

# Generic Marketing Strategy for Wooden Souvenir Products in Polimdo Gallery

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## Abstract

Small and medium businesses currently often face problems in terms of utilizing technology in implementing business strategies to survive competition. It is hoped that Manado State Polytechnic as a higher education institution can contribute to develop competitiveness of small industry in North Sulawesi province. This research aims to determine the generic marketing strategy of the wood craft industry in Tomohon City and the challenges faced in marketing the products produced and the role of the Manado State Polytechnic in contributing to increase the competitive ability of small entrepreneurs in developing the small and medium business sector so that they are more competitive in today's global market. Based on this, this paper mainly focuses on the Generic marketing strategy of Small Wood company UD Claywood Tomohon and the role of Business gallery at Manado State Polytechnic. Firstly, we overview the generic marketing Strategic of small wood company UD Claywood Tomohon. Secondly, we examine the activities and business role of the Manado State Polytechnic gallery as a place to exhibit the work of students and small industries in North Sulawesi Province. Finally, we describe how the Manado State Polytechnic Gallery Business can contribute to support the marketing activities of small wood industries to increase their ability to survive in today's digital-based business developments. Through this paper, we hope to have better marketing strategic suggestions for wooden small enterprise, and hope to help the small business to increase their market share in souvenir business in the future. This research uses Qualitative Method by collecting data on wooden craft companies in Tomohon as a source of information and some students' opinions about the role of the Polimdo business gallery in exhibiting local products. Based on the research, we conducted the generic marketing strategic that small wooden industry UD Claywood Tomohon consists of strategic Focus, Strategic Differentiation and strategic low price.

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## Keywords

Generic Marketing, Wooden Souvenir, Small Industries, Business Gallery

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### 1. Introduction

The development of information, communication and technology (ICT) in this decade has greatly influenced almost all aspects of human life. This development can be said to be the main element in the shifting of human activities from conventional ones to digitalization-based activities.

Likewise, in the world of business and education, it cannot be separated from advances in technology, information and communication that encourage changes in various sectors of human life. This development requires the business world and educational institutions to make a shift from conventional to digital-based activities by carrying out technological updates and innovations in work methods and products produced. Current business and educational activities must move towards renewal in the use of technology that enables efficiency and automation in their activities with the aim of serving their respective markets effectively and efficiently. Products and services produced by the business world and the world of education, especially vocational education, which were previously exclusive and limited due to distance, space and time have shifted to inclusiveness where suppliers (inputs) and markets are available more widely and are mass in nature and are no longer limited by distance, space and time due to the progress of digitalization.

The business sector is one of the local business milestones where through this small industry job opportunities are increasingly opened, including small wood craft industries which widely spread in North Sulawesi Province. The ability to survive in current business competition is determined by the ability to adapt to technological developments and be able to collaborate with other institutions as well as the ability to implement effective business strategies.

Most activities in small industries are carried out based on experience and traditions handed down from generation to generation, traditionally and conventionally. When there are changes in dynamics in the business world, especially due to advances in information technology and digitalization, these small entrepreneurs are currently facing difficulties in maintaining their businesses.

Manado State Polytechnic as a vocational higher education institution is faced with this global challenge, inevitably requiring it to make adjustments in various educational service activities by shifting from conventional to digital-based. In the process of moving towards technology-based technology, this is of course a complex and complicated activity and must be carried out in a structured and massive manner in terms of developing plans, ideas, methods, facilities and infrastructure and most importantly human resources in this institution so that it can improve the competitiveness of institutions at a higher level and global in

nature.

In this research, the team focuses on aspects of the role of the Manado State Polytechnic in contributing to increasing the competitive ability of small entrepreneurs in developing the small and medium enterprise sector so that they are more competitive in today's global competition. Through this research, it is also hoped that we can gather information from small entrepreneurs regarding the problems they are facing in planning the marketing strategies, the implementation as well as the challenges and obstacles they face as a result of current advances in information technology. From the findings of this research, the Manado State Polytechnic through the Business Gallery can contribute to increasing the competitive ability of small entrepreneurs with appropriate marketing strategies and the provision of facilities that can bridge small business producers in this area with the global market through the digital network owned by the Manado State Polytechnic, especially in Polimdo Gallery.

