795	839	1052	870	975

(Source: Badan Pusat Statistik Kota Bandung, 2020)

Based on the annual report obtained from the Bandung City BPS, the number of restaurants in Bandung are increasing from year to year. However, during the COVID-19 pandemic, the total number of restaurants had decreased significantly; this is due to the policy of limiting the activity and mobility of residents to reduce the rate of transmission of the virus, forcing restaurants to reduce service hours or even close them altogether. If last year the Large-Scale Social Restriction (PSBB) policy was rolled out, in 2021, the government will rename it the Enforcement of Emergency Community Activity Restrictions (PPKM). This policy will still be in effect until August 9, 2021.

Due to the COVID-19 pandemic that happened in Indonesia since March 2020, Braga Permai has experienced a rapid decline in their sales. The number of people who came to the restaurant was significantly decreasing, moreover, the minimum of social media usage by Braga Permai gives them a hard time getting more exposure.

**Fig. 1. Sales per Year of Braga Permai**



(Source: Data Processed, 2021)

This post-COVID-19 pandemic has drastically altered the food and beverage industry, causing a slew of problems for restaurant owners including Braga Permai. Therefore, Braga Permai needs to adapt to the new trend that necessitates the development of a new marketing strategy that capable of easing the company's recent revenue decline problems.

## II. LITERATURE REVIEW

### Segmenting, Targeting, Positioning (STP)

Kotler (2012) defines *market segmentation* as an action to divide an entire market of a product or service that is heterogeneous into several segments, where each segment tends to be homogeneous in all aspects and can be selected as the target market for the company to achieve with its marketing strategy. According to Solomon and Stuart (2002), the targeting is the group chosen by the company to serve as a customer due to segmentation and targeting.

### 7P's Marketing Mix

The marketing mix is the set of tactical marketing tools that the company blends and tries to fulfill the customer's demands (Kotler and Keller, 2016). The 7p's marketing mix consists of Product, Price, Place, Promotion, People, Physical Evidence, and Process.

### Resources-Based View

The Resource-Based View Theory refers to a company that can gain a competitive advantage by relying on resources, thereby directing the company to be sustainable (Barney, 1986).

### PESTLE Analysis

PESTLE analysis is a framework or technique used in business and management to learn the environment of the company or aim to introduce new actions, as well as to observe the macro-environmental (external) elements that affect such an environment.

### Porter's Five Forces Analysis

Based on the theory of Michael E. Porter, to define the level of attractiveness and competition in the market there are five things that need to be analyzed. It consists of three parts which refer to external factors, and another two come from the internal factors. These include the threat of the new entrants, bargaining power of suppliers, bargaining power of buyers, the threat of substitute products, and the rivalry among the competitors.

### Competitor Analysis

Competitive analysis is the process by which a company attempts to define and fully grasp its industry, classify competitors, evaluate its weaknesses and strengths, and predict its gestures. It will attempt to comprehend an organization's industry, competitive position, the requirements for survival and profitability, and the nature of the rivalry and the market process (Adom, Nyarko, & Som, 2016).

### Consumer Analysis

Consumer analysis (or customer profiling) is an important component of a company's or marketing's strategic plan. It identifies potential customers, defines their own needs, and then identifies how the product will meet those needs.

### TOWS Matrix

Tows Matrix is a tool for compiling the strategic factors of a business. This matrix can properly articulate how the company's external opportunities and threats can be adjusted to its strengths and weaknesses (Rangkuti, 2013: 83).

**III. RESEARCH METHODS**

The research was done on Braga Permai Restaurant located in Bandung, the methodology of this research provides quantitative and qualitative data or mixed method approaches. It uses primary data which are gathered from the interviews of 163 respondents, observations, and surveys at the restaurants and the secondary data is gathered through books, journals, reports, reliable sources from the internet, and data available from Braga Permai. Internal analysis conducted in this research is STP analysis (Segmenting, Targeting, and Positioning), 7P's marketing mix, and resources-based view analysis. Meanwhile, the external analysis used includes PESTLE analysis, porter's 5 forces, competitor analysis, and consumer analysis. This case study aims to answer the issues that the company has and will be done in a systematic way to bring the proper solutions.

- To discover customer’s preference when visiting a restaurant, we use data from a questionnaire survey that was conducted about overall restaurant visit preferences. We also inquire about their social media usage patterns or habits, food and beverage consumption habits, and average expenditures. We use online surveys as a method to support and reach wider respondents across multiple generations.
- We will do surveys and observations to Braga Permai’s customers to ask about their opinion on Braga Permai’s products, ambience, and services. Other than that, we also ask the reasons for their visit to Braga Permai.
- Each result will be summarized in a SWOT analysis, and several strategies will be gathered using the TOWS matrix before generating a suitable marketing strategy that will be integrated into the 7Ps marketing mix.

