

Proposed Brand Leverage with One Village One Product (OVOP) Approach Case Study: Kalua In Ciwidey

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Abstract - One Village One Product (OVOP) is a community-based program development, with a market-based approach to economic development, firstly initiated by Dr. Morihiko Hiramatsu. In terms of marketing, it can be regarded as a brand with leveraging the existing brand equity approach.

Ciwidey is a tourist area, such as Kawah Putih, Situ Patengan, Hot Spring Water Walini, and Rancaupas Campgrounds in South Bandung, which has a huge potential. Development is being encouraged to help the development of this area by leaps and bounds. The existence of Kalua as one of typical food of Ciwidey increases tremendous business opportunities in this area. Although Kalua has been on the market for 15 years, tourists are still not familiar with Kalua, and it has not been regarded as a product associated with Ciwidey. Another issue is that Kalua is not seen as an interesting product.

This research was conducted in one company, namely Kalua Jeruk Ponyo as a model, in order to be more focused in analyzing marketing mix, internal company, customers, and suppliers. This research was done by analyzing the marketing mix product, analyzing the situation with 5C analysis, as well as corporate demand calculation in order to determine the root causes that lead to business issues described previously. This study was conducted on potential customers who visited Kawah Putih and consumers shopping in Kalua Jeruk Ponyo, by conducting in-depth interviews, questionnaires, and food testing.

From the result study, based on the analysis of potential consumers and their consumption patterns, it is known that their product awareness was low and they were not interested in the product due to the absence of segmentation, targeting and positioning, lack of product innovation, the absence of marketing communication and SOP for production.

Finally, this study generated a form of draft business solution segmentation, targeting, and positioning. The new product proposal was based on the results of food testing, and business-to-customer (B2C) integrated marketing communication strategy was applied to build relationships with other business partners. The main objective of the proposed business solution is to increase awareness and ultimately the market share. Moreover, the collaboration with government to make this OVOP program succeed is very important in order to solve the problem, namely increasing the market share of Kalua.

Together with historical review of the growth of the OVOP movement led by Oita Prefecture, this paper attempted to identify the unique characteristics of the movement as well as its limitations, and proposed how Japan's experience with the movement may be applied in Ciwidey. As Ciwidey OVOP is already known as a nearly-born movement, this study did not only focus on the

comparison between two areas; but also learnt a good lesson from Japan, and discovered suitable practical application in order to apply them to the Indonesian context.

Keywords - Awareness, food testing, integrated marketing communication, kalua, market share, One Village One Product, product innovation

I. INTRODUCTION

One Village One Product (OVOP) is a community-based program development, with a market-based approach to economic development, firstly initiated by Dr. Morihiko Hiramatsu, Governor of Oita Prefecture in Japan in the 1970s. One Village One Product (OVOP) is an approach in the developing potential of the area in the region to produce a product of local knowledge, with global class typical product of the region by utilizing local resources. The specificity of this approach is the achievement of regional economic development through increased value-added products using locally available resources through processing, quality control and marketing.

In terms of marketing, the OVOP approach can be regarded as the brand with the approach of leveraging the existing brand equity, as stated by Joanna Barrett, Ashley Lye & P. Venkateswarlu as follows:

Leveraging existing brand equity into new product categories attempts to avoid the risk associated with establishing a new brand, through convincing consumers that the positive attributes associated with the original brand are relevant to the new product and/or simply benefiting from the awareness of the original brand. (1999: 3)

Until now, OVOP scheme from the Japanese has been introduced and applied in various countries. In addition, OVOP program has also been held in Indonesia since 2008, and has been successful in some cities.

Ciwidey is one of the potential tourism areas with excellent growth tourist destination in South Bandung. The location is not far from the center of the city of Bandung, only 30 km away, making Ciwidey to become one of the must-visit tourist destinations by tourists, both local and foreign.

The opening of direct flights from Malaysia and Singapore to Bandung greatly affects the growth of the number of foreign tourists visiting Ciwidey. And of course, the increasingly sophisticated technological advances and social media users are also very helpful to

promote tourism area in Ciwidey, such as Walini Hot Water Spring, Ranca Upas Camping & Outbound, Patenggang Lake, and Kawah Putih.

