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# Bali is a Brand : Media Strategy for Small Industries at Karangasem Regency

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*Abstract - The economic crisis that swept across the world has forced all sectors of life including the tourism sector in Bali to improve their development strategies. Tourism as the main activity carried out by the majority of Balinese people are also experiencing insignificant developments in terms of number and duration of visits of the foreign tourists. Therefore, further alternatives are demanded to increase the communities' incomes. The development of micro and medium industrial sector has faced problems dealing with the available capital, design and technology to compete with other products from the outside of Bali. In addition, the media that introduces the products of the small and medium enterprises (SME) is also very limited. Thus, it is necessary to build a concept to improve sales. This study used a descriptive qualitative approach, which involved observations to the several media sites created by small industries, as well as the use of the media to develop the market. The finding suggest that most of small entrepreneurs have inadequate (limited) knowledge related to the use of media sites and tend to follow the development of the era. Various shortcomings in conducting of the business development strategy using the media site result in low ratings and the low level of visits to the site Accordingly, the employers cannot gain maximum benefit from the use of the media site and remain a key form of marketing by traditional way, i.e. waiting for the arrival of foreign guests those escorted by tourism services companies. The development of strategies in promotion media field is required to improve the welfare and income of the micro and small entrepreneurs.*

Keywords: Branding, Brand strategy, Media strategy, Website strategy

## I.     Introduction

Bali is well-known as one of the famous tourist destination in the world. This is a tremendous advantage and a challenge in the development of the tourism industry with more advanced information and communication technologies. The global crisis that hit most of the world, forcing every sector of life to change the development strategy that has long run become more creative and innovative. Including the tourism sector in Bali. Change in strategy development in the tourism sector in Bali from cultural tourism to spiritual tourism, yet provide a change in the rate of tourist arrivals. According to the statistical data on the central body of Bali provincial statistics (www.bali.bps.go.id, accessed 31 March 2013), the level of foreign tourists who come directly to Bali in 2007 amounted to 1,668,531 people, or an average growth of 32.16%, in 2008 a decline in the average growth of 19.40%, and in 2011 the average amount of growth only reached 9.73% with the number of tourists as many as 2,826,709 people. Length of stay in star hotels also did not show significant improvement. By comparison in 2007 and 2008 there was an increase in the number of significant length of stay of 3.50 days to 3.78 days, whereas in 2010 to 2011 decreased

from 3.84 days to 3.74 days. In the industrial sector, a decline in the value of exports of products produced Balinese. According to the Central Statistics Agency (BPS), the value of exports of goods from Bali are sent via a port in Indonesia in February 2013 reached U.S. $ 43,209,342. This figure decreased by 6.16% compared with the value of exports in the same month in 2012 with a performance figure of U.S. $ 46,044,014. If the value of exports in February compared with the value of exports in January of 2013 was also a decline of 1.32%. Results Balinese products mostly shipped to the Americas, Japan, Singapore, Australia, and France. In February 2013, the percentage ratio of the five countries was 18.48%, 10.43%, 6.96%, 6.59%, and 4.84%. The main commodities exported in February 2013 were not knitted apparel products, fish and shrimp products, jewelry products / gems, wood products, goods of wood, and furniture products, home lighting with percentages respectively 16.74%, 15% , 37%, 11.88%, 10.46%, and 9.36%. For more information about the products and their export destination countries can be seen in Fig. 1 below.

