

PRODUCT DEVELOPMENT STRATEGY OF HEIMA SUPPLY

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Abstract. In order to survive in a fast-paced fashion industry, a company must be able to listen to what their customers desired. Customers' demand for a desirable will always changing, and thus a company must be able to keep up with the ever-changing demands. HEIMA is a fashion industry, which focuses on bags. Established in 2016, HEIMA aims to become a leader in Indonesia's bag-maker industry. Quality and consistency is what they are holding high. But after launching its first product, HEIMA realize that the plan they had built at the beginning did not go as planned. The sales was low because the product did not meet the targeted markets' expectation. Buyer persona analysis and Pearson's New Product Development Process are the methods believed to be the answer to find the right product for the suitable customers. This research uses a qualitative research. By interviewing 20 people, which are chosen by using a purposive sampling, the researcher will then ask the respondents about the product they desired. The outcome of this research will be the researcher find the product that is desired by the customers, what personas suit the product, the marketing strategy, business analysis, and the acceptance of the newly developed product.

Keyword: New Product Development Strategy; Buyer Persona Analysis; Fashion Industry

Introduction

The term "fashion" is used both by practitioners and academics to generally indicate an industry that includes several sectors, from textile to clothing, from leather to knitwear, accessories, sunglasses, cosmetics and jewelry. Each of these sectors shows different characteristics and can be further divided into different competitive segments, characterized by company's dimensions, served customers and markets and applied technologies (Saviolo, S., Testa, S., 2005).

Intense and dynamic competition is what characterized the fashion industry, as a result of which participants are obliged to develop innovative structures and processes supporting market growth, maintaining competitive advantage, and exploiting new product sectors and consumers (Lewis and Hawksley, 1990; Birtwistle and Freathy, 1998; Moore and Fairhurst, 2003; Kay, 2006), therefore enhanced responsiveness to market demand, or close connection to market desire is crucial to the fast fashion model (Christopher et al, 2004).

HEIMA is a fashion brand established on November 2016 that specializes in producing bags and carriers. The idea of creating this company started from a simple conversation of how to promote Indonesia's cultural heritage through high-fashion goods. HEIMA focuses on people with high adventure spirit, because HEIMA believes that those people require something that can represent their spirit of adventure and their own personal view towards their life's journey. Besides that, HEIMA also focuses on fashion enthusiast, leather enthusiast, and cultural enthusiast.

In the beginning of 2017, HEIMA has created its first product, a backpack than can carry a 15" laptop, alongside other essentials. Made out of goatskin, with synthetic leather as its interior, HEIMA positions them as a high-end bag maker. The problem related to the brand is that According to HEIMA's financial report, the selling of their first product was not as smooth as they had planned in the beginning. One of the reason why their first product (eyre) had not meet their early expectation is because the buyer are mostly did not come from their targeted market.

In order to create a product, which suits the target market, HEIMA must first know what the customer really need. By doing so, it'll ease up their next move to market and commercialized the product. One of the methods that can be used to determine the market need is through New Product Development (NPD) analysis. The end result and also the main purpose of this research are to analyze customer's preferences towards bags / carrier and the analysis will further be used to determine what type product best suits the target market.

In the fashion industry, NPD is a dynamic process characterized by a high seasonal demand, which depends on the seasonal nature of fashion products. The entire NPD process runs at least two times per year, one time for each season and with short Time-To-Market (i.e., 15 months in the apparel industry, 12 months in the leather industry). Several product revisions occur, with continuous interactions among designers, stylists and marketing functions (Sen, A., 2008).

Literature Review

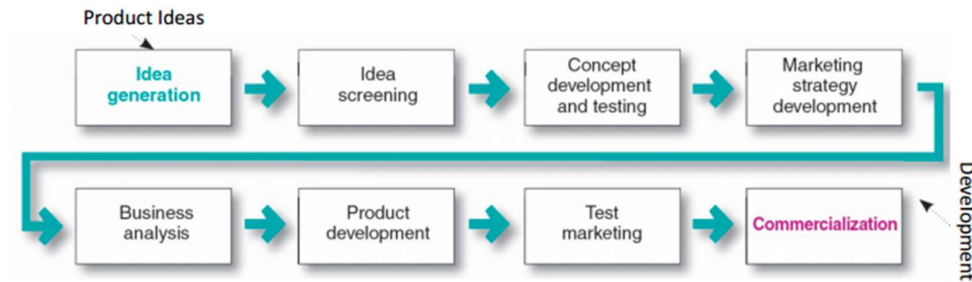
Fashion Industry in General

Fashion is a marker of lifestyle changes in one period, which cannot be separated from the historical development of life, human culture, and rapid technological progress. Fashion is something that shows change as well as opposing past existence and leading to pioneering, not followers (Servewright, 2007: 160). Fashion which is a term from the English language can mean clothing or clothing (Peter, 1987) and talking about clothes is talking about something very close to the human self, as quoted by Idi Subandi Ibrahim (media and pop culture researchers in Malcolm Barnard , Fashion and communications, 2007). Omas Carlyle says that clothing is a "symbol of the soul". Still according to Idi Subandi Ibrahim: "clothing can not be separated from the historical development of human life and culture".