Positive impact is not only felt by tourist destination management, but also by craftsmen of Kalua. Kalua existence as typical food or souvenir from Ciwidey, makes Kalua as one of the favorite souvenirs for tourists.

Kalua is made from crude grapefruit skin. The crude grapefruit skin is processed by soaking grapefruit peel with lime water to remove the bitter taste from the grapefruit peel, then cooked with sugar or brown sugar and flavored with fruit essence.

Nowadays, there are at least 5 SMEs which have typical souvenir shops of Ciwidey as places to sell Kalua, with different level of sales and earnings (see Figure 1).

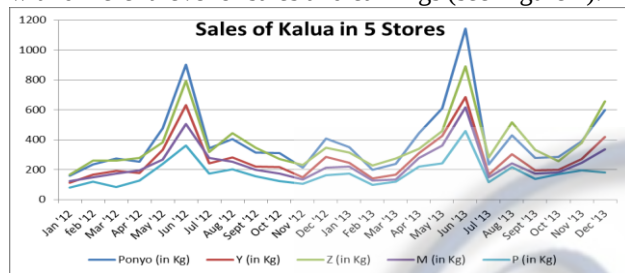


Fig. 1. Kalua Sales of 5 SMEs in 2012-2013
(Internal data, 2014)

Based on the chart above, it can be seen that the sale of the product is different every month or seasonal. Peak months or high seasons are in April, May, June, August, and December. It is because these months are the summer school holidays and the end of year holidays. Especially in August, there is the feast of Eid for Moslems, where the homecoming tradition is still very attached to the people of Indonesia.

Unfortunately, after conducting survey using Top of Mind measurement conducted in the early stages of research to 49 visitors of Kawah Putih in January 2014, there was low awareness' society. When they were asked about typical foods or gift from Bandung, there was a lack of awareness of Kalua itself, as seen from the Table 1.

Table 1
Potential Customers' Top of Mind Product from Bandung

Top of Mind Product Awareness	Score
Brownies	28,57%
Molen	24,49%
Peuyeum	10,20%
Batagor	10,20%
Milk Caramels	8,16%
Risoles	8,16%
Bandrek	6,12%
Kalua	4,08%

Source: Analysis, 2014

Based on measurements of TOM, it appears that Kalua is at the eighth position with a value of 4.08 %. This position is far below other competitors of food souvenirs in Bandung.

Another thing that caused the problems described before was the bad impression of Kalua itself. Based on early stages survey, it is shown that most of respondents

(76 %) said that Kalua did not interest them, from the taste, the shape, the color, the packaging, the price, etc. (see Figure 2)

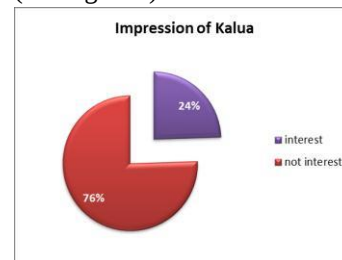


Fig. 2. Potential Customer's Impression about Kalua
(Internal data, 2014)

Seeing the success of OVOP as a program and the lack of OVOP program in Ciwidey, the author saw an opportunity that can be profitable for Kalua businesses in Ciwidey. Its existence as a typical food or souvenir from Ciwidey when driven with OVOP program will provide a large and positive effect to the sale of this product.

II. METHODOLOGY

A. Research Design

This was an exploratory study with quantitative research method. The primary objective of exploratory research was to provide insights and an understanding of the problem confronting the researcher. Data was obtained from interviews (by food testing), observations, ethnography, and secondary data.

B. Conceptual Framework



III. RESULTS

A. Marketing Mix Analyses

According to Philip Kotler (2007), marketing mix is a set of controllable variables that a firm can use to

influence the buyer's response. Marketing mix is usually used by companies to achieve marketing objectives in the target market.