| Negara | Komoditas | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Pakaian Jadi Bukan Rajutan | Ikan dan Udang | Perhiasan/ Permata | Kayu, Barang dari Kayu | Perabot, Penerangan Rumah | Barang-barang Rajutan | Barang-barang dari Kulit | Daging dan Ikan Olahan | Benda dr Batu, Gips dan Semen | Jerami / Bahan Anyaman |
| Amerika Serikat | 18,32 | 13,45 | 16,25 | 18,30 | 15,09 | 9,45 | 6,81 | 47,31 | 8,59 | 22,94 |
| Jepang | 6,98 | 31,83 | 0,95 | 6,78 | 8,87 | 4,28 | 28,73 | 0,00 | 6,02 | 24,07 |
| Singapura | 4,73 | 0,89 | 27,66 | 1,73 | 1,47 | 16,63 | 17,10 | 0,00 | 2,35 | 0,86 |
| Australia | 12,33 | 7,82 | 3,35 | 5,33 | 7,46 | 8,05 | 2,59 | 0,00 | 15,10 | 3,51 |
| Perancis | 11,49 | 1,46 | 1,31 | 7,65 | 5,34 | 1,66 | 2,55 | 0,00 | 10,31 | 7,44 |
| Italia | 6,78 | 0,42 | 3,40 | 3,01 | 3,70 | 12,08 | 8,15 | 0,00 | 0,78 | 2,17 |
| Hongkong | 0,97 | 6,61 | 20,48 | 0,32 | 0,55 | 0,64 | 0,11 | 0,00 | 0,43 | 0,03 |
| Inggris | 11,59 | 0,48 | 0,81 | 6,33 | 2,26 | 4,85 | 0,98 | 0,00 | 0,35 | 2,36 |
| Jerman | 3,69 | 0,78 | 3,17 | 5,97 | 4,41 | 3,23 | 2,49 | 0,00 | 15,11 | 1,02 |
| Spanyol | 2,29 | 0,06 | 0,97 | 5,95 | 7,69 | 2,31 | 3,65 | 0,00 | 3,89 | 3,58 |
| Lainnya | 20,83 | 36,20 | 21,65 | 38,63 | 43,18 | 36,82 | 26,84 | 52,69 | 37,07 | 32,02 |
| Jumlah | 100,00 | 100,00 | 100,00 | 100,00 | 100,00 | 100,00 | 100,00 | 100,00 | 100,00 | 100,00 |

Fig. 1. The value of Bali exported products and the countries destinations ( in %)
(Source: BPS Bali Province in 2013)

Micro, small and medium enterprises (SMEs) as one of Bali's economy as well as ancillary business activities are not affected by the economic crisis needs special attention from the whole society. MSMEs need support and need to be strengthened in order to increase the economy of Bali. According to statistics, the number of SMEs from year to year has increased. In 2012, the number of SMEs increased by 9.66% in the fourth quarter compared to the third quarter (http://bali.antaranews.com/berita/33890/industri-kecil-tumbuh-966-persen, accessed 31 March 2013) . This growth was not in line with the increase in exports of products of MSMEs. Export value of small-scale industries in 2012 a decline of 18.27% over the previous year. In 2012 the total value of exports of products of small industries of 157.02 million U.S. dollars, while in 2011 the total value of exports amounted to 192.13 million U.S. dollars (http://bali.antaranews.com/berita/34792/ekspor-industri-kecil-decreased, accessed 31 March 2013). Problems often arise from existing MSMEs two factors: internal and external factors. Internal factors issues are (1) lack of capital and limited access to financing, (2) quality of human resources. External factors are the problem (1) is not fully conducive business climate, (2) limited facilities and infrastructure businesses, (3) bribery, (4) implications of regional autonomy; (5) implications of free trade; (6) The nature of the product with a short resistance , (7) Lack of market access; (8) Lack of access to information.

## II. Method

A descriptive qualitative approach was employed in this research. This involved observations to the media or websites owned by of the local government and small industries in Karangasem regency, and also social network. The location selection was based on previous research which states that the Karangasem regency is the center of production of small businesses the biggest in Bali (BPS, 2012).

## III. Branding Strategy

Branding has a function as a differentiator between a product or service that a product or service to another. Branding is more than a logo or trademark. Branding has the ability to create a new experience to their audiences. Creation of experience to the audience can be done by providing a product or service positioning. According to Chiaravalle [1] that a brand is a cycle that will not be endless. The cycle consists of a product, positioning, promise, presentation, persistence, perception. Early stage is the determination of the type of business to be established (product). Next is to provide value difference among the types of businesses that will be established with similar business types and different (positioning). Value differentiator is not just from one side but overall. After giving a value differentiator then raised the advantages possessed (promise) and bring it through the media campaign (presentation). Selection of medium appropriate promotion is not easy especially for the audience that has a wide reach and do not know the unlimited access time for audiences everywhere. This is important because the free market has long been imposed through AFTA in 2003.

