

Developing Customer's Engagement Through Entrepreneurial Orientation with Damo Approach in the Omni Way (Case Study of Veil Fashion Creative Industry in Indonesia)

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ABSTRACT

The evolution of information and communication technology has distorted organizations. The condition of VUCA (Volatility, Uncertainty, Complexity, Ambiguity) that occurs drives changes in customer behavior and the level of competition in businesses. Nowadays, with the help of smart devices, consumers demand instant gratification. Smart devices accommodate customers in terms of instant information search, as a comparison through the omni way. Hence, nowadays consumers are very mobile. The orientation of the entrepreneur must also change in order for the company to continue to grow and develop and build engagement with the customers. DAMO (Discovery, Adventure, Momentum, and Outlook) strategy can be used by industries to respond to such changes in customer's behaviour in the omni way, including the veil fashion industry in Indonesia. This research describes the entrepreneurial orientation in terms of developing customer's engagement in the veil fashion industry in Indonesia. This study uses qualitative research methods with a descriptive approach. Data collection techniques are done through observation and literature study. The results show that approaching strategy damo on entrepreneurial orientation with using in offline and online channel can building customer engagement.

Keywords: Customer engagement, entrepreneurial orientation, damo strategy, omni way.

1. INTRODUCTION

Digitalization brings changes that are difficult to predict in the business sector due to the rapid development of information and the internet. Customer preference to digital transaction encourages companies to shift their platforms to digital marketing (Hendriyani & Chan, 2018) and transformations in technology triggered by many companies have changed their platform to business digitisation and involved the customers to improve competitiveness by creating proximity and fast response then it will encourage customer engagement (Hendriyani & Raharja, 2018). Omni way as a channel that integrates online

and offline has an impact on customer behavior where customers tend to change both in terms of attitudes, preferences and priorities. According to Aubrey & Judge, 2012 technology has been a catalyst in changing consumer attitudes and behaviors and Ansari et.al., 2008 stated that technological developments are the primary drivers for companies to adopt an omni-channel strategy. Recent trends show omnichannel marketing is growing rapidly. Its trends focusing on mobile commerce, bringing “Webrooming” into Offline Channels, bringing “Showrooming” into Online Channels (Kotler et.al, 2017)

Companies are required to be able to adapt to any changes where all business lines are affected by digitalization both directly and indirectly, including Micro, Small and Medium Enterprises (MSMEs). Micro, Small and Medium Enterprises (MSMEs) contribute and have a strategic role in absorbing labor or the economy in a country. The Indonesian government has identified the micro, small and medium enterprises (MSMEs) sector as the key to increasing growth, job creation, and poverty alleviation which prioritizes popular information and creativity as the Creative Industry or Creative Economy. The creative economy comes from the utilization of creativity, skills and individual talents to create prosperity and employment through the creation and utilization of the individual's creative and creative power (Ministry of Trade, 2008).

MSMEs in Indonesia is not only a driver of social economy, but also provides a considerable amount of gross domestic product (GDP) and gross regional domestic product (GDP). The Indonesian government has found micro, small and medium enterprises (MSMEs) as the key to increasing growth, performance and poverty alleviation which prioritizes information and creativity popularly known as the Creative Industry or Creative Economy. Creative economy from utilization, skills, and individual talents to create welfare and work needed for human resource development (Indonesian Ministry of Trade, 2008). The gross domestic product (GDP) of Indonesia's creative economy in 2015 was IDR 852 trillion, growing by 4.38 percent in 2015 and contributing 7.38 percent to the total national economy. The creative economy in Indonesia is dominated by 3 sectors, namely culinary at 41.69%, fashion at 18.15%, and craft at 15.70%. The business distribution of the creative economy in Indonesia is dominated by the Java region by 65.37% and the largest creative economy exports come from three regions namely West Java at 33.56%, East Java at 20.85%, Banten at 15.66% (Bekraf , 2017).

The growth of the fashion industry in Indonesia itself is the growth of Muslim clothing. Indonesia is a country with the largest Muslim population of around 12.7 percent of the total Muslim world. Growth every year with the average growth of the fashion industry reaches more than 10 percent per year. Muslim clothing is increasingly becoming the lifestyle of modern humans. The government proclaimed Indonesia to be the center of the Muslim fashion world in 2020. Creative actors are efforts to develop creative products and services into high-value works. Based on Thomson Reuters data in the 2015 Global Islamic Economy, Indonesia placed the country at a value of US \$ 12.69 billion.