Table 2
Summary of Marketing Mix Analysis

Variable	Result	Conclusion
Product	• Not tasteful product	Weak
	• There is not SOP for Kalua production	Weak
	• Not interesting packaging	Weak
Price	In between competitors	Good
Place	• Kalua does not placed prominently	Weak
	• Limited availability	Weak
	• Lack of parking lot	Weak
Promotion	• Not interesting signage	Weak
	• Not interesting brochure	Weak
	• Lack of external promotion	Weak

(Research result, 2014)

B. 5C Analyses



Fig. 3. The 5C/3V Framework
(Chernev, 2007)

The process of creating an optimal value proposition can be better understood when considered as a function of the underlying market structure. The resulting framework, illustrated in Figure 3, depicts the core marketing principle, that in order to achieve success, an offering should deliver superior value (relative to the competition) to target customers and collaborators in a way that enables the company to reach its strategic goals in a given context. By identifying the key factors comprising an offering's value proposition 3-V (Customer Value, Collaborator Value, Company Value) and linking them to the underlying market structure 5-C (Customers, Competitor, Collaborators, Company, Context/PEST), the value analysis framework offers a streamlined approach to evaluating an offering's competitive position in the market and developing a sound marketing strategy (Chernev, 2007).

Table 3
Summary of 5C Analysis in Ponyo

Variable	Result	Conclusion
Company	• Low market share	Weak
	• There is not SOP for service	Weak
Customer	• Low brand awareness	Weak
	• Low market share	Weak
Competitor	Lack of parking area	Weak
Collaborator	• Seasonal grapefruit from supplier	Weak
	• A lot of various product supplier	Good
Context	• has not use the Internet as a technological advancement for promotion	Weak
	• there is not new innovation for development product	Weak

Source: Analysis, 2014

C. STP Analyses

Table 4
Summary of STP Analysis

Variable	Result	Conclusion
Segmenting	Don't have a clear segmentation	Weak
Targeting	Don't have a focus target market	Weak
Positioning	Don't have a proper positioning	Weak

Source: Analysis, 2014

The marketing strategy would be less effective if the company does not know their customer and what should be offered in order to fulfill their needs. To maintain the demand of the product and increase the sales, the owner of Kalua Jeruk store should know what is their core competence compared to other competitors seen from customer's view.

D. Root Cause(s) Analysis

Based on the exploration of business issue through previous analyses, which covered the assessments of Marketing Mix, 5C, and STP analyses, it can be concluded that there were several weaknesses directly or indirectly caused sales growth of Kalua Jeruk Ponyo not to be in line with the growth of Kawah Putih's visitors.

Summary of root problems to be analyzed and looked for their solution is showed in Table 5 below.

Table 5
Weaknesses Summary of Kalua Jeruk Ponyo

No	Weaknesses	Basis of Analysis
1	Not tasteful product	4P - Product
2	There is not SOP for Kalua production	
3	Not interesting packaging	
4	Lack of parking area (smallest than competitor)	4P - Place / Competitor
5	Kalua does not placed prominently	
6	Limited availability of Kalua	4P - Promotion
7	Not interesting brochure	
8	Lack of external promotion	
9	Not interesting signage	Company
10	Low market share	
11	Low brand awareness	
12	Seasonal grapefruit from supplier	Collaborator
13	has not use the Internet as a technological advancement for promotion	Context
14	There is not new innovation for product development	
15	Don't have a clear segmentation	STP Analysis
16	Don't have a focus target market	
17	Don't have a proper positioning	

Source: Analysis, 2014

Finally, by mapping out the root problems in Figure 4, it is known that there were the absence of STP and the marketing communication planning activity, and the lack of product innovation, which were at the bottom of the problem list. Therefore, the company was expected to formulate an effective plan in delivering the right solution, especially in terms of increasing consumer awareness of Kalua so that it can increase the market share of Kalua.

