

DETERMINATION OF DIGITAL MARKETING STRATEGY WITH APPLICATION OF QUANTITATIVE STRATEGIC PLANNING MATRIX (QSPM) IN ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM COMPANY'S SNELL X

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Abstract

Marketing is one of the most important instruments in doing business, because marketing is the cornerstone of buying and selling transactions. Meanwhile, in the digital era, there have been several adjustments to marketing strategies according to market needs and behavior. Snell X is a company engaged in ERP system implementation services in companies. In developing its business, Snell X needs to do digital marketing. The method that is used on this research is the analysis of the SWOT (Strengths, Weaknesses, Opportunities and Threats), this analysis includes internal and external factors which then to be examined by numbers and ratings. The other tool that will be used is QSPM (Quantitative Strategic Planning Matrix) instruments which then examined based on what is found on SWOT matrix. Through these instruments, Snell X can determine their digital marketing strategies precisely and accurately. This research helps companies to develop digital marketing that will be carried out to build a brand image for customers. This research shows the significance of product and service development in Snell X's advertising is rather important compared to market development.

Keywords: SWOT; QSPM; Digital; Marketing; ERP; Strategy

INTRODUCTION

Indonesia is one of the countries with the fastest digital adoption in the world (Yolanda, 2019). The number of internet users in Indonesia is also balanced by the number of populations which is also abundant. It is estimated that the number of internet users in 2021 will increase by 73.7% from 2018 (Jamaludin, 2020). In addition, along with the emergence of the covid-19 pandemic which has forced companies to implement remote work (Carnevale & Hatak, 2020), accelerating digital adoption in companies. In addition, companies today also need to reduce unnecessary operational time and costs by implementing digitalization in their business processes. Moreover, with the increasing number of company data that needs to be stored securely and can be accessed anywhere, as well as integrated between departments, companies must be alert in dealing with problems in the future by digitizing and storing cloud data today. ERP (Enterprise Resource Planning) is one of the information systems that can meet these needs. This software integrates data between departments and stores it through a secure server (Wibisono, 2005). Furthermore, it also helped to enhance the business process (Hanum, Haekal, & Prasetyo, 2020) Therefore, ERP will be the right solution in dealing with these problems, as well as providing added value to the company.

According to this reason, Snell X, a company engaged in enterprise resource planning (ERP) implementation services, focuses on digitizing business processes in the type of micro, small and medium enterprises (MSMEs). Micro and small enterprise is the business that generate a net worth of at most IDR 200,000,000. Meanwhile, for medium enterprise is the business that generate a net worth of more than IDR 200,000,000 (Faranita & Nugroho, 2022). Because, until now, the only companies that really know and implement ERP systems are large-scale companies. Many MSMEs often assume that they do not really need this ERP system. From this problem, in carrying out its business activities, this company has a mission to bring and introduce ERP systems to MSMEs throughout Indonesia. This supports Snell X's vision to become the best ERP implementation company in Indonesia by 2025. Therefore, in realizing this vision & mission, Snell X will develop an effective marketing system through digital tools to reach customers in Indonesia with a wider reach.

In order to provide convenience and satisfaction to customers, Snell X is affiliated with Odoo open-source ERP platform which has several competitive advantages over other competitor platforms. One of the advantages that Odoo has is its simple user interface, easy to understand and easy to use. Snell X already has customers engaged in the sale of cosmetics, namely PT. Budi Andika who sells various cosmetic supplies such as soap and perfume. In its implementation, Snell X utilizes Odoo digital modules that customers need in their business processes. There are many functional modules available on the Odoo platform, it is even possible to develop modules independently because it is based on open source. However, there are some basic modules that are most often used by customers such as purchasing, accounting, inventory, sales and others.

Snell X also has several competitors who are engaged in the same field and sell the implementation of an Odoo-based ERP system. In addition, several of these competitors have already developed their companies, such as Arkana, Port-Cities, Alphasoftware, Wikistra MT and other Odoo-based ERP companies. Thus, Snell X must be able to adapt and innovate to maintain its business in the midst of increasingly fierce industry competition. Snell X is still having many opportunities to reach the MSME market in Indonesia and have to catch up to compete with other companies, once by utilizing digital marketing to introduce the company, products and services offered. With the determination of digital marketing strategy, customer would know about the existence of Snell X, for further, it also can engage customer to implement ERP in their company. Thus, Snell X can optimize the brand image to influence the customer (Marcella & Christian, 2020). Furthermore, it can affect the increase the number of customer and sales (Rizaldi & Hidayat, 2020).