### **Objectives of This Research**

The goals of this research are:

- 1) Obtain information about generic marketing strategies from small wood-working industries in the city of Tomohon.
- 2) The activities of Manado State Polytechnic business Gallery as a laboratory of learning process and the place for displaying student works and the products of small business in North Sulawesi Province.
- 3) The contribution of the Manado State Polytechnic Gallery Business to support the marketing activities of small wood industries for increasing their competitiveness.

## **2. Theory**

A firm's relative position within its industry determines whether a firm's profitability is above or below the industry average. The fundamental basis of above average profitability in the long run is sustainable competitive advantage. There are two basic types of competitive advantage a firm can possess: low cost or differentiation. The two basic types of competitive advantage combined with the scope of activities for which a firm seeks to achieve them, lead to three generic strategies for achieving above average performance in an industry: cost leadership, differentiation, and focus. The focus strategy has two variants, cost focus and differentiation focus (Porter, 1985, "Competitive Advantage").

The ultimate need of each firm is to develop its own, unique marketing strategy that drawn upon its own capabilities and its own assessment of market opportunities. Generic marketing strategies assist this process by providing a template that specifies the very broad features or that strategy. Focus is important because each firm has limited resources including time to spend on developing strategies (Cravens, Merrilees, & Walker, 2000).

On the other hand, Qualitative research methods are designed in a manner

that helps reveal the behaviour and perception of a target audience with reference to a particular topic. There are different types of qualitative research methods, such as in-depth interviews, focus groups, ethnographic research, content analysis, and case study research that are usually used. The results of qualitative methods are more descriptive, and the inferences can be drawn quite easily from the obtained data. Qualitative research method is a research method used to examine the condition of natural objects where the researcher is the key instrument. The data collection technique is carried out by triangulating the data obtained which tends to be qualitative data and the data analysis is inductive and the research findings are potential in nature (Sugiyono, 2019).

### **3. Research Methods**

#### **3.1. Approaches and Types of Research**

This research used qualitative method is a descriptive by presenting, providing and describing the research results in words. Qualitative research aims to interpret it in the form of meaning and then explain what is studied in the field.

Meanwhile, the type of research used in this research is a case study type of research where the researcher wants to understand a group of individuals in depth, completely, holistically, intensively and naturally which is researched using field research data collection techniques.

Results of data collection from predetermined informants. Researchers immediately went into the field to dig up various information from various related informant sources.

#### **3.2. Research Sites and Subjects**

In this research, the researcher chose the location at the Polimdo Gallery, Manado State Polytechnic and UD Claywood Tomohon Kakaskasen III Tomohon as one of the wood craft industries in North Sulawesi Province.

This research was chosen because the research object has unique products in the people's industry, especially in the aspect of implementing generic competitive strategies in increasing competitive advantage and expanding the market.

The research subjects are:

- 1) Owner of the wooden craft business UD Claywood Tomohon.
- 2) UD Claywood Tomohon employees.
- 3) Manado State Polytechnic Students and Manado State Polytechnic Business Gallery Manager.

### **4. Finding**

#### **4.1. UD Generic Marketing Strategy Claywood Tomohon**

UD Claywood Tomohon is a wooden souvenir craft business and is a small business started by Mr. Wilson Pongoh, located in the KakasKasen III sub-district. This business is engaged in producing various kinds of wooden souvenirs and trophies according to consumer orders. In product design, the work and final stages

of the product are carried out by the owner himself and assisted by several workers according to the number of products ordered.

As a small business, UD Claywood Tomohon strives to maintain consumer loyalty by maintaining product quality, reflected in the artistic values of the products and competitive prices.

In running this small scale business, UD Claywood Tomohon must pay attention to costs, prices, marketing, service and product quality to be known and gain consumer loyalty. In this case, the claywood craft business applies a generic strategy to achieve competitive advantage.

