

## Marketing Communication Strategy of a Regional Water Company in Bandung City

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### ABSTRACT

Marketing communications are the means by which companies seek to inform, persuade, and remind consumers directly or indirectly about available products and brands. In addition, marketing communications represent the voice of companies and their brand and are the means by which companies can create dialogues and build relationships with their customers. An effective marketing communication strategy can win competitions, dominate the market, and foster harmonious relationships. Bandung City Regional Company or Perusahaan Daerah Air Minum (PDAM) Bandung combines various media for its marketing communication strategy, including “above the line” and “below the line” media in a process known as integrated marketing communication. The effect of the marketing communication strategy run by Municipal Water Company Bandung City has an impact on improving the performance of the company.

Keywords: marketing communication strategy, above the line, below the line, integrated marketing communication

### 1. INTRODUCTION

In terms of management, state-owned or local government enterprises are outdone by private companies although certain SOEs have shown satisfactory performance. That experience is shared by regional owned enterprises, especially the regional water companies, such as Perusahaan Daerah Air Minum (PDAM). Many PDAMs in Indonesia remain unfit. The extent of a PDAM's health is measured by certain methods and indicators based on its financial, operational, service and human resource aspects. More than half of the PDAMs are in poor condition (see Table 1).

**Table 1 PDAM Health Ratio by Region**

Region	Health Quality Ratio	PDAM Health	PDAM Totally
Sumatera	0,37	14	87
Java	1,64	76	107
Bali - Nusa Tenggara	1,11	13	27
Kalimantan	1,09	23	49
Sulawesi	0,60	12	46

Maluku -Papua	0,82	6	17
<b>Total</b>		144	335

Source: BPPSPAM, 2011 (in Sukoco (2017))

PDAM Tirtawening Bandung City is a profitable PDAM in Indonesia. In recent years, PDAM Tirtawening Bandung City has joined other PDAMs that received public accolade. Moreover, PDAM Tirtawening Bandung City earned the Top BUMD award held in the last two years. Last year, it also garnered the Top BUMD Award in the category of Business Development, and this year alone BUMD Tirtawening received three awards as its popularity spread in various mass media.<sup>1</sup>

Marketing communication strategy is one of its activities that led to the success of PDAM Tirtawening Bandung. PDAM Tirtawening Bandung City applied an effective marketing communication strategy with stakeholders such that its impact translated into superior company performance. Accordingly, the authors are interested in examining the marketing communication strategy of PDAM Tirtawening Bandung City.

## 2. LITERATURE REVIEW

Before discussing marketing communication, a discussion of organizational environment is warranted. Jones (2001, cited by Raharja, 2017) defined organizational environment as “the set of forces surrounding an organization that has the potential affect the way it operates and its access to the scare resources.” Strong linkages are present between environment and communication, especially in the communication process.

Arni (2004) affirmed that the essence of communication is a process of delivering a message or stimuli by communicators in private interests to other parties (communicant), such that others understand the message in question. Moreover, Swasta and Handoko (2004) asserted that the essence of marketing comprehension is that marketing is a series of activities to convey the value or value of a product in various ways, thereby facilitating considerable publicity for the product and enhancing consumer satisfaction. From these two aspects, communication with marketing entails activities with marketing at its core, wherein a marketing activity is required for the effective and efficient communication toward the achievement of an expected goal (Ilham (2006).

Marketing activities are relevant to the science of communication in terms of its process. In marketing, a company acts as a sender or a communicator, and an organization or person appointed from the company or organization assumes the related responsibilities. The elements of marketing activities related to the communication process are as follows (Futrell, 1993):

- Source

In marketing communications, the source of communication (source) is an individual or a company in possession of information to be communicated or shared with other parties. The source of the message may be a company or an individual representing a company, such as a salesperson or a celebrity who appears in a company ad.

- Encoding

<sup>1</sup> <http://nusantara.rmol.co/read/2017/06/02/293876/PDAM-Ini-Raih-3-Award>

Development of ideas from sellers. The encoding process begins when the message sender selects words, symbols, and images to be delivered in message form to the receiver. This process includes searching for an idea and information relevant to message formation or value. The words used in the message should be familiar to the consumer.

