



## Marketing Strategy of Foreign Construction Company in Indonesia

Yan Dong

Universitas Pelita Harapan, Indonesia

E-mail: [dongyan611@gmail.com](mailto:dongyan611@gmail.com)

Article Info	Abstract
<b>Article History</b> Received: 2022-11-22 Revised: 2022-12-20 Published: 2023-01-01  <b>Keywords:</b> <i>Foreign Construction Company;</i> <i>Marketing Strategy.</i>	The purpose of this study is to analysis the role of marketing strategy at foreign construction company in Indonesia. This study using qualitative research with participants of PT Pengembangan Industri Logam to make mini model. Mini-model theory was obtained that displays four (4) latent variables that determine the success of marketing strategy. Mini Model Theory which product quality, product price, word of mouth marketing and government policy. Product price and government policy negatively affects marketing strategy. This study result 4 latent variable from data collection which are product quality, product price, word of mouth marketing and government policy. From the coding process known that product price and government policy give negative effects on marketing strategy.
Artikel Info	Abstrak
<b>Sejarah Artikel</b> Diterima: 2022-11-22 Direvisi: 2022-12-20 Dipublikasi: 2023-01-01  <b>Kata kunci:</b> <i>Perusahaan Konstruksi Asing;</i> <i>Strategi Pemasaran.</i>	Tujuan dari penelitian ini adalah untuk menganalisis peran strategi pemasaran pada perusahaan konstruksi asing di Indonesia. Penelitian ini menggunakan penelitian kualitatif dengan partisipan dari PT Pembangunan Industri Logam untuk membuat model mini. Didapatkan teori model mini yang menampilkan empat (4) variabel laten yang menentukan keberhasilan strategi pemasaran. Mini Model Theory yaitu kualitas produk, harga produk, pemasaran dari mulut ke mulut dan kebijakan pemerintah. Harga produk dan kebijakan pemerintah berpengaruh negatif terhadap strategi pemasaran. Penelitian ini menghasilkan 4 variabel laten dari pengumpulan data yaitu kualitas produk, harga produk, pemasaran dari mulut ke mulut dan kebijakan pemerintah. Dari proses coding diketahui bahwa harga produk dan kebijakan pemerintah berpengaruh negatif terhadap strategi pemasaran.

### I. INTRODUCTION

The current era of globalization makes business actors required to compete in winning market share. This competition is not only carried out by one sector, but is carried out by all business sectors. In Indonesia itself, there are several business sectors that are divided into several groups, namely, the agricultural sector; consumer goods industry; financial; basic and chemical industries; infrastructure, utilities and transportation; trade, services and investment. According to global data, Indonesia's construction sector is expected to experience growth of 7.2% in 2022, which can be a significant growth when compared to 2021 with an increase of only 3.1%. Construction activities are a very important service field for Indonesia for the time being, this is in line with the existence of government programs that are determined to prosper life community. Construction services activities are defined as efforts to realize, maintain, change, improve, complete or destroy structures and their completions, as well as rebuild a building, structure, facility, system or other physical form as property or infrastructure that involves a

constructing supply chain ranging from the goods industry, construction materials, construction technology and equipment and construction labor.

Construction companies certainly have their own advantages in running their business. This does not only apply to national companies, but also applies to foreign companies in Indonesia. Along with the rapid development of national infrastructure, many foreign companies or business entities have sprung up to compete with national companies or business entities belongs to the government. Marketing management has a very strong relationship with external factors of the company. Not only does it serve as an analysis of existing opportunities, but it also serves as a whole to win the competition. The marketing strategy is to bridge the relationship between the company and its consumers. Another role is as a facilitator of the process of identifying product opportunities, defining market segments and identifying customer needs. As a foreign company in Indonesia, having a good marketing strategy is one of the mandatory things for companies. With this strategy, the

company is expected to compete with other foreign and local business who already dominate in the field of construction services. Marketing strategies are used by companies to achieve the strategic goal of competitiveness and high profitability.