The Generic marketing strategy implemented by UD Claywood Tomohon is as follows:

#### 1) Focus Strategy

UD Claywood Tomohon's main focus is on product uniqueness and good quality raw materials and strong artistic value based on hand-crafted wood which generally has cultural characteristics, targeting consumers who have artistic tastes and foreign tourists. Transactions between consumers and UD Claywood are carried out by consumers coming to our workshop and ordering the goods they want. The display products in the workshop are very limited because we focus more on serving consumers in the form of orders, not ready stock. For display of household equipment needs, trophies/trophies for an activity, miniatures of local art and culture, souvenirs and so on."

So based on the researcher's interviews with several informants above, it can be concluded that a small business unit must have differences from other businesses regarding these differences which can be seen from the services provided, product quality and so on.

UD Claywood Tomohon in increasing its competitive advantage focuses its efforts on an excellent customer service system through efforts to serve consumers according to their requests.

#### 2) Product Difference Strategy (Differentiation)

Experience to ensure the continuity of UD's business Claywood Tomohon, in the current craft business competition, the right strategy is certainly needed to provide a nuance of uniqueness and difference that stands out compared to similar souvenir products on the market. The uniqueness and differences in products owned by UD Claywood Tomohon is that the raw materials of souvenir products are wood and coconut wood, which are quite widely available in North Sulawesi, while the product design is done by handmade, where the resulting products are made as much as possible to emphasize the natural properties of the existing raw materials, for example by reducing use of materials usually used in fabricated products such as paint, putty and so on. This is done to maintain the appearance of wood and coconut wood as the main material of the product.

Regarding the product processing process and equipment used, UD Claywood, concerning the features and appearance of the product which brings out the uniqueness of UD wood craft products. Most of the product features depict

regional culture and the unique fauna of the region while maintaining the actual forms of the product's appearance but in 3-dimensional or 5-dimensional form, but mostly in 3-dimensional form only.

The uniqueness and difference of products produced by UD Claywood is one of the factors that plays an important role so that they continue to exist in small wood craft businesses in North Sulawesi Province. In addition, improving product quality and new product designs need to continue to be carried out based on user experience (Zhang & Wang, 2019).

### 3) Cost Strategy (Cost Leadership)

UD Claywood Tomohon's cost efficiency strategy is an important aspect to review starting from the product planning process, until the final product is produced and how they control product costs effectively so that product prices can compete in the market.

Regarding controlling low production costs, cost efficiency in running a wood craft business is done by obtaining wood raw materials from leftover wood from the wooden house industry around UD Claywoods business location and also from wood sources in Tomohon.”

Furthermore the wooden craft production process is carried out by business owner and assisted by workers who are owner's relatives or friends who have skills and experience in producing wooden craft products.

The target market of UD Calywood Tomohon is consumers who have other businesses, namely souvenir shops or organizations that carry out sports and arts activities to make trophies or prizes as winners as well as individual requests for personal collections, various business places such as tourism, accommodation to create and design features.

## **4.2. The Role of Manado State Polytechnic Business Gallery**

The Manado State Polytechnic business gallery is a facility provided by the institution as an integrated part of the vocational education learning process for students to train and be introduced to real activities in the world of industry and business. The scope of activities of the Manado State Polytechnic business gallery is apart from being a laboratory function for developing student competency in producing tangible products (tangible goods), it is also a place to promote the results of students' practical learning products and no less important is as a place to display the local small business products, with its various uniqueness as part of supporting the program to strengthen local business in North Sulawesi Province.

Furthermore, the Manado State Polytechnic business gallery plays an important role in bridging local entrepreneurial products with a wider final consumer market with the information technology owned by the Manado State Polytechnic gallery and also to take part in efforts to support the provincial government's tourism development program North Sulawesi.