- Message

In the form of products presented by the seller. Sales presentations for marketing are commonly referred to as promotions. To deliver a message, the seller engages in promotional activities. In the promotion, the message is a product promoted by the company through their salesperson, SPG, or spokesperson.

- Medium/Channel

Promotional strategies used by sellers to present the product.

- Decoding

The process by which the receiver interprets the sales presentation in the form of a promotion.

- Receiver

The buyer or consumer of the product or service presented by the seller.

- Noise

The disruption that occurs while the marketing communication process occurs between the seller and the consumer.

In the implementation of marketing strategy programs, marketing communications involve stages or steps that cannot be underestimated. One reason is that even a marketing strategy is designed in accordance with the condition and position of the industrial competition for a product, if the marketing communication process is not implemented effectively and efficiently, the target market will fail to recognize the merits of the product and will not motivate the consumers circulating in the market. Kotler and Keller (2009) verified that marketing communications are the means by which companies seek to inform, target, and remind consumers directly or indirectly about the products and brands being sold. Marketing communications aim to present the voice of companies and their brand and allow companies to create dialogues and build relationships with their consumers.

Kotler and Kevin (2009) claimed that marketing communications also perform many functions for consumers. They can inform or show consumers how, why, where, when, and by whom the product is being used. Consumers can learn about the product, its manufacturers, the brand, its target consumers, its quality, its availability, and how to obtain it.

Therefore, marketing communications have a considerably important role within the company as it communicates products to the target market, contributes to brand equity by embedding brands in the memory of consumers and creating the brand image, drives sales, and expands markets. The contribution of marketing communications in shaping brand equity through the communication mix and basic communications framework (such as advertising, promotion, event and diving, public relations and publicity, direct marketing, intuitive marketing, word of mouth, and personal sales) will shape consumers' understanding of brand awareness, brand image, brand response, and brand relationships.

Aside from being a tool to establish contact with consumers and potential customers, marketing communication is a means to ensure continuity of relationships with the various parties concerned about a product. The use of media in a communication process must consider the possibility of distortion or the presence of constraints. Distortions

or constraints can lead to miscommunications, wherein messages conveyed by communication are considered failures because the communication results in a reaction that differs from that expected by the communicator. This occurrence can be due to the different interpretations of the message.

Marketing communications emphasize the direct fulfillment of the products/services required by consumers. Thus, marketing always strives to improve the economic exchange relationship between organizations and their consumers. Marketing communications are crucial for companies to shape the image of a particular brand. In addition, marketing communications can develop consumer awareness of the products/services produced by the company. Consumers can become familiar with the products offered, thereby stimulating sales. Along with the development of the times, the process of marketing communications is now known as integrated marketing communications, which means a marketing communications planning concept that recognizes the added value of a comprehensive plan that evaluates the strategic role of various communication disciplines (such as electronic print media advertising, direct response, sales, and public relations) and combines these disciplines to provide maximum clarity, consistency, and communication impact.

Market expansion through marketing communications is essentially the placement of corporate missions or targeting organizations with an emphasis on external and internal forces. Moreover, it involves formulating policies and specific strategies and ensuring their proper implementation to achieve goals such that the main objectives and targets of the organization as a market expansion step can be achieved. Marketing public relations (PRs) indicate a marketing communication tool that combines marketing strategy implementation with a PR program. Three strategies for marketing PR include the push strategy, pull strategy, and the influence strategy (or pass strategy).

Companies have vital roles in the marketing communications process. Kotler and Killer stated validated that an organization or marketing communication company is required to provide information to and persuade and remind consumers—directly or indirectly—about the products and brands sold. Marketing communications perform many functions for consumers or the target market, particularly for informing them how and why the product is being used, who the target market is, and where and when the product can be obtained. In accordance with the development of communication process technology and the recent rise of the Internet, the marketing communication environment has also changed. Certainly, this development will also affect consumers as regards obtaining product information.

### **3. METHOD**

This research utilized the qualitative research method with descriptive research type. Data were collected using in depth interviews, passive participation observation, and documentation study.

### **4. RESEARCH RESULT AND DISCUSSION**

#### 4.1 PDAM Tirtawening Profile

PDAM Tirtawening Bandung City is a business entity owned by the Bandung City Government. It provides clean water and wastewater services for the people of Bandung while benefiting from such efforts. The increasing need for clean water amid the reduced availability of raw water has become an obstacle in PDAM business development.