Throughout several urgencies that have been described before, thus, those things will be the basis for the author's consideration in determining the right digital marketing strategy plan through a SWOT analysis and QSPM. SWOT Analysis is the method that examine the internal factors, strength (s) and weaknesses (w), together with its external factors, opportunities (o) and threats (t) in the organization (Astika & Suharyo, 2021). SWOT analysis help businesses to minimize the weakness and threats and maximize the strength and opportunities (Hasbullah, Haekal, Prayogi, & Prasetio, 2021). Meanwhile QSPM examines the strategy that will be used, this method's advantage is that the strategy can be examined sequentially and simultaneously (Astika & Suharyo, 2021) (Walukow & AnnekePangemanan, 2015).

RESEARCH METHODS

The method used in this research is observation by making direct observations to the object of research. In addition, this research will also use literature studies through articles, news, journals and textbooks (Kumar, Rudra, & RiyaSamanta, 2020). In conducting literature studies, several criteria are set as standards, by testing the validity and sources of literature.

The data analysis technique is carried out in several steps, include:

1. Data collection
2. Data analysis
3. Resist decision making

At the data collection step, researchers will collect data, then analyzed using a SWOT analysis tool. For SWOT analysis, there are two aspects that is needed to be evaluated. First is internal factor which contains two positive and negative impacts for company: strengths and weaknesses, second is external factor which also contains both positive and negative impact from the company: Opportunity and Threats. Both aspects are treated by adding the Attractiveness Score (AS) which then can be mentioned as Internal Factor Attractiveness Score (IFAS) and External Factor Attractiveness Score (EFAS). These factors will be identified through several steps (Purba, 2015):

1. The researcher identify and put the idea of company's internal (strengths and weaknesses) and external (opportunities and threats) factors;
2. Determine the weight of both internal and external factors. For strength and opportunities weight, will be marked by numbers which represents its value: 4 (very important), 3 (important), 2 (important enough), 1 (not important). Meanwhile for weaknesses and threats weight, will be marked by: 1 (very important), 2 (important), 3 (important enough), 4 (not important);
3. For IFAS and EFAS, the scale is 0-1. Each aspect gets the highest of 0,5. For the best formulation, 0,5 is divided by 10.
4. For EFAS, Determine the weight of each factor in column 2, starting from 1.0 (most important) to 0.0 (not important). All total weights must be 1.0. the greater the weight, the greater the priority of the factor.
5. Count the score by multiplying each weight to its ranking for then getting the weighted score that will be written in column 4.
6. Sum up each weight score to get the total weighted score which has an interval from 4.0 (very good) to 1.0 (bad).

Meanwhile, data analysis will be conducted throughout this research using Quantitative Strategic Planning Matrix (QSPM). In doing this QSPM, there are several steps that is required to be accomplished (Haekal, Hanum, & Prasetio, 2020):

1. The researcher will compile an external key factors (opportunities and threats) and also internal key factors (strength and weaknesses);
2. Then, after compiling an external and internal key factor, the researcher will give the weight for both factors.
3. Identify the strategy that is possible to be implemented in the company. It will be written in the first line of QSPM.
4. Determine the Attractiveness Score (AS) which shows the relative attractiveness of each strategy. It will be presented by numbers.
5. Multiplying each weight by each AS to get the total AS.

6. Finding the average of total AS. It will be represented as the most attractive strategy that can implemented in the company. Strategies with the highest total AS are the best strategies for company.

The next step is the decision-making, it will be used to determine digital marketing strategies based on what researcher got from SWOT analysis and QSPM methods.

RESULT & DISSCUSSION

Based on the results of IFAS Analysis, it can be observed that the strength factor that the 0,2 weights rating three and a weighted score of 0,6 is for have a professional service with a clear operation. Meanwhile for consist of people that have an expertise in ERP and certified in related field and offers reasonable price that is based on consumer needs has the same weight of 0,1 weights rating three and weighted score of 0,3. In this case, a professional service remains the most important company strength. For further digital marketing strategy, The IFAS matrix also shows the various weaknesses of Snell X company. The weakness factor of limited team implementor has a weight of 0,2 ratings two and a weighted score of 0,4; Remain low in capital and budget get a weight of 0,1 rating two and a weighted score of 0,2, Low brand image get a weight of 0,3 rating three and score weight 0,9. The results of the IFAS matrix analysis in Snell X company, which covers all internal factors (strengths and weaknesses) is covered with a total score of 2,7.

