

## Differentiation Of Marketing Strategies To Increase Sales Volume CGV Kediri Mall

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### Article Information

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#### **Abstract:**

**Research aim:** This research aims to identify and analyze differentiation in marketing strategies at CGV Kediri Mall.

**Design/Method/Approach:** Using qualitative descriptive research methods, data was collected through interviews, observation, and analysis of research-related documents. In this research, the data source comes from the marketing strategy differentiation process while the research object is CGV Kediri Mall.

**Research Findings:** The findings in this research reveal how differentiation elements, especially product and customer service, in marketing strategies can increase sales of CGV Kediri Mall.

**Theoretical contribution/Originality:** This research contributes theoretically by aligning the findings with relevant marketing theories and models, providing insight into the effectiveness of differentiation strategies.

**Practitioner/Policy implications :** Practical implications include recommendations for optimizing differentiation strategies, enhancing brand image, and gaining competitive advantage.

**Research limitations:** The main focus of research is product and service differentiation in increasing sales.

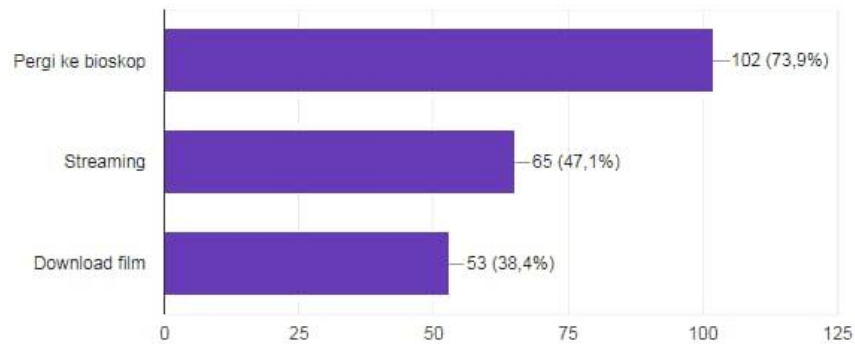
**Keywords:** CGV Kediri Mall, differentiation, sales, marketing strategy.

### 1. Introduction

The development of the entertainment and cinema industry in Indonesia is experiencing very rapid growth, based on data from filmIndonesia.or.id the number of cinemas reached 500 units as of January 13, 2023[1]. The large number of cinemas is also based on people's lifestyles in how they consume films. There are various ways to watch and enjoy films, namely downloading or downloading films, streaming, and watching in the cinema. However, watching films by going to the cinema is more popular, this is proven by the survey results shown in Figure 1 below.

Lebih suka menonton film dengan cara?

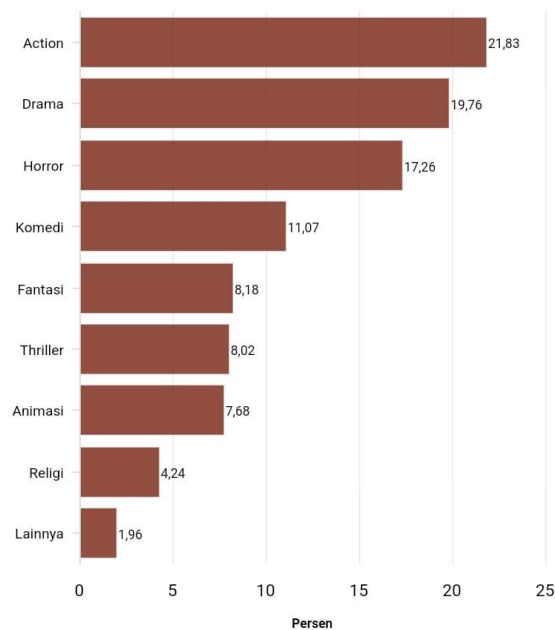
138 tanggapan



**Figure 1.** Viewing Survey Chart

Source: RumahMillennials.com

Based on a survey conducted by RumahMillennials.com, 138 respondents took part in a survey regarding their hobby of watching films. From the results of a survey discussing "Which way do you prefer to watch films?" as many as 73.9% choose to go to the cinema, as many as 47.1% watch by streaming, and 38.4% like to watch by downloading films[2]. From this data, it is known that watching films by going to the cinema is preferred by 73.9%. Films screened in cinemas have many genre choices, one of which is genres such as cinema, drama, horror, comedy, fantasy, thriller, animation, religion, and others. Action genre films are the most popular among film lovers as proven by the survey results in Figure 2 below.