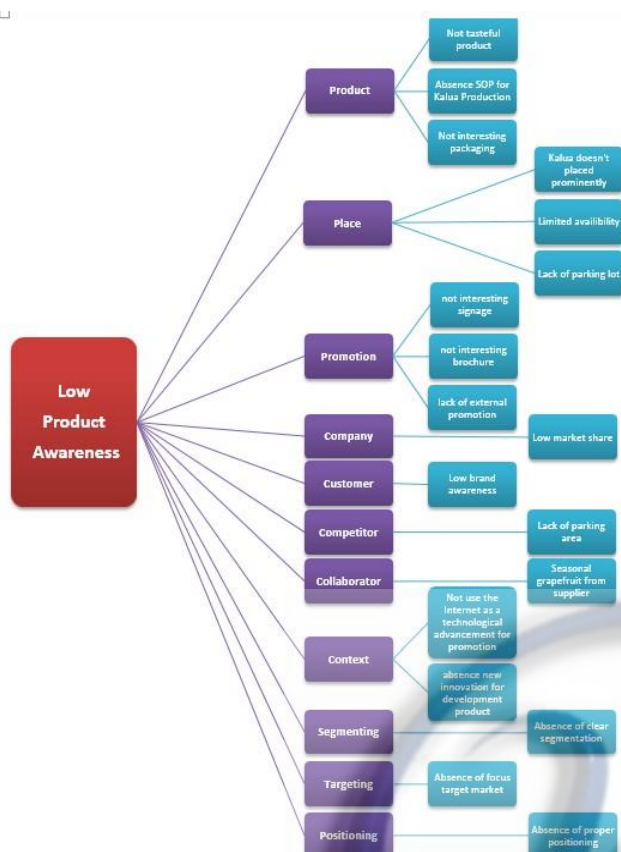


Fig. 4. Diagram of Root Cause(s) Analysis (Analysis, 2014)

IV. DISCUSSION

A. Proposed Business Solutions

The aim of those business solutions is to increase product awareness, makes association of Ciwidey is very close to Kalua, and in the end is increase market share of Kalua Jeruk Ponyo.

Table 6
Proposed Business Solution for Ponyo

Proposed Business Solution	Problem Number (Table 2.21)
Segmenting, Targeting, and Positioning	15, 16, 17
New Product and its Marketing Mix	1, 3, 4, 5, 10, 14
Integrated Marketing Communication with OVOP approach	6, 7, 8, 9, 10, 11, 13
SOP for Kalua Production	2
Create partnership with other business	12

Source: Analysis, 2014

The following is the detail of the business solution.

1) Segmenting

Table 7
Segmentation of Kalua Jeruk Ponyo

Variables	Identification
Geographic	All kind of visitors
Demographic	Age : 20-24 yo, 25-29 yo, 30-34 yo, 35-39 yo, and 45-49 yo Gender : Female and Male Education : Bachelor's degree and High School Occupation : Full-time workers (civil servants & teacher) and housewives Marital status: Marriage
Lifestyle	Social Class : SES B, C, and D
Behavior Pattern	Monthly Expense : Rp. 1jt - Rp.1.999.999,-, Rp. 2jt - Rp.3.999.999,- Transportation: Tourist Buses

Source: Research result, 2014

2) Targeting

The target market of Kalua Jeruk Ponyo is a customer or grouped customers based on demography (see Table 7) with social economy SES D, SES C, and SES B with monthly expense range between Rp1,000,000 to Rp3,999,999, who visit tourism objects in Ciwidey using tourist bus, especially tourist bus drivers as an agent or of customer.

3) Positioning

Kalua Jeruk Ponyo is a store that provides or sells Ciwidey's typical food made from grapefruit, both sweet and sour-sweet flavors, for customers or grouped customers from all genders. The customers' age ranges between 20 – 49 years old, with bachelor's degree and high school as the latest educations. Customers were married full-time workers (civil servants and teachers) and housewives with social economy background of SES D, SES C, and SES B with monthly expense range between Rp1,000,000 until Rp3,999,999 who visited tourism objects in Ciwidey using tourist bus, including bus drivers of the tourists as an agent or influencer of customer.