## II. METHOD

This research uses qualitative research to understand phenomena. This research will be conducted at one of the foreign construction companies in Indonesia, namely PT Pengembangan Industri Logam located in Jl. DR. Ide Anak Agung Gde Agung No.6.2, RT.5 / RW.2, Kuningan, Karet Kuningan, Setiabudi District, South Jakarta City, Special Capital Region of Jakarta 12940. In terms of data collection, researchers use three methods, namely interviews, observations and documentation.

## III. RESULT AND DISCUSSION

This study result 4 latent variable from data collection which are product quality, product price, word of mouth marketing and government policy. From the coding process known that product price and government policy give negative effects on marketing strategy. Product quality according to Kotler and Keller (2016:37) is a product's ability to perform its functions which include durability, reliability and accuracy obtained by the product as a whole. With good quality, the company can provide consumers with satisfaction with the services that have been provided. According to Tjiptono (2014) price is the only factor in the marketing mix that provides income or income for the company. Price is a unit of value contained in a product or service that can be exchanged in the form of money to achieve company goals. Word of mouth marketing usually occurs when consumers talk about the service, brand and quality of the product used to others. Sunyoto (2015) said that word of mouth is an activity where customers talk about their experience of a product or service to others, this strategy is a suggestive reference and is a simple and efficient strategy.

The government as the policy provider has made regulations in the Regulation of the Minister of Public Works and Public Housing of the Republic of Indonesia Number 03 / PRT / M / 2016 concerning Technical Guidelines for Granting Construction Services Business Licenses for Construction Services Business Entities of Foreign Modes of Planting Construction Services. Where this aims to improve the ability of the

national construction services business and increase foreign investment in the construction sector. A Foreign Construction Services Business Entity is a construction services business entity established under the laws of a foreign country.

## IV. CONCLUSION AND SUGGESTION

### A. Conclusion



**Figure 1.** Mini Model Theory Regarding Marketing Strategy of PT Pengembangan Industri Logam

After conducting qualitative research by applying the triangulation theory, the researcher obtained a mini-model theory that displays four latent variables that affect the marketing strategy of foreign construction companies in Indonesia, namely: (1) product quality, (2) price, (3) word of mouth, (4) government policy. In its implementation, prices and government policies contribute negatively to the company's marketing strategy. This is due to the complexity of existing policies that make the company's activities hampered. And also the selection of goods at the right price is also considered to be an obstacle in the marketing strategy carried out by the company.

### B. Suggestion

This research has limitations, which is pandemic conditions that make communication with sources difficult due to the policy to work from home. In addition, PT Pengembangan Industri Logam is a foreign company that can be said to be new, so observations cannot be carried out optimally. In addition, this research can also still be developed into other studies. So that for the next research, it is hoped that it can continue research by conducting hypothesis tests or researching repeatedly in order to get a grand theory.

**DAFTAR RUJUKAN**

- Danang, Sunyoto. 2015. *Strategi Pemasaran*. Yogyakarta: Center for Academic Publishing Service (CAPS)
- Dannyanti, E. 2010. *Optimalisasi Pelaksanaan proyek dengan MetodePERT dan CPM (Studi Kasus Twin Tower Building Pasca Sarjana Undip)*
- Dharmesta, Swastha Basu. 1996. *Azas-Azas Marketing*, Edisi 3. Liberty: Yogyakarta.
- Erivianto, W.I. 2002. *Manajemen Proyek Konstruksi*, Penerbit Andi, Yogyakarta.
- Fandi, Tjiptono. 2014. *Service, Quality & Satisfaction*. Edisi 3. Yogyakarta: Penerbit Andi.
- Kotler, Philip and Kevin Lane Keller, 2016. *Marketing Managemen*, 15th Edition, Pearson Education, Inc.
- Kotler, Philip; Armstrong, Garry, 2008. *Prinsip-prinsip Pemasaran*, Jilid 1, Erlangga, Jakarta.