To be able to become the center of the Muslim fashion world in 2020, synergy between the government and business people is needed to be able to develop Muslim fashion. One element of Muslim clothing is hijab. Creative fashion actors develop hijab designs by including traditional ethnic ethnic cultures from Indonesia in the form of embroidery. At present the domestic and foreign hijab markets are still so large, therefore entrepreneur are needed to focus and maintain the market by creating engagement customers. Engagement customers with their involvement has positive financial and non-financial consequences for the company (Brady et al. 2006).

Based on that, this study aims to describe how to developing customer's engagement through entrepreneurial orientation with damo approach in the omni way for Hijab Fashion Creative Industry in Indonesian.

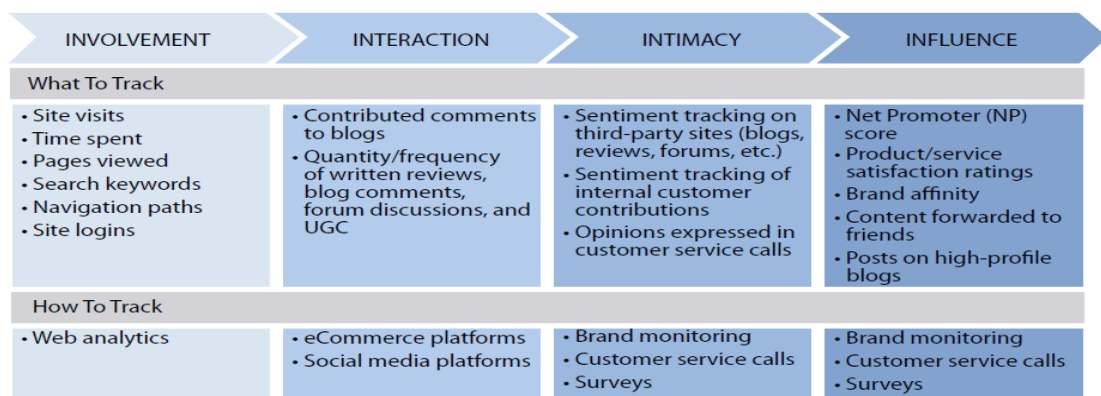
2. LITERATURE REVIEWS

2.1 ENGAGEMENT CUSTOMERS

Digitalization has pushed companies to change their platforms to become digital, so customers would have a 24-hour relationship with the companies via online service (Hendriyani & Auliana, 2018). Companies can create engagement in various ways that appeal to customers, including through interesting and creative content on social media and websites so as to increase interaction between customers and the brand being communicated. Customer engagement is an intentional effort by the company to motivate, measure customer contributions to marketing functions such as acquisition and customer retention, product innovation, marketing communications, merchandising (Harmeling et al., 2016). Customer engagement is a key marketing metric that is new, given that online media fragmentation is increasing rapidly and is a challenge to retain customers among the increasing number of choices (Forrester, 2007).

Customer engagement can improve company performance (Neff, 2007; Ranjan and Read, 2016; Rapp et al., 2013), competitive advantage (Sedley, 2008), profitability (Voyles, 2007), maximizing customer value through customer interaction resulting in relationships that more profitable (Chaffey & Ellis-Chadwick, 2016) even customers can encourage the creation of new products / services. The ability of marketing to engage and endear consumers will ultimately determine whether a user eventually enters into a greater relationship with a brand or organization (Ahuja & Medury, 2010). According to Forrester (2007) customer engagement has four parts that can be measured online or offline, namely :

Figure 2.1: Component of customer engagement



Sumber: Forrester(2007)

a. Involvement

This component is the most basic measurement of engagement and reflects the measurable aspects of an individual's relationship with a company or brand by offline with visit the store or online with websites.

b. Interaction

This component provides the depth that involvement alone lacks by measuring events in which individuals contribute content about a brand, request additional information, provide contact information, or purchase a product or service.

- c. Intimacy
This component sheds light on customer's feelings about your brand (positive or negative), it can be tracked almost in real time, providing ample opportunity to correct a problem or seize an opportunity
- d. Influence
This component looks beyond even sentiment to determine an individual's likelihood to encourage a fellow customer to consider or buy a brand, product, or service.