**Figure 2.**Film Genre Chart

Source: Databox

These results are in line with the increasing number of domestic and foreign films showing in cinemas. According to Databoks, during 2020 cinema screenings in Indonesia were dominated by action genre films with a percentage of 21.83%. In second place is the drama genre with a screening percentage of 19.76%. Then in third position is the horror genre at 17.26%. If broken down by island, the most screened action genres are as follows. Cinemas in Java with a percentage of 21.41%, in Kalimantan with 29.67%, and in Sulawesi with 24.7%. [3]. To make the viewing experience more memorable, cinemas usually provide facilities or properties that suit the genre, for example, horror films will have related properties.

Cinema companies offer various facilities to attract customers. Therefore, various cinema companies are competing to provide an unforgettable viewing experience for their customers. In the cinema, the audience will be treated to a large screen, sound effects that feel like they are in the film, and comfortable seats for watching. In the cinema, viewers will also be offered to buy popcorn, drinks, or other food that has been provided.

According to Akurat.co, there are 6 popular cinema companies in Indonesia, namely Cinema XXI, CGV, Cinepolis, Fic Cinema, Platinum Cineplex, and New Star Cineplex [1]. Each of the 6 cinemas has its advantages in attracting customers, starting from Cinema XXI which has an IMAX cinema type (Islamiati, 2022) or it could be called Image Maximum which can display films with greater resolution, CGV with 4DX cinema type [5] which provides the effects of moving chairs, wind, flashlights, fragrances, and snow, Cinepolis with a Macro experience a modern and elegant concept.

Kediri is one of the cities in East Java whose people like to watch cinemas as evidenced by the presence of 3 well-known cinemas, namely Golden, XXI, and CGV. CGV or Cultural Great Vital is present in Kediri which is located in one of the malls, namely Kediri Mall. CGV is also one of the most popular cinemas in Indonesia, with 70 cinemas spread across Indonesia [6].

In this increasingly fierce competition, CGV is required to think creatively, innovatively, and differently. If these three factors are not implemented properly, there will be a risk of bankruptcy and loss of competitiveness. When new competitors emerge in the market it should not be ignored, as their high level of knowledge and increased market accessibility, can help them enter the market easily and outperform incumbent players.

CGV must design an effective marketing strategy. Efforts to achieve marketing goals start from within the company, especially through improving the products offered by CGV. In this context, the appropriate strategic choice is product differentiation, which refers to the process of adding meaningful and valuable differences to CGV products to differentiate them from other products provided by competitors.

Kotler[7]indicates that product differentiation is a company strategy to offer products with better, faster, and more economical advantages compared to competitors' products, to create higher value for consumers. In Kotler's view [7]. Differentiation is an effort to design significant differences to differentiate a company's offerings from competitors' offerings. Moreover, Kotler[7]emphasizes that companies can differentiate in five dimensions, namely products, services, personnel, marketing channels, or image. The importance of differentiation lies not only in the differences themselves but also in the sustainability of these differences over a long time [8].

Differentiation marketing strategy is an approach in which a company creates and offers products or services that have uniqueness or differences that consumers consider valuable. One of the goals of differentiation is to create an image for the company that makes it different and better than others[9].

