

# **CHAPTER I**

## **INTRODUCTION**

### **1. 1. Background of the Project**

From day to day, products in the market become more various and innovative. Many products come up with their own strengths and weaknesses. This situation creates a competition in the market. To overcome this situation the products have to possess competitive advantages in order to win the market. It is the Marketing Department duty to make people aware of this value offering. This duty has to be done by retail stores companies such as Starbucks Coffee Company.

One of the task of marketing is to use the creative strategy of marketing mix so that it can fulfill the needs of the consumers and in the end it can create satisfaction for the target market chosen by the marketers. There are 4 elements of marketing mix: Product, Price, Place and Promotion. In this thesis, I will focus only on one element of marketing mix, the promotion element.

Promotion can be called the communication function of marketing. By doing the promotion, marketers can deliver message to the target market in order to inform the value offering of certain products. One of the

promotion tools is the promotion mix. According to Belch & Belch (2004:16), promotion mix is the combination of advertising, personal selling, publicity and public relations, sales promotion, direct marketing, and interactive/internet marketing.

However, I would like to be more focused on the advertising point in this project. Advertising itself is not effective if it does not have the right media for the product target market. Thus, the media chosen is needed to be considered carefully. There are several media advertisers can use such as: print ad, electronic media and outdoor media. Outdoor media can be in several forms, for example: signs, banner and billboard.

Starbucks Coffee, a world famous coffee company which has opened its retail stores in Indonesia is also an outdoor media user. The media they have already used is sign. Based on my observation and interview with Starbucks Manager, in promoting their products in Indonesia, Starbucks Coffee have several media, namely: on the spot signs, brochure, website, Starbucks merchandise and Word of Mouth (WOM).

In this thesis, I choose to make an innovative billboard for Starbucks Coffee Company in order to promote the products sold in their retail store in KM 19 Jakarta-Cikampek Toll Road, which is opened in the year 2005. This idea of selling coffee in the toll road is very good indeed as coffee and toll road is connected. Based on the data I get from [www.infotol.astaga.com](http://www.infotol.astaga.com), sleepy drivers are the second highest cause of toll road accident in the period of 2005 until January 2006 and caffeine

contains in coffee are very effective to reduce sleepiness ([www.psychologytoday.com](http://www.psychologytoday.com)).

However, as a famous company, Starbucks does not have any promotion media along Jakarta-Cikampek toll road to advertise the products sold except on the spot sign in front of the retail store. Whereas, in my opinion, Starbucks needs an information media in front of the toll road to tell people about Starbucks store existence in KM 19 Jakarta-Cikampek Toll Road. Based on the above facts, I decide to make a billboard for promoting Starbucks Coffee Retail Store in the toll road.

I believe that billboard will be very effective since the target market of this store is already segmented and billboard itself has few advantages such as its wide coverage of local markets and flexibility in geographic. "If a billboard is put in the proper place, a broad base of exposure is possible in local markets, with both day and night presence, also a billboard can be placed almost anywhere that laws permit" (Belch & Belch, 2004: 416-417). Besides, this billboard will help the company to give the passers-by information and persuade them to buy Starbucks Coffee when driving through the toll road, so that the company can keep old customers and hopefully it can attract new customers.

## **1. 2. Project Identification**

The billboard that I create is 4 x 8 meter. There is a 3-D shape of the Starbucks mug on the billboard. I intend to put the 3-D shape to attract people's attention as most billboards right now are in the same flat

surface. The color of the Starbucks mug is white with Starbucks logo in green. There will be another 3-D item in the shape of a speech bubble coloured white with black text with questioning word: “NGANTUK?” for the headline put next to the mug. The size of the mug will be 1.5 M x 1.92 M and the speech bubble will be in the size of 1.92 M x 2 M.

### **1. 3. Objectives**

The aim of this project is to give information and urge people to buy the product sold in Starbucks Coffee retail store in KM 19 Jakarta-Cikampek toll road and keep loyal customers and make new customers.

### **1. 4. Layout of the Thesis**

The thesis starts with the Abstract, a concise summary of the entire thesis in Indonesian. This abstract is followed by the Preface, in which I acknowledge the work and contribution of other parties. After that is the Table of Contents, followed by its 3 chapters:

Chapter I is the introduction to the analysis

Chapter II contains the literary research

Chapter III deals with the Project Realization

In the final part, I present alphabetically the Bibliography.