

PROPOSED MARKETING STRATEGY FOR PT. HARMONY LAND GROUP IN FACING OFF UNCERTAINTY PERIOD

Fithor Muhammad

Master' Programme, Bandung Institute of Technology, Indonesia

Email: Fithor.muhammad@gmail.com

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ABSTRACT

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PT Harmony Land Group is property developer company for landed houses residential that founded by Fithor Muhammad and Ramadani in 2016. As a company that builds from the scratch, Harmony Land grew so fast, only 5 years, in 2021 Harmony Land already has 25 residential projects with 1004 units in five cities, Depok, Jakarta, Bogor, Sukabumi and Medan. In the fourth year of growth, an unexpected big disaster is coming, Pandemic Covid 19. The property business is greatly affected, people are afraid to leave the house, even less to buy a house. After struggling to survive for two years in a pandemic situation without firing any employees, Harmony Land started looking for the next opportunity to bring Harmony Land to the next level. One big issue that Harmony Land wants to solve is increasing the act per ask at A5 costumer journey. In 2021, the number of ask customers which have already contacted Harmony Land are 17.789, while the number of unit transactions are 105 houses. Only 0,59% act per ask and lost 17.684 potential customers. So, Harmony Land wants to increase the sales by developing a marketing strategy to increase conversion rate act per ask. This research uses the AFI framework. Analysis internal and external that will continue to Formulation strategy and be closed by the Implementation plan of that strategy. Through external analysis, there are many opportunities after pandemic covid where other competitors still wait and see, while customers start to bounce again. From the customer analysis, customers buy houses in Harmony Land because of price, location, design concept and selling service. So, for increasing act per ask, the proposed marketing strategy is to develop thematic residential in many locations with caregiver service to help more customers with many product option each target market area.

KEYWORDS

COVID-19, Housing Business, Residential Project, Marketing Strategy



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INTRODUCTION

As a company that builds from the scratch, Harmony Land grew so fast, only 5 years, in 2021 Harmony Land already has 25 residential projects with 1034 units in five cities, Depok, Jakarta, Bogor, Sukabumi and Medan. This success is due to the success of the initial project and various awards in 2017 which earned Harmony Land a lot of investor confidence (Doppelt & McDonough, 2017). As a result, more and more investors, both institutions and individuals, are entrusting their money to Harmony Land (Yıldırım & Gökalp, 2016). Not only that, there are also many landowners who are willing to cooperate or are willing to accept payment in terms of a soft tempo, which is paid for every unit sold (Carolan, 2018). The Harmony Land brand brought by Fithor Muhammad, as a young success entrepreneur, also encouraged that achievement.

In the fourth year of growth, an unexpected big disaster is coming, Pandemic Covid 19 (Ehrlich, McKenney, & Elkbuli, 2020). The property business is greatly affected, people are afraid to leave the house, even less to buy a house (Florida, Rodríguez-Pose, & Storper, 2021).

When Covid-19 comes, Harmony Land gets shocked, many customers that are already booking units decide to cancel, and many potential customers cancel surveys and of course cancel the purchase (Balasubramanian, 2020). In quartal one, 2020, Harmony Land only sold 1 unit house. It is the lowest from five years of Harmony Land history (Serra-Peralta, Serrà, & Corral, 2021). However, with a solid and learner team. Harmony Land immediately gets up to face off the challenge of Covid-19.

Through the adaptive mindset and agile organization of Harmony Land, Harmony Land is capable of rising up (Botha, 2020). Moreover, the units sold 2020 are still higher than before Covid 19. And for 2021, the units sold almost twice than before. Not only that, despite the Pandemic situation, Harmony Land also didn't fire any employees due to saving costs.

Entering 2022, The covid pandemic has started to subside, Harmony Land decide to improve again, innovate and achieve the bigger revenue (Wang, Guo, & Li, 2022). Because of that, this research is made to help Harmony Land achieve more revenue by doing scientific approach through MBA final project.

In 2019, the conversion of potential customers (leads) became sold out was 0.59% then increased to 0.79% which finally fell back to 0.59%. Harmony Land sees an opportunity to increase sales from optimizing existing leads. Using the A5 customer journey framework, Harmony Land is a funnel type where each stage is converted into smaller ones. If 2021 data is used to visualize the A5 model, then the result will be like the following image.