Table 1. Internal factor weight score

No.	Internal Factor	Weight	Rating	Weighted Score	
1.	Strength	Have a professional service with a clear operation.	0,2	3	0,6
2.		Consist of people that have an expertise in ERP and certified in related field.	0,1	3	0,3
3.		Offers reasonable price that is based on consumer needs.	0,1	3	0,3
4.	Weaknesses	Limited team implementor	0,2	2	0,4
5.		Remain low in capital and budget	0,1	2	0,2
6.		Low brand image	0,3	3	0,9
		Total	1,0		2,7

Based on the results of the EFAS analysis it can be observed that the opportunity factor for Workflow changes in companies which accelerated by pandemic has a weight rating of 0.05 ratings two and a weighted score of 0,1, for Massive technological advancement get a weight of 0,1 ratings three and score weighting 0,3; Rapid development of information spread gets a weight rating of 0.05 ratings two and a weighting score of 0.1; for SMEs still rarely manage their business with an ERP system gets a weight rating of 0,2 ratings three and a weighting score of 0,6. Meanwhile, threat factor for Competitor has large number of employees and team implementor get a weight of 0,1 ratings three and a weighted score of 0.3; for competitor has a loyal customer get a weight of 0.1 ratings three and a score of 0.3; for competitors have a high brand image.get a weight of 0.1 ratings three and a weighted score of 0.3, The results of the EFAS matrix analysis on Snell X company that includes all external factors (opportunities and threats), get a total score of 2,9.

Table 2. External factor weight score

No.	External Factor	Weight	Rating	Weighted Score
1.	Opportunities Workflow changes in companies which accelerated by pandemic.	0,05	2	0,1
2.	Massive technological Advancement	0,1	3	0,3
3.	Rapid development of information spread.	0,05	2	0,1
4.	SMEs still rarely manage their business with an ERP system	0,2	3	0,6
4.	Threats Competitor has large number of employees and team implementor.	0,1	3	0,3
5.	Competitor has a loyal customer.	0,1	3	0,3
6.	Competitors have a high brand image.	0,3	3	0,9
	Customer still not realize the importance of ERP.	0,1	3	0,3
	Total	1,0		2,9

In order to find the best solution for digital marketing strategy, the SWOT matrix is necessary to include, given that this matrix combines two internal and external aspects that form a unified matrix arrangement. These matrices include those consisting of strengths-opportunities (SO), weakness-opportunities (WO), strengths-threats (ST), and weaknesses-threats (WT). The following table is the SWOT Matrix of Snell X company. From the result of study, it found that the best strategy for digital marketing is:

a. SO strategy

From SO strategy, company can use their strength to take advantage of opportunities. So the best solution from SO are:

1. Introducing ERP system to SMEs, considering the lack of SMEs aware of this system.
2. Educate important aspect of technology in this era. Defines that current business units cannot rely on traditional systems that are not operationally effective and need to quickly switch to using the latest technology that can minimize unnecessary operational costs.
3. Snell X consists of a range of industry experts; the company can provide an understanding of utilizing experts to provide the best and professional service to customers.

b. ST strategy

ST is a strategy that assumes that the company can use its strengths to avoid threats. The ST strategy of Snell X is as follows:

1. Company should realize that the customers cannot be left just like that after implementing ERP system in the customer's company. Therefore, it is very important to provide service after purchase because it can increase customer loyalty.
2. Broadcast price adjustments in real time to assure customers that the company is providing the best deals at the best prices.
3. Educate customers through digital media about the importance of implementing ERP systems in companies in reducing time and costs.

c. WO strategy

WO is a strategy used to counteract the company's weaknesses with existing opportunities. The WO strategy of Snell X is as follows:

1. Promote using the most affordable media.
2. Promote using the media that has a massive user like social media.

d. WT strategy

WT is a strategy used to minimize weaknesses and threats. The following is the WT strategy of Snell X:

1. Remain giving the best service to the customer in order to get customer's satisfaction.
2. Offer the competitive price and generate social media engagement to gain the power of brand image.

Table 3. SWOT Matrix

	Internal Factors	
	Strengths	Weaknesses
External Factors	<ol style="list-style-type: none"> 1. Have a professional service with a clear operation. 2. Consist of people that have an expertise in ERP and certified in related field. 3. Offers reasonable price that is based on consumer needs. 	<ol style="list-style-type: none"> 1. Limited team implementor 2. Remain low in capital and budget. 3. Low brand image
Opportunities	SO	WO
<ol style="list-style-type: none"> 1. Workflow changes in companies which accelerated by pandemic. 2. Massive technological Advancement. 3. Rapid development of information spread. 4. SMEs still rarely manage their business with an ERP system 	<ul style="list-style-type: none"> • Introduce ERP system to SMEs (S1, S2, O4) • Educate important aspect of technology in this era (S1, S2, O1, O2, O3) • Promote the best offer with experts involved for the best price (S3,O1,O2,O3) 	<ul style="list-style-type: none"> • Promote using the most affordable media (W2, O1,O2,O3) • Promote using the media that has a massive user like social media (W3, O1, O2, O3)
Threats	ST	WT
<ol style="list-style-type: none"> 1. Competitor has large number of employees and team implementor. 2. Competitor has a loyal customer. 3. Competitors have a high brand image. 4. Customer still not realize the importance of ERP. 	<ul style="list-style-type: none"> • Conduct the better aftersales service to get a customer loyalty (S1, T1, T2, T3) • Broadcast price adjustments in real time to assure customers that the company is providing the best deals at the best prices. (S1, S2, T3, T4) • Educate customers through digital media about the importance of implementing ERP systems in companies in reducing time and costs (T4, S1) 	<ul style="list-style-type: none"> • Remain giving the best service to the customer in order to get customer's satisfaction. • Offer the competitive price and generate social media engagement to gain the power of brand image.