By creating advantages recognized by the market, companies hope to differentiate themselves and build a strong brand image. Differentiation can cover various aspects, including product quality, features, design, brand image, customer service, and other elements that provide added value[7]. The success of a differentiation marketing strategy depends on a company's ability to create differences that consumers can recognize and appreciate, thereby creating a preference for their products or services compared to competitors. Entertainment companies have quite tight competition as evidenced by the number of cinemas in 517 locations with 2,145 screens spread across 115 locations in Indonesia.[10]. With this number of cinemas, companies must form an effective marketing strategy.

The main goal of implementing product differentiation is to create and retain customers[11]. In connection with building this customer base, CGV must conduct an in-depth analysis of the value its products provide to consumers. The concept of

customer value is important in marketing because buyers will choose products that they believe offer the greatest value compared to other options. This customer value includes product quality, service level, and price offered.

With the presence of three large cinemas in Kediri, each company has its differentiated marketing strategy. In facing increasingly fierce competition in the cinema industry, CGV Kediri Mall needs to develop a marketing strategy that can differentiate itself from its competitors. Differentiation strategy includes various aspects such as product offerings, customer service, promotions, and unique visitor experiences[8].

Population growth, increasing purchasing power, and people's interest in entertainment make the cinema business an attractive potential. Therefore, in increasing sales at CGV Kediri Mall, you must have a differentiated product marketing strategy to increase sales.

The indicator that determines the success or failure of marketing a product can be seen from the level of sales achieved by the company in the following period. In general, if sales are low, profits will also be low. There is a direct correlation between a company's sales and earnings[12].

Research result[12]proves that marketing strategies that can adapt to the market can increase sales. Marketing differentiation strategy research influences the purchasing decision process so that it can increase sales[13]. Then similar research regarding differentiation marketing has a significant effect on purchasing decisions[11].

### **1.1. Statement of Problem**

The problem taken in this research is the differentiation elements used by CGV Kediri Mall in its efforts to differentiate the company from its competitors in the Kediri cinema market and then to what extent the differentiation strategy implemented by CGV Kediri Mall has an impact on increasing sales.

### **1.2. Research Objectives**

The research objective is to identify and analyze the differentiation elements implemented by CGV Kediri Mall to differentiate itself from its competitors in the Kediri cinema market and to measure the impact of this differentiation strategy on increasing sales. Thus, this research provides an important contribution to understanding the dynamics of the cinema market in Kediri as well as the effectiveness of differentiation strategies in achieving competitive advantage.

## 2. Method

This research uses a descriptive qualitative approach. Data was collected through in-depth interviews with related parties at CGV Kediri Mall, direct observation of different marketing practices, and analysis of documents related to the marketing strategies that have been implemented. A purposive sampling technique was used to select informants who had a deep understanding of marketing strategy and its impact on sales performance.

Data was obtained from several informants, namely Key informants who provide comprehensive information about problems including CGV Kediri Mall management and marketing staff who have direct understanding and experience related to planning and implementing marketing strategies. The second group or main informants are the main actors, namely visitors or consumers who have significant experience in choosing CGV Kediri Mall as an entertainment destination. Meanwhile, the third group or supporting informant is someone who can provide additional information to complement the analysis, namely, including other individuals recommended by the initial informant or identified through snowball sampling techniques to obtain diverse and in-depth perspectives from the various parties involved. or influential in the research context[14]. The following is the informant data:

**Table1.** Research informant data

No.	Name	Age	Position	Information
1	Chicha Wahyuningtias	31 years	CGV Management	Key Informant
2	Devi Fabiola Putri	24 years old	CGV employees	Supporting Informant
3	Alia Putri	23 years	CGV Customers	Main Informant
4	Alfan Dzikri Ja'mian	23 years	CGV Customers	Main Informant

Source: Author's personal documents 2023

In addition, data triangulation was carried out by comparing findings from various sources to increase the validity and reliability of the results. Data analysis was carried out through reduction, presentation and drawing conclusions in accordance with the qualitative approach applied in this research.