To what extent is the role of the Manado State Polytechnic Business Gallery in achieving its goals from a student's perspectives as a source of research informa-

tion, such as:

- *“Frequently carrying out practical learning activities by visiting the Business Gallery is done to better understand the learning process carried out in class with practical activities in the Business Gallery”.*
- *“By visiting the Business Gallery, I can see products produced by local businesses/businesses as well as students’ work so that I can get an idea when I want to do business in the future.”*
- The diversity of product displays in a gallery is important so that it is a place to introduce products to visitors as well as promote products regarding the quality, uniqueness and appearance of the product.
- *“It would be better if the products displayed in the Gallery were expanded to include more local products that are more varied and unique.”*
- *The gallery should hold activities involving various kinds of producers and their products to be exhibited by inviting various groups to introduce superior products produced by students and small industries in this area.”*
- *“It would be better if the products in the gallery can also be introduced to consumers by utilizing information technology facilities or via the internet so that they are known to a wider range of consumers such as tourists”.*
- Consumer visits to an exhibition held by a business institution usually have the aim of purchasing the products they need.
- *“The tendency to buy may arise if the goods displayed in the Gallery consist of a wide variety of products and are unique and will be owned personally or as a gift to someone else”.*

From the informant’s explanation above, the Manado State Polytechnic Gallery is widely known among students and they understand the role of the Business Gallery from several points of view. The important thing to develop is that apart from the role and function of the Gallery as a place for practical education, it can also function as a bridge to bring together the production of local producers (MSMEs) with final consumers in the wider market by using information technology (digitalization).

## 5. Discussion

Small scale businesses in increasing market share are better and more suitable to use only one generic strategy from the three existing generic strategies, as explained in the first focus, namely the focus strategy, apart from being able to increase the competitive advantage of the focus strategy from the generic strategy, it can also increase market share.

The research results show that the focus strategy in CV. UD Calywood Tomohon focuses its marketing or product targets on only one target market, namely upper middle class consumers and on unique products made from wood. The focus strategy concentrates or focuses more on groups of buyers who tend to like artistic values. The correct implementation of generic marketing strategies can increase marketing efficiency and market share or market expansion.

Determining the right marketing strategy is very important for a business to use because it can expand market share.

The products provided by these small businesses can be recognized for their useful value and uniqueness according to consumer needs. So companies or businesses must know the right marketing strategies for the product life cycle.

UD marketing targets. Calywood Tomohon focuses product distribution on middle to upper class consumers. UD product distribution. Calywood Tomohon in places such as private homes, restaurants, tourist attractions, hotels that require works of art as part of the room decoration and to be enjoyed by consumers who like wooden works of art.

Related to the findings above, focus strategy is a business unit strategy that focuses on one or more narrow market segments rather than larger markets.

Generic strategy is a company's strategic approach in order to outperform competitors in similar industries. In practice, after the company knows its generic strategy, implementation will be followed up with steps to determine a more operational strategy.

Generic strategies are divided into three, namely low cost strategies, differentiation strategies and focus strategies. In small businesses, not all generic strategies are used, but only one or two strategies are suitable for MSME business ventures, namely focus strategies and product differentiation strategies, but this does not rule out the possibility of cost strategies.

Most small businesses use a focus strategy which focuses their efforts on paying attention to customer service in accordance with consumer requests and desires.

With this focus on customer service, it can increase the product's competitive advantage, increase consumer purchasing power and interest in purchasing.

The research results show that UD. Calywood Tomohon implements a focus strategy to differentiate its business from other businesses. Using this focus strategy can increase customer interest and increase customer purchasing power. Focus strategy means identifying customer needs, wants and interests, and approaching them with goods or services designed to meet customer needs, desires and interests.

Based on the results of interviews with several informants, UD Calywood Tomohon in offering products to consumers focuses its efforts on customer service according to their requests.

Consumers from UD Calywood Tomohon can order goods or wooden craft products according to their wishes. Consumers can ask for products to be made that match the shape and design that consumers want. Therefore, focus on customer service by providing product orders.

UD Calywood Tomohon also pays attention to timeliness in completing orders, attention is also paid to the quality of products requested or desired by consumers. With the focus strategy implemented at UD Calywood Tomohon, we can increase our competitive advantage so that the product life cycle remains sustainable.