Tourist bus drivers as a priority target are a value proposition for Ponyo, because competitors do not give special treatment (10% incentive from sales) to the driver and do not use bus driver as an agent or influencer, so it could be a point of difference for Ponyo.

Not only positioning for company, Kalua itself must be positioned as a destination brand or association of Ciwidey as a result of OVOP approach by government.

4) Product Innovation

The aim of this research was to create new product of typical food made from grapefruit. The result of this research shows new products customers wanted as detailed below.

Table 1
New Product Indicators

Indicator	Description
Smell	Acid or citrus scents
Taste	Grape Acid, Orange Acid, Strawberry Acid, Durens Acid, and Melon Acid
Texture	Sticky outside, springy inside
Shape	Dice
Color	Purple or Violet, Yellow, Green, Orange, and Maroon
Weight	450 gr
Packaging	Tube

Source: Research result, 2014

The study result shows that the product should have acid or citrus scent with mix fruits taste, springy texture, dice shape, colorful, and package in a tube of 450 gr.



Fig. 5 Proposed New Product (Sonco) (Research documentation, 2014)

Price

The research result shows that price or willingness to pay of customers was mostly Rp30,000 for 450 gr of Kalua. In this indicator, packaging also gave influence for customers to decide how many rupiahs they are willing to pay for. So, the price suggested for 450 gr of Kalua is of Rp30,000.

Incentives

Incentive strategy called customer promotion strategy aims to gain new customers and retain existing customers. Marketing communications uses customer promotion performed by using the strategy of instrumental conditioning and operant condition, by means of giving reward with the intention making more consumer interest and loyal at the end.



Fig. 6. Favorite Incentive Strategy by Respondents (Research result, 2014)

Based on the results of research on customers and potential customers, it is known that the most attractive customer promotion methods considered by respondents were discounts and vouchers. It is also known that most customers preferred to get 5% discounts for every Rp.100.000,- minimum payments than coupon, voucher, or free product. So, the author suggested 5% discounts for every minimum payment of Rp100,000 as incentive in Kalua Jeruk Ponyo.

Not only for customers, incentive strategy is also applicable for bus drivers. Every year, they will give a jacket or T-shirt or a cap with the logo of Kalua Jeruk Ponyo. See the following estimated budget below.

Table 2 Estimated Incentives Budget for Bus Drivers		
Incentives	Frequency	Budget
Jacket	Once a year	$100 \times \text{Rp.40.000} = \text{Rp.4.000.000}$

Source: Analysis, 2014

Direct incentives also will be given every visiting Kalua Jeruk Ponyo with customers. They will receive 10% incentives from total sales for each buses.

B. Implementation Plan

Preceding chapters had provided the data and analysis for this research, and in chapter 3 the root causes had been identified as presented in Figure 2.41. These root causes has been analyzed in Chapter 3 and it resulted in the recommendations to overcome the root. Then this chapter will explain the implementation for each solution, especially about the actors, time-table, variables and budget needed in the implementation in order to make

those solutions going well and could increase the market share.

1) Segmenting, Targeting, and Positioning

The first root causes were the segmenting, targeting, and positioning issues. After conducting food testing research, known that Kalua Jeruk Ponyo has large potential customers. The following is the detail STP of Ponyo.

Table 9
STP of Ponyo

Segmenting	Geographic	All kind of visitors
	Demographic	Age : 20-24 yo, 25-29 yo, 30-34 yo, 35-39 yo, and 45-49 yo Gender : Female and Male Education : Bachelor's degree and High School Occupation : Full-time workers (civil servants & teacher) and housewives Marital status: Marriage
	Lifestyle	Social Class : SES B, C, and D
	Behavior Pattern	Monthly Expense : Rp. 1jt - Rp.1.999.999,-, Rp.3jt - Rp.3.999.999,- Transportation : Tourism Buses
Targeting	Customer or grouped customers based on demography with social economy SES D, SES C, and SES B with monthly expense range between Rp.1.000.000,- until Rp.3.999.999,-, who are traveling to the tourism object in Ciwidey using tourist bus. Especially tourist bus driver as agent or influencer of customer.	
Positioning	Kalua Jeruk Ponyo is a store that offers or sells Ciwidey's typical food made from grapefruit - sweet and sour-sweet flavor - for customers or grouped customers with all gender, ages range between 20 - 49 years old, latest educations are bachelor's degree and high school, full time workers (civil servants and teacher) that has been married and housewives with social economy SES D, SES C, and SES B with monthly expense range between Rp.1.000.000,- until Rp.3.999.999,-, who are traveling to the tourism object in Ciwidey using tourist bus. Especially tourist bus driver as agent or influencer of customer.	