## 3. Results and Discussion

### 3.1 Results

In Kediri City there are 3 cinemas with different cinema companies and they are also located in malls. CGV Kediri Mall is one of the cinemas in Kediri City. The location of the cinema is at Kediri Mall Jala Hayam Wuruk No. 46, precisely on the 7th floor. CGV Kediri Mall has 5 studios with a total seating capacity of 700 seats[15]. Ticket prices at CGV vary from Rp. 25,000 for Monday - Thursday, Rp. 30,000 for Friday, and Rp. 40,000 for Saturdays and Sundays as of December 2023.

To be able to compete in the cinema market in Kediri, CGV Kediri Mall must implement a differentiated marketing strategy. Differentiation is a marketing strategy carried out by companies to make products or services different from their competitors[16]. This strategy is very important for companies to be able to create competitive advantages and attract consumer attention. To obtain data regarding marketing strategy differentiation, interviews were conducted with several sources who know CGV Kediri Mall, namely, CGV Management, employees, and customers. The following are the indicators in the research in Table 2:

**Table2.** Indicators in research

No.	Indicator	Information
1.	Customer Service Differentiation	Includes service implementation, innovation, special training, and customer satisfaction related to service.
2.	Product Differentiation	Includes facilities, product variations, and advantages over competitors.

Source: Author's documents 2023

After the indicators and questions for the resource persons were prepared, a direct interview was carried out. The results of interviews conducted with managers and employees of CGV Kediri Mall provide a comprehensive picture of the differentiation strategy implemented in services and products by this cinema. The manager explained that CGV Kediri Mall focuses on customer service that pays attention to needs, such as customer health with the readiness of first aid equipment. An emphasis on employee appearance and special training is also implemented to create friendly and differentiated service.

Service innovation is the main highlight of CGV Member registration and, the use of WhatsApp and Instagram groups to provide information to customers. This creates a more personalized and interactive customer experience. Special training in implementing services is also recognized as an effort to maintain consistent service quality.

In terms of facilities, CGV Kediri Mall differentiates itself from other cinemas by offering smoking areas, disabled toilets, booster seats, close parking, and sweet boxes for watching together. This facility is designed to increase customer comfort and provide more diverse choices.

Product variety is also a focus, especially in the types of films offered, such as Korean films, anime, Indian films, and concerts. Food and beverage products also have a striking variety, including popcorn with various flavors, fried snacks, heavy meals, and fresh drinks. All of this aims to provide a different and satisfying viewing experience.

From interviews with visitors, it appears that different services and unique film variations are factors in satisfaction. The use of special smoking rooms and differences in air conditioning temperatures are recognized as significant differences. The choice of films that are not available in other cinemas, such as K-pop films, is the reason for choosing CGV Kediri Mall.

Overall, the marketing differentiation strategy implemented by CGV Kediri Mall, both in services and products, was successful in creating a unique experience and increasing customer satisfaction. The facilities provided, innovation in service, and product variations are the key points that differentiate CGV Kediri Mall from its competitors in the local cinema market.

### 3.2 Discussion

The successful implementation of a differentiation strategy by CGV Kediri Mall is important in shaping its brand image and differentiating itself from competitors in the cinema market. Increasing customer satisfaction through differentiated services and products can provide a significant competitive advantage in the entertainment industry. The concept of differentiation strategy has long been studied in marketing literature as an approach to creating added value for consumers and differentiating oneself from the competition. According to differentiation theory, companies can achieve a competitive advantage by offering products or services that are considered unique and valuable to consumers[17].

In an article published in the journal *Marketing Science*, Porter[17] emphasizes the importance of differentiation strategy as an effort to create a perception among consumers that the company's products or services have unique advantages, whether in terms of quality, features, or user experience. In the context of CGV Kediri Mall, the differentiation approach in customer service by paying attention to consumer health and comfort, as well as innovation through membership programs and communication via WhatsApp, is a direct implementation of the differentiation concept. Not only through the WhatsApp application, CGV Kediri Mall also communicates with its consumers via Instagram social media.