Pearson's New Product Development

The future of a company can be shaped by the development of a new product in the company. Furthermore, a company's life can be transformed by these new product and services. But looking at the success rate of the new product development, it can be said that the challenge that a company faced in new product development process is very big. The managers have to face with not only the creativity of innovation, but also sometimes challenge the industry's norm in order to fulfill customers' desire. New product development, according to Pearson, has a process in which has to be done in order to fully understand the customer's desire and therefore be able to create a product that suits the customer's desire. (Pearson Education Inc., CH 9, 2012)

Major Stages in New Product Development



Conceptual Model and Methodology

In conducting a research, a conceptual research can guide a researcher by providing a visual representation of theoretical construct of interest. To begin a conceptual model design, the researcher conducts a thorough review of the literature. The next for the researcher is to organize the literature around the topic. Based on the theory, the researcher then begins to develop research question or objective. The main focus of this research is to assess Pearson's New Product Development Process. In this research, the main problems are; which product is desirable by the targeted market, what type of business strategy suitable for the product, and what are the acceptance of the new product which being developed after knowing what the target market desired.



Because of this research focuses on the question of “what”, “how”, and “why” instead of “how many” or “how much”, the researcher decided to use qualitative method on this study. “Qualitative research is characterized by its aims, which relate to understanding some aspect of social life, and its methods which (in general) generate the understanding in the form of words, rather than numbers, as data for analysis”. In collecting the data, the researcher will be conducting two times interview, using the same sampling population. The first is to determine what kind of product desirable by the customers, and the second is to validate the prototype that has been made based on the data collected from the customers.

Findings and argument

Ideas

For the male respondents, they choose backpack and messenger bag because of its ability to carry lots of stuff in one place. They choose synthetic and real leather for the main material because of the exclusive looks and durability. For the size preferences, majority that the size they prefer would be a medium size. As long as it is not too big, and can fit their 13"-15" laptop. For the function itself majority said that they just want the bag to be able to carry their goods, so they don't have to bring extra carrier.

As for the female respondents, they choose backpack and tote bag / handbag because of its versatility. They choose light material like canvas and leather for the main material because of it's easy to combine the material with their outfit and for its durability. For the size preferences, they would like the bag to be not too big, as long as they can fit their belongings inside, but not necessarily a laptop. For the main function, they are mainly after the bag for its versatility. They wanted the bag to fit their belongings and to match their outfit, but mostly to bring their goods.

Marketing Strategy

For the male respondents, they prefer to buy the bag offline because they wanted to feel the material and see all the features. They also want to see how the bag fit their looks. And for the place of purchase, they prefer to buy it at the brand's own store because they would like to see other options from the brand and also to show the brand's 'character'. For the social media, they expect full information of the product in the social media. They also expected photos of the product used in real daily activities, so that they can measure the size of the bag and also the outfit suitable with the bag. Other than that, they expected further info about promotions or an upcoming event for the product. About the source of information, majority said that they receive most of the information for social media.

For the female respondents, they prefer to buy offline because they have to see the product directly. Most of them also did not believe the product sold online because it can be deceiving. For the place of purchase, they prefer to buy a bag in a retail store i.e. Goods Dept., Widely Project, etc. because they would like to see other brand as a comparison. For the social media, they expect useful information about the product, including the features and how people use it in daily activities. One point they often said is that they also pay attention to the content of the social media. It's not always about the product, but also the value that the company delivers

Business Analysis

After asking about their preferences of desired product, the researcher then create the product and show it to the respondents. After seeing the developed product, the corresponding price for the male respondents is Rp 750.000,00 to Rp 1.000.000,00. As for the female respondents, after seeing the developed product, the corresponding price is Rp 600.000,00 to Rp 1.000.000,00.

Product Acceptance and Commercialization

After seeing the developed product, 8 of 8 male respondents said yes to the developed product. And for the preferences in when they will buy the product, there are no specific preferences of time in buying the product. But for addition, some said that a promotion or a special offer would boost their desire in buying bags.