Conversion in each process is still very small. If the BAR (brand advocate ratio) is calculated, then Harmony Land only has 0.0006% which is obtained from the number of advocates divided by the number of Harmony Land ad viewers. However, Harmony Land's management decided that in the early stages, after receiving knowledge from the MBA ITB, Harmony Land wanted to increase the conversion of Act per Appeal, or in Harmony Land's parameters, namely Unit Sold per Customer Leads.

Seeing the potential market and future opportunities in the housing industry, Harmony Land wants to continue to develop its projects, realizing its dream of becoming the Developer with the most Housing in Indonesia. Therefore, as a first step, the management of Harmony Land wants to increase sales by focusing on increasing sales conversion from the number of consumers who are interested in Harmony Land advertisements.

The problem statement that will be raised in this research is How can Harmony Land increase revenue by increasing conversion rate act per ask (Percival, Schroeder, Miller, & Leape, 2021). The objective of this research is as follows: To analyst internal and external business condition of PT Harmony Land Group, to understanding customer need by doing customer behaviour research, to propose strategy to increase conversion rate act per ask and to Develop implementation plan of strategy that recommended.

RESEARCH METHOD

This final project will conduct thorough analysis of the research object business issue of PT Harmony Land Group. The first step is data collection. To get the right data, we use premier data and secondary data.

1. Primary Data

Marketing research methods can be grouped into two basic types: quantitative and qualitative research (Razak, Sarpan, & Ramlan, 2018).

a. Quantitative research

For quantitative research, this research will use questionnaires that are divided into two target questionnaires. The first for people that want to buy houses and the second one is for people that already buy houses in Harmony land Group.

b. Qualitative research

For qualitative research, in this research will use deep interviews with Harmony Land's customers.

2. Secondary Data

While for the secondary data, we use internet source, article, journal, books and internal report PT Harmony land Group. After data collection, the analyst will start from internal analysis and external analyst, then combine them to develop a problem solving approach using several tools in business strategic and marketing management.

RESULT AND DISCUSSION

A. Analysis Result

1. SWOT Analysis

SWOT analysis is a framework for understanding what the company has (strengths and weaknesses) and what will happen in the future (opportunities and threat) (Rothaermel, 2021). In this research, using internal analysis, Harmony Land's strength and weakness can explained well. As well as opportunity and threat in Housing industry can be explained by external analysis (Tulangow, Tumbel, & Walangitan, 2019).

The goal of SWOT analysis is to match the company strength to attractive opportunities in the environment while eliminating or overcoming the weakness and minimizing the threats. According internal and external analysis in chapter 2, SWOT of Harmony land are as follows:

Table 1 SWOT Analysis

Strength	Weakness
<ol style="list-style-type: none"> 1. Sell before build with customize product 2. Capable to open and control many project 3. Strong in digital marketing 4. High spirit of service (caregiver) 5. Good in R&D to develop right project / product plan 6. Lots of funding sources 	<ol style="list-style-type: none"> 1. The service sometimes good sometimes bad 2. Several projects have poor physical evidence 3. Time to make product ready to sell is too long 4. Not all leads are managed properly 5. Many customers complain about construction
Opportunity	Threat
<ol style="list-style-type: none"> 1. Government one million house program 2. Boom Demand after Pandemic 3. There are still backlog of house product 4. Digital Marketing more effective 5. Currently the number of competitors is reduced 6. Several location have high demand with low direct competitors 	<ol style="list-style-type: none"> 1. Risk of changing legal rules 2. Open price. Increases price sensitivity 3. Change Impact of omnibus law 4. Rule of legal permit depend on location and government officer 5. In pandemic situation home mortgage getting tighter 6. Medium-High industry level competition

- Rich Picture

Rich Picture is graphical tools to show correlation at several component to simplify complex issue in visual graphic with many picture (Berg & Pooley, 2012). Through this rich picture, author show correlation each tool analysis in combining become SWOT component. Generally, external analysis will create opportunity (O) and threats (T), while internal analysis will create strength (S) and weakness (W).

2. SWOT Matrix

The SWOT Matrix shows how external opportunities and threats faced by the company can be matched by the company's internal strength and weakness. Using combination of four component, threats, opportunity, strength, and weakness, company can develop several strategy to optimize any conditions (Wheelen and Hunger, 2012)

S-O Strategy, strategy to optimize the strength to exploit the opportunity.