Vision and Mission of PDAM Tirtawening Bandung City

Vision: Fulfillment of the community's need for drinking water and wastewater services that are environmentally sound and sustainable.

Mission:

- Provide services and public benefits to the whole community through environmentally sound drinking water and wastewater services
- Realize the financial management of the company independently through income earned from the community and returned to the community to improve the service and supply of drinking water and waste water facilities
- Improve the processing of drinking water and wastewater quality in accordance with health and environmental standards
- Achieve the additional coverage of drinking water and wastewater services tailored to the growing population of Bandung City.

#### 4.2 Marketing Communications of PDAM Tirtawening Bandung City

On the basis of the vision and mission set by PDAM Tirtawening Kota Bandung, all parts or units of activities develop their respective policies, strategies, and program activities, including communication and marketing related sections.

According to the results of marketing communication research, PDAM Tirtawening Bandung City and its stakeholders conducted various channels and forms of communication. The marketing communication of PDAM Tirtawening Bandung City uses channels and forms of mass communication, organizational communication, public communication, group communication, and social media.

Mass communication conducted by PDAM Tirtawening Bandung City involves a talk show and the delivery of information about various activities and events through television media, radio, and newspapers. In addition, the delivery of information on disruptions to water services, new tariff increases, or complaints and responses from customers are usually communicated through mass media. Organizational communication is carried out in PDAM Tirtawening Bandung City through meetings, apple events, correspondence, and certain affairs. This activity is commonly done with the Mayor, the Local People Representative Body (or *DPRD*), a local government agency (or *OPD*), or other related agencies.

For public communication, PDAM Tirtawening Bandung City uses various media, including magazines, annual reports, posters, banners, billboards, leaflets, booklets, and websites. Even the website of PDAM Tirtawening Bandung City contains features that are almost complete in conveying all information about the organization. The PDAM Tirtawening Bandung City site contains features about profiles, drinking water, wastewater, customers, rates, and business units. The profiles depict the history, vision and mission, directors, organizational structure, staffing, logos and hymns, program profile videos, and contact numbers of the organization.

Drinking water information contains descriptions of production capacity, raw

water sources, water source maps, service coverage, and water and information distribution systems in maps. Wastewater details discuss its management, current condition, service area, service coverage, handling facilities, service type, *IPAL Bojong Soang*, and a drinking water grant video.

The customer section presents an explanation of the customer class, the number of subscribers, the water connection process, the temporary closure procedure, the procedure behind the name, the terms and appeals, the reading information, and the payment system. The material on tariff includes explanations on drinking water tariffs, water service fees, tank water rates, new connection fees, tank suction costs, change fees and meter tests, and PDAM payment offices. The segment on business units comprises explanations on mineral water or *AMDK*, *LPKL*, and drinking water tanks. In addition, social media, which are rampantly used at present, are also utilized by PDAM Tirtawening Bandung. The use of social media will be highly effective because of its current popularity.

### 4.3 Discussion

On the basis of the results of this research, the marketing communication channels used by PDAM Tirtawening Bandung are divided into 2 forms: mass communication and otherwise. The usage mass media (such as television, radio, film, and newspapers) in marketing activities is known as media line over. By contrast, the use of media other than mass communication (including letters, telephones, billboards, posters, and banners) is known as the bottom line media. Each communication channel has advantages and disadvantages. The weakness of each media can represent a communication problem (Sulaksana, 2003).

The marketing communication strategy of PDAM Tirtawening Bandung City uses mass media and other means of communication. Hence, it uses integrated marketing communications. By combining various communication channels, PDAM Tirtawening Bandung City can reach all targets widely and effectively. Kotler (2005) elucidated that the proper selection of communication channels will facilitate effective communication.

## 5. CONCLUSION

The following conclusions can be drawn on the basis of the above results and discussion:

- The marketing communication of PDAM Tirtawening Bandung City involves various channels of communication: up line, down line, and social media channels.
- Various channels of communication are employed in an integrated manner to support the effectiveness of the communication of PDAM Tirtawening Bandung City.
- Integrated marketing communication strategy can improve the effectiveness and performance of a PDAM.

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