Similar to the male respondents, after seeing the developed product, 6 of 7 female respondents said yes to the developed product. And for the time-of-buying-the-product preferences, there are no specific preferences in buying the product, although the decision will be easier to made if the product was displayed in an event or in a marketplace i.e. Pop-Up Market, etc.

Conclusion

This research aims to determine the suitable a bag product that are desirable for customers and the suitable buyer persona for the product. This research also aims to determine the suitable marketing strategy of the product and the business analysis for the product. The last, this research aims to determine whether the customer accepts the developed product or not.

To answer all of the research objectives, the researcher used qualitative research, considering those objectives are questioning “what”, “how”, and “why”, instead of “how many” or “how much”. The data collected through a two-stages interview. The first was to determine what personas suitable for the product and the kind of product desired by the selected personas, and the second was to validate the prototype that has been made based on the data collected from the previous interview, alongside with its business analysis commercialization plan. In order to validate the data, 20 people were interviewed. Those 20 people include 10 male and 10 female respondents. The respondents were chose using purposive sampling. The researcher chooses the sample based on the researcher own judgment and knowledge.

After conducting an interview, the researcher found out that there are 4 types of persona within two genders of the targeted market. These personas were not identified at the start, as it is just been discovered after this research was conducted. Each gender has two types of persona. The difference between personas was often caused by the preferences in using a bag. One persona was more of the function of the bag, and other was more of the look / the design of the bag. The researcher then continued the research by filtering 2 personas. Those personas were chose from each gender. For the male, the reason why it was eliminated is because the first buyer persona type did not pay much attention to the bag they use. They rarely buy a new bag. Therefore it was not suitable for further research. For the female type, the reason why the first type persona was eliminated was because this type did not put interest in local brand. They prefer to buy a well-known international brand. Therefore this type did not match the suitable persona for this research

After filtering the personas, the researcher came up with 2 personas. Type 2 male personas came up with the idea of creating a backpack, a synthetic leather backpack, with features that can hold small items inside the bag. So they want the bag to have compartments inside it. They also want to have a slot for carrying laptops, since the majority of the respondents are college students and private employees. The reason behind creating a backpack is because all of the respondents prioritized function over model. Even though some prioritized the type, the majority agreed that they are prioritizing the function. Synthetic leather was then used to counterpoise the ‘rough’ look of a backpack. This was done to fulfill the need of fashion. The type 2 female respondents came up with the idea of creating a small backpack, which contains compartments inside the bag to accommodate their small items i.e. wallets, hand phone, etc. The material used in the bag is real leather, because majority of them agreed that the bag needs to be both useful and stylish, so that they can use it for any occasion without having to switch bags.

Both type of personas have the same preference towards buying the product. They were both preferred buying the product offline. Their main reason was because they need to see the product directly and feel the material. Other reason was for them to able to see if the size and the model fit well with their outfit preference. The difference was the male respondents prefer to buy it in the brand own store, as the female prefer to buy it in a retail store. Male respondents prefer it that way because they wanted to see other option offered by the company. They also think that companies that have their own store have more characteristic than those who don’t. As for the female, they wanted to see other option from another brand.

That's why they prefer to buy it a retail store. Therefore, an offline store and consignments with retail stores will be in the future plan to fulfill the customer's demand. For the social media, both personas want complete information about the product being sold. This includes the explanation of the features contained within the bag, and also how would the bag fit when being used in daily activities. Other than the product, both personas also want the social media to not just display the product, but also deliver its value to the customer. This could include some pictures related to the company's value, etc. Therefore, a planning about the content of the social media will be amongst the top priority in marketing plan. Other plan was to sign a deal with a public figure to become an endorser for the product.

Considering the results above, in the future, HEIMA will create a timeline, focusing on a three-month planning. In the timeline, the plan includes production plan, marketing plan, and commercialization plan. In the production plan, the researcher will measure the time needed to collect the raw material, assembling the product, and managing the storage. In the marketing timeline, the objective will be to post content on Instagram account, conducting a photo-shoot and a video shoot, which later will be posted in the Instagram account, and the last is to sign deals with some public figures regarding endorsement deals. The Acceptance of New Product

Based on the second stage of the interview, 8 of 8 male respondents said 'yes' to the developed product. They usually don't have preferences in time of buying the product. They will buy it if they feel they want to or they need to. Although some also said that a discount or promotion will boost their desire to buy the product.

For the female respondents, 6 of 7 said yes to the developed product. They do not have preferences in the time of buying. But majority said that they would make a decision much faster if they see the product in an event or a bazaar.

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