2.2 ENTREPRENEURIAL ORIENTATION (EO)

Entrepreneurial orientation is an important study in the success of an entrepreneur (Lumpkin & Dess, 2001), a firm's strategic posture towards entrepreneurship (Anderson et al., 2015) and influences firm performance (Jiang et.al, 2018). EO is focused on how the enterprise do the business where an entrepreneurial orientation can be seen from a different phenomenon (Covin & Wales, 2018) :

- a. EO is reflected in the shared variance of risk taking, innovativeness, and proactiveness (Covin & Slevin, 1989; Miller, 1983)
- b. EO "refers to the processes, practices, and decision-making activities that lead to new entry," with the dimensional antecedents to new entry being risk taking, innovativeness, proactiveness, autonomy, and competitive aggressiveness (Lumpkin & Dess, 1996, p. 136).
- c. EO is conceived of as having two dimensions as an entrepreneurial behavior dimension and a managerial attitude toward risk dimension (Anderson et al., 2015).

From this phenomenon, it can be explained that risk taking is reflected in the willingness of entrepreneurs to speculate in personal, financial and business risks, Innovation is the willingness to introduce newness and something new through the process of experimentation and creativity aimed at developing new products and services as well as new processes, proactive behavior is a prospective characteristic that looks forward (forward looking) that has a foresight to look for opportunities in anticipation of future, extensive request autonomy in decision making, and has aggressiveness. Entrepreneurial orientation also is influenced by cultural factors and in developing state entrepreneurship depends on cultural factors such as values, attitudes, behaviors, norms, and institutions that can influence entrepreneurial orientation.

Entrepreneurship orientation itself is different from entrepreneurship. The definition of entrepreneurship is more in-depth with everything related to business activities, whereas entrepreneurial orientation leads to a process that is how entrepreneurship is carried out with goals, practices, and styles.

2.3 DAMO STRATEGY

In the face of the VUCA era (Volatility, Uncertainty, Complexity, Ambiguity) the strategies that can be used to develop the business are the DAMO strategy (Discovery, Adventure, Momentum, and Outlook). The DAMO strategy was initiated by Jack Ma, one of China's successful entrepreneurs (Kartajaya et.al., 2018) Discover means marketing must follow changes so that they get new experiences example with giving different way to service customer and grab customer heart. Then Adventure, meaning marketing must find alternative ways to continue to grow, don't stick to just one method

or business model example combine four element online, offline, infrastructure and technology just like Alibaba way. Momentum, is an opportunity to read business opportunities. the key to utilizing momentum is speed. Momentum can be interpreted as utilizing the momentum that already exists for businesses or entrepreneurs themselves that creates momentum .While Outlooks, is a way to see business from above means business entrepreneurs must be able to see the industrial landscape from a broad perspective. Above in the concept of helicopter view means seeing a problem systematically by top management and individuals in each company.

2.4 OMNI WAY

In the digital era entrepreneur should guide customer every step of the way through offline and online channels. . *Omnis* is a latin word meaning “all” or “universal,” so omnichannel means all channels together (Lazaris and Vrechopoulos, 2014). Omnichannel marketing refers to the brand strategy which integrate all channels available to create a seamless shopping experience that increase convenience and engagement during the customer journey (Mosquera et.al., 2017). Verhoef et al., 2015 defined omni-channel management as the synergetic management of the numerous available channels and customer touch-points intended to optimize the customer experience and performance across channels.

Table 2.1 : **Omnichannel Marketing**

	Omnichannel Marketing
Concept	Integration of all widespread channels
Degree of integration	Total
Channel scope	Retail channels: store, website, mobile, social media, customer touch-points
Customer relationship focus: brand vs. channel	Customer-retail channel-brand focus
Objectives	All channels work together to offer a holistic customer experience
Channel Management	Cross-channel Synergetic management of the channels and customer touch-points geared toward optimizing the holistic experience Perceived interaction with the brand
Customers	Can trigger full interaction. Use channels simultaneously
Retailers	Control full integration of all channels
Sales people	Adapt selling behaviour using different arguments depending on each customer's needs and knowledge of the product
Data	Data are shared across channels

Source : Mosquera *et.al*, 2017

According to Ostrom et.al, 2015 an omni-channel environment brings customer to combine different online channels and touch-points (e.g., the website, social media, and the mobile app) with the offline channel hereby changing how they are served before, during, and after the purchase. Based on Kotler et.al., 2017 step by step omni channel strategy are:

- a. Map all possible touchpoint and channels across the customer path.
A touchpoint is defined as every direct and indirect customer interaction, online, and offline, with a brand and/or other customers in relation to the brand throughout the customer path. The touchpoints and channels lead to more market coverage
- b. Identify the most critical touchpoints and channels.
- c. Improve and integrate the most critical touchpoints and channels.