**IV. RESULT AND DISCUSSION**

Based on the questionnaire result distributed to 163 respondents, we can see that most of the people tend to pay more attention to the taste and quality of the food & beverages, regardless of the price. The money they will spend depends on its portion and the ambience of the restaurant itself. Based on the survey, Instagram is the most popular source of getting information regarding the restaurants. By conducting direct interviews and surveys, the majority of parents chose oriental products because according to them, health issues are one of the things they are paying attention to at this time because they chose products that contain lots of vegetables and protein, while the younger ones chose to consume western-themed food because they consider them comfort food.

**Fig. 2. Average Cost for Eating Out**



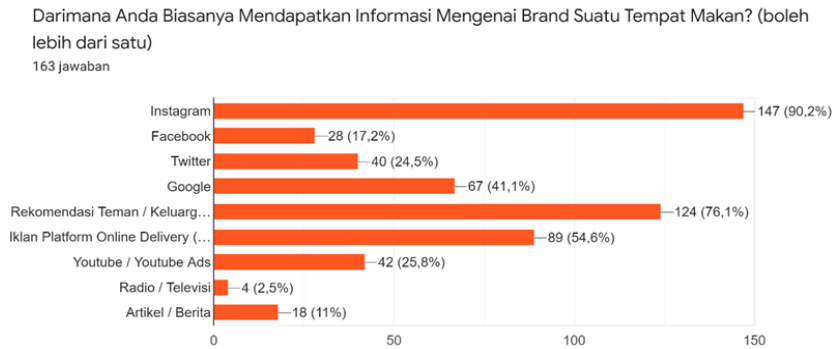
(Source: Data Processed, 2022)

**Fig. 3. Main Reasons When Visiting a Restaurant**



(Source: Data Processed, 2022)

**Fig. 4. Source of Information About Restaurants**



(Source: Data Processed, 2022)

Profile of respondents by the demographic includes: gender, age, education, occupation, monthly expenditures, and domicile. Profile of respondents based on the behavioral activities include: Frequency of eating out/take-away in a week, the way to get food products, expenditure when visiting a restaurant, with whom to visit a restaurant, time to visit, source of information regarding the restaurants, reasons to visit, and experience when visiting a restaurant.

**Table 2. Result of 7P’s Assessment at Braga Permai**

No	Indicator	STS		TS		N		S		SS		Mean
		f	%	f	%	f	%	f	%	f	%	
1	PROD3	0	0.0%	0	0.0%	19	11.7%	73	44.8%	71	43.6%	4.319
2	HG1	0	0.0%	0	0.0%	11	6.7%	45	27.6%	107	65.6%	4.589
3	PE6	0	0.0%	0	0.0%	18	11.0%	62	38.0%	83	50.9%	4.399
4	LOK4	2	1.2%	3	1.8%	21	12.9%	51	31.3%	86	52.8%	4.325
5	SDM4	0	0.0%	0	0.0%	10	6.1%	44	27.0%	109	66.9%	4.607
6	PROM5	1	0.6%	0	0.0%	27	16.6%	51	31.3%	84	51.5%	4.331
7	PROS4	0	0.0%	0	0.0%	14	8.6%	42	25.8%	107	65.6%	4.571
8	KD1	0	0.0%	1	0.6%	26	16.0%	74	45.4%	62	38.0%	4.209

Information:

- PROD3 : Has Beverage Products With Good Taste
- HG1 : Prices Are Proportional To Taste,
- PE6 : A Comfortable Place to Gather With Friends And Family
- LOK4 : Location is Easily Accessed By Car
- SDM4 : Waiters are Friendly
- PROM5 : Promo From Online Delivery Platform (Go -food, Grab-food, etc.)
- PROS4 : Various Payment Options (Cash, Debit, Credit, etc.)
- KD1 : Willingness to Visit Braga Permai

(Source: Data Processed, 2022)

Braga Permai attributes whose level of interest are being assessed include 7Ps: Product, Place, Promotion, Price, People, Process, and Physical Evidence. Based on the result of this study, after the complete analysis of Braga Permai situation, we can see that they have to do numerous improvements in their marketing strategy include optimizing social media marketing that focus on emotion-engaging communication strategy leveraging the heritage legacy of Braga Permai, work together with the governments of West Java to promote Braga Permai, make bundling prices for big portion orders, utilize online delivery platforms, and develop signature menus that become their identity. In the context of marketing communication, they need to hire experts for optimizing social media and find the best marketing communication strategy that is suitable for their target markets. Other than that, it is also necessary to improve their facilities and provide parking spaces. In terms of internal strategy, the management of Braga Permai can improve the management strategy and services by doing regular training and monthly meetings, therefore the work flow can run smoothly.

## **V. CONCLUSIONS**

Braga Permai, a heritage-based restaurant in Bandung has decreased in sales, therefore they need to increase their exposure by having a new marketing strategy. Based on the result of this study, the company should take into account what factors are lacking in their business and realize the development of technology and the shifting in people's behavior in facing the covid-19 pandemic. After the complete analysis of Braga Permai situation, several strategies were gathered using the TOWS matrix and then the suitable marketing strategy was generated that integrated to the 7Ps marketing mix to market its trademark as the oldest restaurant in Bandung with quality food, drinks, and experiences that don't exist anywhere else. Moreover, Braga Permai also needs to clarify their STP analysis to find the best markets.

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