W-O Strategy, strategy to solve the weakness to exploit the opportunity.

S-T Strategy, strategy to use the strength to handle the threats.

W-T Strategy, strategy to overcome the weakness to handle the threats.

Using SWOT component that already defined by analysis result, the SWOT matrix for strategy formulation can be developed to solve the weakness, strengthen the strengths to overcome the threats and take benefit from the opportunity.

2.2 Propose Segmenting, Targeting and Positioning

STP analysis that already develop in internal analysis is sourced from interview with Harmony Land's board of director. After consumer analysis through questionnaire and

depth interview, there are some difference and some similar conclusion. So, in this strategy formulation, author develop new STP to elaborate two information from board of director and some consumer perspective.

Segmenting

Geographic segment, right now Harmony Land project in Depok, Bogor, Bekasi, and edge of Jakarta. So, the target market is people that work in Jakarta and around project location. Refer to Harmony Land's vision, Harmony Land want to open many project in other location. Therefore, Harmony Land's geographic segment is people who want live in sub urban area. Several of them work on around project location, and others work on urban area.

Demographic segment, According to questionnaire research that already represent population based on slovin's formula. Demographic of age from each questionnaire respondent at most is people with age between 25 until 40 years old. Whereas for income, the most is 5-25 million depends on product price. Harmony Land has project with four price category, 150 – 250 million, 250 – 500 million, 400 – 800 million, and 700 million – 1,3 billion. So, for that target segment market, the income of customers is between 5 million until 25 million rupiah.

Behaviour segment, refer to questionnaire and depth interview results, the earlier hypothesis from interview management in line with customer feedback and response from customer analysis. Behaviour of Harmony Land's segment are tech-savvy, a lot of looking for info online first then survey offline, non-experience buying house, first time to buy and maybe the last house bought, buying house as living place, searching for a house that has an accessible location to their workplace, need more consideration to buy, and active to search.

Psychographic segment, based on customer analysis and management interview, there are no change psychographic. The psychographics are anxiety, Excited, tend to want more than capability, feel confused, and afraid make wrong decision.

Targeting

For target market, There is not change than before. Harmony Land still focus to targeting first house buyers for living place that work or business in around project location or which having easy transportation access to project location. Right now Targeting of Harmony Land is people that work or business in Jakarta, Depok, Bogor, Bekasi and Sukabumi(Adianti, 2021). However, for the next, the Harmony Land's target is still same category but different city, follow where project Harmony Land(Brummer et al., 2011).

Positioning

According to initial STP analysis from board of director interview, Positioning of Harmony Land is developer company that develops homey homes in many locations. Many project location is the basic strategy of Harmony Land. This strategy in line with Harmony Land vision to become residential developers that have the most housing projects in Indonesia. By capability organization to acquire land with soft payment and develop indent customize product to minimize the initial capital, train and develop project leader and property consultant, Harmony Land have sustainable competency advantage to open many project and control them. So the strategy to open new project is right strategy. But, for the product offers is very challenge. Homey home is something abstract. Based on customer analysis, Apart from price and location, each customer has difference preference about the best home for them. Even less for homey concept, it is very abstract, because for several customer homey is good neighbourhood and others will say quiet living place is homey.

Fithor Muhammad

To get right positioning, focus analysis is from 128 questionnaire respondent that already buy house from Harmony Land and 10 interviewee as representative Harmony land customers. From the questionnaire, in customer satisfying index question, the three top score are home mortgage service, and sales service when telemarketing and project survey. And based on depth interview, almost of interviewee say that Harmony Land team is very helpful and has high spirit to help from first contact until residential handover. Because of that, the new positioning of Harmony Land is “Developer that very concern to help customers get their own home”

This new positioning in line with Harmony Land’s value, caregiver with spirit to help. The new positioning also solve the market problem. The segment target is the first house buyers that need more consideration to buy, afraid make wrong decision, and want to buy the best because using almost all resource that they have. So, positioning as developer that very concern to help customers get their own home will solve the customer problem. Moreover, this positioning will compete the competitor. Other competitor focus on price and product quality, and design. Whereas Harmony Land deliver same price and location with difference service compare to the competitor. This strategy will be strong value proposition for Harmony Land.

Propose Marketing Mix

By changing positioning of Harmony Land, the marketing mix also change. Some previous strategy is already connect, and other previous strategy is need to change. This is new marketing mix strategy that propose to solve research issue.