Based on IFAS matrix analysis of Snell X company, it was obtained that the score for the strength factor was 1,2 and the score for the weakness factor was 1,5. While for EFAS matrix analysis of Snell X company, the score for the opportunity factor is 1,1 and the score for the threat factor is 1,8.

To determine the difference in scores, the next step is to use the formula $(S-W)/2$ for internal factors, $(O-T)/2$ for external factors. The following are the results of the difference between the scores of internal factors and external factors.

Table 4. Differences in Score

Factor	Score	Result
Internal		
Strength	1,2	-0,15
Weaknesses	1,5	
External		
Opportunities	1,1	-0,35
Threats	1,8	

Meanwhile for the combination of IFAS and EFAS strategy could be observed as follows:

Table 5. Quantitative Strategy Combination

	Strengths	Weaknesses
Opportunities	SO	WO
	$1,2 + 1,1 = 2,3$	$1,5 + 1,1 = 2,6$
Threats	ST	WT
	$1,2 + 1,8 = 3$	$1,5 + 1,8 = 3,3$

Based on table above, the company should consider WT strategy, because it has the highest score over the other instrument. It means that Snell X should observe more about their weaknesses and threats to minimize it for further development. It means that company should pay more attention to WT features: 1) remain giving the best service to the customer in order to get customer's satisfaction and 2) offer the competitive price and generate social media engagement to gain the power of brand image.

For further analysis, QSPM is a recommended tool that objectively evaluate alternative strategy choices, especially in determining the digital marketing strategy. The QSPM Matrix assessment is the same as the IFE and EFE matrices with a scale of 1-4 where the higher value indicates that the strategy is in accordance with company conditions. The following are the results of the QSPM matrix assessment.

Table 6. QSPM Internal Factor

Matrix QSPM	Integrity	Market Focus		Product and Service Focus		Total Value	TAS
		AS	TAS	AS	TAS		
Internal Factors							
Strengths							
Professional Service	0,3	3	0,9	4	1,2	2,1	
Working with Experts	0,2	1	0,2	4	0,8	1	
Reasonable Price	0,3	3	0,9	4	1,2	2,1	
Weaknesses							
Limited team	0,2	1	0,2	4	0,8	1	
Low Capital	0,1	1	0,1	2	0,2	0,3	
Low Brand Image	0,3	4	1,2	2	0,6	1,8	
Opportunities							
Workflow change	0,1	2	0,2	1	0,1	0,3	
Tech Advancement	0,2	2	0,4	3	0,6	1	
Fast Information	0,2	2	0,4	2	0,4	0,8	
SMEs still not use ERP	0,3	3	0,9	4	1,2	2,1	
Threats							
Larger competitor's employee	0,1	1	0,1	4	0,4	0,5	
Loyal customer	0,3	4	1,2	3	0,9	2,1	

High brand image	0,3	4	1,2	4	1,2	2,4
Customers still not aware	0,2	3	0,6	3	0,6	1,2
TOTAL SCORE			8,5		10,2	

Rating Information:

- 1 = Not represent the focus
- 2 = Inadequate focus
- 3 = Appropriate focus
- 4 = Very suitable focus

Based on the QSPM table above, it can be seen that the most appropriate digital marketing strategy is to prioritize product and service excellence first, or focus on products and services first. Considering that Snell X still has a limited number of implementing teams, while customer needs for the urgency of ERP in the future are very high considering the development of technology and the increasingly massive distribution of information. This is shown by the table above which shows the value of product and service development with a total of 10,8, higher than the focus on the market which is at 8,5.

CLOSING

Conclusion

Snell X is a very new ERP system implementation company. Therefore, many things can be explored to make the company better. One of the most important is doing digital marketing. In this case, it is necessary to do a SWOT analysis that shows the company's strengths and weaknesses (internal factors) as well as opportunities and threats that occur outside the company (external factors). Based on the weight scores obtained, both internally and externally, the company is still in the border range between good and bad conditions. Therefore, it is important for the company to maintain its position or even to grow as quickly as possible so as not to fall further.

Meanwhile, to carry out digital marketing, companies can pay more attention to weakness and threat factors than other factors, to make improvements and prevent threats as soon as possible. Finally, based on the QSPM score, companies need to re-consider to focus on product development and improvement, more than market development. Because, currently the focus of development and promotion on products and services is much more needed by the company.

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