Source: Analysis, 2014

2) Product innovation

The second root cause was product issue. To overcome this problem, the author conducted food testing research in order to gain customer profile and their behavior and also to test the new product and gain information or responses about new product.

This food testing research was conducted from March 22nd, 2014 until April 13th, 2014 in Kalua Jeruk Ponyo store in Ciwidey. The result has been described in the previous chapter.

3) Ponyo's Marketing Communication

Planning of marketing communication activities carried out within a period of 1 year starting in April 2014 until April 2015, but the evaluation of the marketing communication activities carried out every 3 months. The scheduling planning marketing communication activities was planned as follows:

Advertising

Advertising activities scheduled were through signage, banners, brochures, internet, and radio. These functions were considered in accordance with the company's target consumer.

Table 10
Advertising Schedule Planning

Activity	2014												2015											
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Signboard & Banner																								
Brochure																								
Internet																								
Radio																								

Source: Analysis, 2014

Events and Sales Promotion

Execution of sales promotion and events programs focused on customer promotion and was scheduled to be held alternately in one year, but more focused, especially during peak seasons.

Promotion

The events were divided into two, regular and thematic events. The regular event consists of the events from sponsorship, firm, event organizer, school, college or communities. Regular events were held to entertain visitors and customers every week in one month. Thematic events was the main event in Kalua Jeruk Ponyo. The events were held as mentioned before, providing shopping and entertainment experiences to customers. The theme of events were adjusted with national, regional, and religious holidays.

Based on the analysis conducted previously, it can be calculated the total budget for promotional activities were as shown below:

Table 11
Implementation Plan of Events and Sales Promotion

Activity	2014												2015											
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Summer Holiday																								
Ramadhan & Eid																								
Kalua Jeruk Ponyo Birthday & Independent's Day																								
End of Year & New Years Eve																								
Chinese New Year																								
Bandung Birthday																								

Source: Analysis, 2014

Estimated cost to be incurred within the budget of this program was Rp1,780,000 per month, the budget estimation was in accordance with the budget provided.

B2B Government Program (OVOP Program)

Government also took part in the implementation of B2B cooperation for the success of OVOP program in Ciwidey. The following is the detail program planning about the initiation of OVOP program.

After being launched, the program should be held in promotion activities in order to promote that Kalua as a typical brand of Ciwidey. The following was the schedule.

The authors hope the application of the OVOP program to Kalua in Ciwidey, will increase the awareness about the product, increase sales, and ultimately make the community association on Ciwidey become very familiar with Kalua, as Sumedang City with its Tahu (Tofu) and Malang with apples.

V. CONCLUSION

Kalua, as typical food from Ciwidey, receives low awareness level from the society. It is hopeful that OVOP program could increase product awareness and in the end increase market share. Several proposed business solutions were created, such as; create segmenting,

targeting, and positioning of Ponyo; create new innovation product namely Sonco (Kalua sour-sweet version); create communication channel as promotion activity; and partnership with other grapefruit supplier. Moreover, the collaboration with government to make this OVOP program succeed is very important in order to solve the problems and increase the market share of Kalua.

ACKNOWLEDGMENT

This research is dedicated for SMEs in Ciwidey, especially Kalua Jeruk Ponyo that has supported author with abundance of data, either prime or secondary data, and for the very welcoming cooperation.

The author would also thank to all reviewers of WISS 2016 and last but not least, the honorable Mustika Sufiati Purwanegara as mentor, a person who gave expert scientific guidance and meaningful discussions.

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