Apart from the strategy of focusing on the service function, this business also



focuses on wood-based products which are made using hand skills (hand-made) so as to guarantee the uniqueness of the product in its natural and non-standardized aspects which are close to the original profile and image of the object. The aim of this focus is to serve market (consumer) needs in accordance with the unique desires of a product.

The focus on the uniqueness and uniqueness of this product aims to give a special impression to consumers who buy it, usually in the form of decorative souvenirs, the need for an award such as a cup/trophy for a match or competition.

The strategy for product differentiation (product differentiation) from wooden craft products is to give uniqueness to the product while maintaining the authenticity of the raw materials with artistic touches that are clearly depicted in the resulting product by trying to minimize the impression of fabrication such as the use of excessive auxiliary materials such as paint, putty and etc. This strategy aims to meet market needs which emphasize the original and natural impression of a product. Products with unique characteristics like these are usually in demand by consumers from abroad (foreign tourists).

The cost leadership strategy of UD Claywood Tomohon is that product planning and design is carried out by the business owner himself and the product manufacturing process is carried out by the owner and assisted by family members and friends, while in the financing aspect for raw material needs, it is obtained at low cost because it is a material residue from the wood industry around the business location. This strategy is quite profitable for this small business in terms of pricing which tends to be more competitive compared to similar types of business.

The difference in selling price from UD Claywood Tomohon with the selling price of these products in souvenir shops is very high so that the profit margin from craft products from the wood industry with intermediary entrepreneurs (souvenir shops, galleries) is very wide, where profits are enjoyed more by these intermediary entrepreneurs.

Manado State Polytechnic Business Gallery has been running well, apart from being a learning laboratory, it is also a place to introduce products made by students and local small businesses/industry which are available in the gallery. Through product displays in the Manado State Polytechnic Business gallery, it is an inspiration for students to be interested in getting into business according to their interests.

The research results also state that the spatial layout and product layout are good, but if in the future there are more variations and products and more local industrial work is exhibited in this gallery, then the need for larger space and space needs to be considered.

Through this research, it was also found that the role and function of the Business Gallery to communicate and promote products in this gallery required large-scale activities with larger visitors such as product exhibitions, expos and so on which were held at the Manado State Polytechnic Business Gallery.

In this research, it was also found that the marketing obstacles and problems faced by small wood craft entrepreneurs were the inability of small businesses to anticipate changes in consumer buying behavior from conventional to digital behavior. This obstacle will be overcome through the digitalization facility of the Business Gallery to act as a bridge (mediator) between small wood craft entrepreneurs and the globalized market through digital marketing owned by the Manado State Polytechnic Business gallery such as the Business Gallery Website, Online shop which displays small entrepreneurs' products as well as providing digital marketing training for these small entrepreneurs. Cooperation and collaboration between the Manado State Polytechnic and small industries is very necessary to support the development of local business in increasing the competitiveness of local products in national business.

It is hoped that the results of this research will also become a future reference for the Manado State Polytechnic as a vocational education institution that produces young entrepreneurs who are competitive and have a global outlook, where the Manado State Polytechnic Business Gallery, apart from the roles mentioned above, will also be a place to exhibit and promote products and works of students as the output of the teaching factory process.

## **6. Conclusion**

As a conclusion, UD Claywood Tomohon, as a small business, has implemented a generic marketing strategy with a focus on product uniqueness, high-quality raw materials, and strong artistic value, particularly emphasizing handcrafted wood with cultural characteristics. This approach aims to distinguish their souvenir products in the market by using locally available materials like wood and coconut wood, showcasing handmade designs that highlight the natural qualities of these materials. To control production costs, the business efficiently sources wood from leftovers in the local wooden house industry and other wood sources in Tomohon.

The Manado State Polytechnic business gallery serves not only as a laboratory for developing student competencies but also as a platform to showcase and promote unique local products, supporting the strengthening of small businesses in North Sulawesi. Additionally, the gallery plays a vital role in connecting local entrepreneurial products to a broader consumer market through its information technology capabilities, contributing to the provincial government's tourism development initiatives in North Sulawesi.

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## **Conflicts of Interest**

The authors declare no conflicts of interest regarding the publication of this paper.

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