- **Product**

Based on the proposes new positioning, the product of Harmony Land also needs to improve to follow the positioning strategy and answer customer need also compete the competitor. The new positioning of Harmony Land is “Developer that very concern to help customers get their own home”. To answer that positioning, this is idea proposal for product offers.

1. **Many Thematic residential option for same target market**

According to customer analysis, after decide their budget, customer tend to lock several location for targeting their house purchase. After choosing the location with a certain budget, customers will choose the best from the best in all choices on that location. In line with deep interview analysis, Harmony Land’s customers feel that buying a first house is achievement. It shows that I am a good father. And houses also become representative of their psychological aspect. So, thematic residential being right solution. From 25 Harmony Land’s project, eight new project is thematic residential, there are Kyoto Green Resort (Japan), Green Sapphire Village (Korea), Angsana Forest Hill (Angsana flower), The Bougenhill Park (Bougenvile flower), Green Bali Resort 1, Green Bali Resort 2, Block Ubud, and Green Ubud (Bali). Besides that, as long as market size is still big, by developing many project option for same target market, Harmony Land can capture more customers that is not interest with project that already surveyed. Moreover, Harmony Land marketing report show that number of views and number of leads are very high. So, by doing this strategy, Harmony Land can increase conversion ask to act. Because, if customers have no interest with one project, sales team will offers other projects.

2. **Fast indent house with hundreds layout and interior design.**

Five years Harmony land has delivered customize service for each customers. From that experience, right now Harmony Land has hundreds of type house between type

18 m² until 100 m². The problem is when consumers are given the freedom to design their own, usually customer need very long time to decide the design. Some customers after several times change the design, they will back again choose the design standard due to budget limit and dissent between husband and wife. This condition will affect time schedule to house handover to customers. Even less, from existing buyers questionnaire handover speed has 3,8 score from 5 scale. And from potential customer questionnaire handover speed has 2,92 score from 5 scale. So, to Answer customer need for customize their home but still has high handover speed, The strategy proposal is to deliver customize with design template. So customer just have to choose and house will soon build. For extra service and extra revenue, Harmony Land also offer interior furniture with thematic style that ready to choose and build.

3. Consultative selling approach

This strategy is same as before, consultative selling approach by property consultant being competitive advantage that different with competitors.

4. Conformance of product scope, quality and schedule service.

According to customer feedback from questionnaire and depth interview, actually customers aware that with their budget he will get certain product level quality. But, if there is no clarity of quality details, customers will asking for more than they should. Back to STP analysis, in psychographic segment, customers want to get the best of the best they can get. So, by develop and deliver clear conformance product scope, quality and schedule service. There are three critical deliver conformance quality, when book the units, assign detail product scope and quality before notarial transaction, and legal issue clarity in notarial transaction.

Home mortgage live time consultation

In the business issue of this research, Harmony Land has high ask customers that already call Harmony Land but haven't decided to buy a house yet. Through home mortgage live time consultation, Harmony Land can maintain that potential customer, know their budget, understand their location need and execute remarketing strategy to offers other Harmony Land's projects.

- Place

Right now place for Harmony Land only in Depok, Bogor, south Jakarta, Sukabumi, and Medan. But, follow the vision, Harmony Land want to be developer with most project in Indonesia. So the project place will expand more. Because of Harmony Land's target market is working people, so expanding place is suburban city that has transportation access to urban city.

- Price

Harmony Land's price strategy is excellent. Open project with low initial price, then step by step increase the price following construction progress represent physical evidence. By doing this strategy, sales team can use rising price plan to push customer to make buying decision. Customer also will feel that the price increase is reasonable because of construction progress and by nature property is always increase.

- Physical Evidence

As previously explained, only 5 from 25 Harmony Land's residential had interesting physical evidence at the beginning of the projects. This is happen because limit of initial capital before. By increasing Harmony Land's brand and investor trust, right now Harmony Land is capable to fund more capital which enough to create interesting physical evidence to attract more customer in the beginning of projects. Learning from the

Fithor Muhammad

competitor analysis, Harmony Land will build several interesting physical evidence to increase sales in the beginning of projects.