3. METHOD

The research is based on a comprehensive review of the literature. The method used in this study was qualitative research with descriptive approach and we take 2 (two) company who have achieve best brand namely :

- a. **ZOYA (The Shafira Corporation)**, which have achieve as best top veil brand index 2018 fase 2 in hijab at Indonesia from Frontier Consulting Group (Best Consulting Branding Specialization in Indonesia). The Shafira Corporation as a holding company that is engaged in muslim fashion introducing its product line with the name Zoya as an alternative to clothing quality and up-to-date Muslims for the middle class. Zoya already has more than 160 stores that are widespread throughout Indonesia. After becoming the initiator of halal hijab, Zoya also presents HEIQ, a technology from Switzerland that can regulate temperature and absorb heat.
- b. **RABBANI (PT Rabbani Hypnofashion)**, which awarded "Indonesia Original Brand 2017" by Swa magazine. Rabbani is a garment company engaged in Muslim fashion retailing and has vision to becoming the world's best and largest veil company by 2020 with the mission of fashioning the world's fashion with sharia.

4. RESEARCH AND FINDINGS

Results of research at veil best brand company through data collection techniques, observation and documentation study obtained the following results:

Tabel 4.1 Customers Engagement

Author and Concept	Customers Engagement	Veil Best Brand Company	
		ZOYA	RABBANI
Forrester (2007)	Involvement	√	√
	Interaction	√	√
	Intimacy	√	√
	Influence	√	√

Tabel 4.2 Entrepreneurial Orientation

Author and Concept	ENTREPRENEURIAL ORIENTATION (EO)	Veil Best Brand Company	
		ZOYA	RABBANI
Covin & Slevin, 1989; Miller, 1983	Risk Taking	√	√
	Innovativeness	√	√
	proactiveness	√	√
Lumpkin & Dess, 1996, p. 136	autonomy,	√	√
	Competitive aggressiveness	√	√

Source: Processing Results(2019)

Those dimensions show ZOYA or RABBANI has already implementation engagement customers. Both of them using their online and offline media to information their update product. In doing business the entrepreneur have entrepreneurial orientation (eo) with Damo Strategy in omni way. Both of company can be seen always raise their competitiveness, where previously both the owners and management established a clear organizational vision and mission first and changed the owner's mind set by doing:

- a. Responding to any changes in the business environment by always looking for something new as a company engaged in fashion. Their steps are like 1)Following the fashion trend even creates a trend in the community along with the increasing number of hijab users in Indonesia with the use of brand ambassadors also accelerating the creation of trends, 2)Responding to changes in customer behavior due to the influence of digital developments, changes in social culture and opinions of the people closest to them.
- b. Taking every opportunity that exists both domestically and abroad that can be a momentum for the company to be able to expand and increase market share where the entrepreneurs of both companies always keep coming out of their comfort zone and look for methods or business models that can increase company profits for example through attend exhibitions, educate educational institutions and communities. Do partnership programs with other parties.
- c. Increasing intimacy with customers through online interaction through websites and social media such as Facebook, Instagram, Twitter and set up a membership system to create engagement customers and build their loyalty.
- d. Increasing branches of stores throughout Indonesia to respond to customers who still need touching and seeing the product before making purchases.

5. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusions

ZOYA and RABBANI as the best brand veil companies that try to respond to every development in the business environment. Companies must be able to survive and develop as technology advances and develops rapidly. The transformation of change is currently defined as entrepreneurial orientation action by integrating between offline and online channels to provide customer experience that can increase customer engagement.

5.2 Suggestion

To developing customer's engagement in veil fashion industry, Veil company should fast respond the trend fashion and should maintain and make an interesting website and attractive shop with beautiful decorations, display arrangements, and colors. Entrepreneurial orientation must continue to create customer engagement to be able to compete with omni ways.

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