As in research conducted by Subagyo[18] social media such as WhatsApp and Instagram can have a significant positive influence on purchasing decisions. Communication with customers via social media in the form of promotions can make a real contribution to increasing sales volume, this is also proven in research conducted by Subagyo[19]. The impact of social media on companies can reach more consumers while attracting new consumers and building consumer trust[20].

In addition, according to Kotler[21], quality and differentiated customer service can create customer loyalty, increase satisfaction, and provide a better experience. The implementation of differentiated marketing strategies at CGV Kediri Mall which produces customer satisfaction is in line with modern marketing theory which emphasizes the importance of customer experience as the key to winning the competition.



Further support for the concept of product differentiation can be found in research by Zhang[22], which highlights the importance of product variety in creating added value for consumers and differentiating ourselves from competitors. In the context of CGV Kediri Mall, the variety of film, food, and merchandise products offered are key factors in differentiating themselves from other cinemas in the local market.

Additionally, Homburg[23], in the journal *Journal of the Academy of Marketing Science* stated that product differentiation produced by companies can be a source of sustainable competitive advantage. In this case, CGV Kediri Mall succeeded in creating product differentiation through the various facilities offered, such as smoking areas, disabled toilets, booster seats, close parking spaces, and sweet boxes for comfort for two, which contributed to creating their competitive advantage in the cinema market. local.

The service differentiation approach to consumer health and comfort also receives support from marketing theory as proposed by Parasuraman[24]. With the servqual model. According to this model, aspects of comfort and attention to consumer needs are important elements in assessing service quality. Implementation of first aid equipment, attention to employee appearance, and special facilities for group viewing (sweet boxes) can provide significant added value in attracting and retaining customers.

In the context of customer satisfaction, this concept is also proven through research conducted by Zeithaml[25] which shows that differentiated service quality can significantly influence customer satisfaction. The positive response from visitors to CGV Kediri Mall regarding friendly service and adequate facilities can be explained through the concept of customer satisfaction.

Based on the theoretical review above and the results of the research that has been conducted, it can be concluded that the implementation of the differentiation strategy in customer service and products at CGV Kediri Mall has had a positive impact on customer satisfaction and increased the company's competitiveness in the local cinema market. By ensuring that the services and products they offer have added value and can differentiate themselves from competitors, CGV Kediri Mall can continue to maintain and improve its position in the competitive market.

#### **4. Conclusion**

Based on the results of research and data analysis related to the implementation of differentiation strategies by CGV Kediri Mall in customer service and products, several conclusions can be drawn. First, CGV Kediri Mall succeeded in implementing a differentiation strategy with a focus on customer service. Attention to customer health, comfort, innovation through WhatsApp memberships and groups, and attention to employee appearance are key elements in providing a unique experience to customers.

Furthermore, product differentiation is also an important aspect of CGV Kediri Mall's marketing strategy. Various facilities such as smoking areas, disabled toilets, booster seats, closed parking spaces, and sweet boxes show their commitment to providing variety and comfort to visitors. The variety of film, food, and merchandise products also supports the success of CGV Kediri Mall in creating a significant difference in the local cinema market.

Both aspects of differentiation, both in services and products, receive support from marketing theories such as Michael Porter's differentiation concept, Parasuraman's servqual theory, and Zeithaml's customer satisfaction approach. Implementation of this differentiation strategy provides a significant competitive advantage, strengthens brand image, and increases customer satisfaction.

In the context of modern marketing, where customer experience is considered key, CGV Kediri Mall's success in creating a comfortable and different atmosphere proves that differentiation strategies are not only effective but also relevant. Therefore, the main conclusion is that the implementation of the differentiation strategy by CGV Kediri Mall has had a positive impact, strengthening its position in the local cinema market, and creating positive relationships with customers while increasing sales.

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