- Show units with furniture and interior design
- Iconic Gate
- Finishing road to show units
- Beautiful garden with Lighting lamp

All that psychical evidence must have thematic concept following product strategy thematic residential. While for Harmony Land head office is no need many change, because the office already representative enough. Maybe in 2025 after Harmony Land has more project, Harmony Land need bigger office in more strategic location

- People

To realize new positioning that very concern to help customers get their own home. Harmony Land need to concern recruit, train and develop people in organization to execute caregiver service, especially for property consultant as front liner to handle customers. To deliver service excellent, property consultants of Harmony Land need to has standard outfit and style.

- Process

Service is the most positive feedback from the customer analysis. Nonetheless, many feedback from the customers which can be can be categorize into two critical service standard, response time, and clarity for quality. time and scope.

Response time

To improve this process, Harmony Land need to create standard response.

1. Response time maximum is 20 minute in working hours.
2. Response complain for daily need thing such as drainage, clear water source, and electricity source.
3. Response complain for big potential problem such as leaky roof, and structural cracked wall is 3 x 24 hours solution time.
4. Response complain for visual issue such as peeling paint, cracked wall, broken ceramics, and other visual complain is 7 x 24 hours solution time.
5. Clarity for quality, time, and scope

To improve this issue, There three critical process that need to be concern

1. Clear and detail SPR (*Surat Pesanan Rumah*)
2. One of the most complain is what's sales team said is difference with what customer accept. Several salesperson will say anything to get closing. So, by make sure every customers fill in and understand detail SPR, it will decrease miss communication.
3. Clear and detail legal aspect for notarial transaction
4. Most customers Harmony Land is the first time buyers, so they are not understand about detail legal. Therefore, Harmony Land need to educate legal aspect to customers before assignment notarial transaction. This is also can decrease miss communication.
5. Clear and detail material specification, and building plan after customize design.

By default, people who buy house is not understand detail material and specification building. So, Harmony Land need to educate in simple way to make customers understand about his building, and deliver same perception about quality building.

- Promotion

Digital marketing promotion is one of Harmony Land's strong competency. In Pandemic covid situation, Harmony Land success to get 17.789 leads (potential customer)

that called Harmony Land to ask about Harmony Land's products. Purpose of this research is to increase conversion rate from leads to transactions. To answer that and following the new positioning strategy, Harmony Land need to execute two main promotion strategy

1. Invest more budget for digital marketing ads, focus on Instagram.

Based on marketing mix analysis in promotion aspect, Instagram ads is the most effective digital marketing that create more leads with efficient cost. Therefore, Harmony land need to increase and focus their budget to do Instagram ads. And use several budget to try other tools, due to in the uncertainty era, customer can change his media use anytime.

2. Create customers pool to retargeting existing leads through YouTube education.

Harmony Land waste 17.684 potential customers in 2021. Moreover leads before 2021. To maintain leads, Harmony Land need to create customers pool, using a platform media to keep contact with customers. Every business, has different suitable social media. In 2020, Harmony Land start to try using YouTube as one of channel for customers know Harmony Land. From several posting, there are some posting get more view, and other little view. The content which having most view is education type. For example, screenshot of YouTube Harmony Land show by yellow box, that education channel can reach 130 thousand view.

CONCLUSION

Problem statement in this research is how can Harmony Land increase revenue by increasing the conversion rate act per ask? To answer that question, there are several strategy to answer

1. Actually Housing Market is high competition business, However, due to the demand always grow while supplier is cannot be renewable, Housing Industry become very prospective.
2. Pandemic Covid make customer that should be buy house in 2020-2022 pending their purchase, so after pandemic end, there will be boom demand, because customer which pending their purchase will buy and new customer still will buy.
3. Customers that buy house for living place will prioritize price first as comparable factor, then location and finally personal preference of their self and their husband or wife.
4. Target market and competitor for housing product is very local, so several place has lots competitor and others few competitor.
5. Existing customer's Harmony Land confirm that beside price and location, they are decide to buy Harmony Land's house because of product concept design and service with spirit to help.
6. In STP analysis, positioning which is created by interview Harmony Land's board of director is different with what customer perception. And positioning before have no clear measurable performance
7. Customer need about quality house product is conformance. Customer won't ask something that not promise before. But, if there are an opportunity, customers will ask more and more. So, the best method is make clarity at service scope, quality and timeline about residential development.

Customers that first time buy a house. tend to need helped to process and educate about process and legal aspect.

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