Internet technology as the latest technology that is able to provide solutions to these problems. Website is a virtual place to display all kinds of information. In order for a site has a number of visitors that many would have to have a strategy. Ries & Ries [2] says there are 11 immutable laws of internet branding that must be met to survive and keep the site visit. Beside the need to know the characteristics of the consumer demographic, geographic, and psychographic [3]. Research conducted by Nielson [4] say in general that online activity is carried out by the audience searches, general interest portals and communities, software, member communities, e-mail. This suggests that a basic portal and community of interest in developing a website. A simple form of a merger between the portal and community website for sale is amazon.com and ebay.com. In designing the course, cannot let go of people as users with disabilities. Limitations are often seen as non-physical aspects and aspects of social cognition. More emphasis on the social aspects of the characteristics of the interaction between humans and computers by Saffer [5] is divided into seven sections: trustworthy, appropriate, smart, responsive, clever, ludic, pleasurable. Trustworthy is the high level of trust towards a product or service by the user. Appropriate is able to provide solutions to problems using cultural appropriateness, the situation, and the context in which the users live. Smart is a product of human-computer interaction has a level of intelligence that is more than he did. So the need for effective treatment so that the product can provide the desired solution. Responsive means a product of human-computer interaction to provide feedback that has a low waiting time. The lower the waiting time is given then it will give you a feeling appreciated and understood. Clever is the product of human-computer interaction will provide added value as emotional feelings that can lead to considerable satisfaction. Ludic facility on the product is the addition of human-computer interaction as something that is a game or something cute, but not all the products of human-computer interaction have to use this. Pleasurable the product of interaction should give pleasure to its users. The pleasure value can be created by using two methods, namely the esthetic and function. As for the aspects of cognition such as perception, interpretation and connotations that lead to differences in the characteristics of the user.

## IV. Analize

## IV.1. Official Website of the Government of Karangasem regency

The first step to analyze a branding strategy is the support has been given by the local government of district Karangasem to provide value positioning for the products of the work of SMEs. Observations were made by opening the official website of Government owned Karangasem regency is www.karangasemkab.go.id. The official site does not seem to show an information about SMEs and their superior products owned. The information provided is still about the activities of government is owned by local governments. When examined from the quality of the information based on authority, accuracy, Objectivity, currency, and coverage and intended audience [6], it can be said that in general still have a lot in common with the official websites of other local governments in the province of Bali. These sites are owned by the government are still a lot of reference to the economic base of tourism. This is unfortunate considering the economic potential in micro and small industries are very large for the welfare of society. Some local governments as Jembrana district (www.jembranakab.go.id), Badung regency (www.badungkab.go.id), and Denpasar municipality (www.denpasarkota.go.id) has begun to change the paradigm by incorporating information about the results craft industries SMEs at the official website. Gains derived by the local government a clear idea of the potential of their existing industry as well as tangible evidence of government concern for small industries. Even the municipal government of Denpasar has more advanced thinking before its small industrial sector by helping to market these products.

According to alexa.com (www.alexa.com, downloaded 7/4/2013), that the number of visitors per day on the official website of the Karangasem regency is the lowest compared to the three local government websites i.e the district of Jembrana, Badung regency, and the municipal of Denpasar. Number of visits per day on the website of Karangasem regency is at 2.60. Jembrana district is at 2.70, Badung regency is at 5.80, and municipal of Denpasar is at 3.40. This suggests that the information presented by the website of Karangasem regency turned out to have very lowest-interest when as compared with other local governments. So the emotional connection that should be established between the site manager and visitors being particularly vulnerable. As a result, the number of visits per

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day that happen to become very small. This is what happens on the website of Karagasem regency that has no more interest than others official websites.

## IV.2. Social Networks Sites

It can be said commonly that the efforts of the industry-based micro and small social networking by using blogs like blog spot and WordPress. This is a breakthrough that is very good considering the lack of public understanding about the usefulness of an information technology to support the business. In addition, the blog like WordPress or blog spot has the advantage of facilities CMS (Content Management System). CMS is an open source has the advantage of free of cost, freedom of customization, high quality, community [8]. CMS is an additional advantage of enabling a person to make a site with more flexible and easier to in-maintenance without having programming skills like HTML sites, PHP and MySQL.Keunggulan that allows both personal and organizations can use blogs to introduce themselves and the organization is widely in the virtual world.

Excellence technically blog is search engine marketing, brand building, competitive differentiation, improve networking, public relations, build a reputation, narcissistic, and as a management tool and intranet projects [9]. In its development, there are three kinds of blogs are often created by the users are personal blogs, political blogs and business blogs [10]. Of course, to market their craft rather than SMEs are using business blogs. Business blog in accordance with the goal of adding value to the business management and is building a public communication apparently not well applied. Based on observations made using the blog alexa.com like tegallinggah.wordpress.com, pkbmmitrafajarlestari.blogspot.com, and karangasemnews.blogspot.com, tegallinggah.wordpress.com have found globally ranked 17,850,055, pkbmmitrafajarlestari.blogspot.com rated 0, and karangasemnews.blogspot.com rated 0. As for the level of most traffic per day among the three is the only one found on tegallinggah.wordpress.com visits. The low rank and level visits per day due to an understanding of the design strategy of using medium blog is still lacking. Social networking sites to build community using media not only blog, but other media such as Facebook, twitter, MySpace and so on. But the media have not been exploited well by SMEs as a medium to promote results-owned craft. It also makes a considerable obstacle to the development of products and markets that will come.

## IV.3. Commercial Sites

Commercial sites as the important site in the company has a strategic value for a business development. Site as the online medium campaign which is very useful in building brand awareness and brand images. Brand awareness is the ability of a brand to appear in the consumer's mind when they are thinking about a certain product categories and how easy the name appears. Brand awareness has two levels of consciousness that is branded recognition and brand recall. Brand images can be considered as a kind of associations that arise in the minds of consumers when considering a particular brand. This association can be conceptualized based on the type, support, strength and uniqueness [11]. In addition, the site also as a form of communication made by the company with the audience so that the audience can get to know the company, type of business, and the products produced. Site is also an alternative medium campaign due to the many advantages, especially in terms of cost, broad geographic coverage, and the amount gained considerable audience.

To obtain optimum results it is necessary to have a good strategy. Seybold [12] says there are five steps that must be executed as follow: set strategy, focus on the end-customer, redesigning customer-facing business process, wire company for profit, and foster customer loyalty. At the case as www.karangasemonlineshop.com which is the commercial site that market the products of SMEs that exist in Karangasem Bali has had a pretty good set of strategy by providing convenience to consumers in choosing and determining the products to provide such a product list-owned products including establishing communication among the corporate customer by providing phone numbers and yahoo messenger. But very lacking in attention to end-customers. On the product details, the company does provide some very useful information for the customer. In addition, on the site does not provide sufficient information about the company, how to order and confirmation of payment as well as the provision of various company policies relating to business and commerce. Little things that make loyalty and customer satisfaction levels to be reduced and even loose confidence in the company. The other drawback is it does not include the price difference between the distributors and retailers, providing a rebate if the purchase is over a certain amount, and customization

and size selection of colors as well as some of the testimony has given by the customer for a particular product.

The whole explanation is very clear that the company does not know how to build a customer-facing redesigning business process that emphasizes the design process from the outside instead of the customer, and the company desires. Customer is the object, and the subject needs to become the company's attention on designing a commercial site includes characteristics based on demographic, geographic, and psychographic. On the wire company for profit, the company did not include important information to their customers about the business rules. Business rules are the rules and policies that are run by companies in doing business and trading as buy-sell mechanism, taxation rules, the method of determining price, discount and so on. Beside these measures, the company also has failed in creating an emotional value to the customer and prospective customer. Gobe [7] says that the factors that determine a site has an emotional value to visitors is the first, the instantaneous customization that continual dialogs between website designers and their visitors; Secondly, the potential for building a dialog with the brand development of the products and information favorites very interested visitors; The last, creating a wide range of value added on site. Instant customization can be done by giving independence to the customer to perform a variety of options that allow for products or services offered by the company. Brand development to build a dialog carried out by providing a facility as comments on a given product by the customer as well as a discussion forum among customers so that they can share information on various products and services offered by the company. While creating a variety of added value to the customer by providing a variety of recommendations on products or services of the company as well as provide important information such as usability, quality, and storage products. Most site managers understand this, but they often forget.

## V. Conclusion

Based on the research conducted, it can be concluded that most of small entrepreneurs lack knowledge about the use of websites tend to only follow the development era. Various shortcomings in the conduct of business development strategy by using the web site result in low ratings and the level of visits to the sites are owned by their employers so that the benefit cannot be large enough to use the media site and remain a key form of marketing with the traditional way of waiting for the arrival of foreign guests who come from tourism services companies. The need for development strategies in the promotion of business websites that welfare and income to small entrepreneurs and small increases.

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