APPLYING STRATEGIC DESIGN TO BUILD BRAND VALUE AND CORPORATE INNOVATION

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Abstract: Implementation of design strategy at a business organization can provide a competitive advantage and value addition. Although currently still a lot of understanding in the society that the science of management and design as something can not be integrated. This research will discuss how design strategy is used as a holistic planning process to guide the design of enterprise development through the strengthening of the image and product innovation. This study was conducted by a variety of methods of data collection and analysis as input for the preparation of the strategy design process. Data collected through interviews and observations of the research object that is a One Java Seni. The analysis was performed through the use of management tools: PEST Analysis, Porter's Five Forces, SWOT, competitive analysis, and a Porter Generic Strategies. Results of the analysis will be the input for the selection of design strategies. The results of the study are expected to be obtained conclusion extent to which the design can play a role in achieving business goals. Authors hope this research can be a consideration in decision making related to the field of design, so that the resulting design output assessed not merely aesthetically, but also can be seen as a strategic step in achieving business goals.

Keywords: *Design, Design Strategy, Brand Value, Innovation*

1. Introduction

Contemporary business paradigm change towards a competition based on creativity and market leadership is based on competitive advantage. One of the agents of this change is the advancement of technology and access to information. Advances in technology and market demands more quickly shorten a role in the age of a product. Innovation through continuous product development into a propriety in responding to the challenges of competition in the market is getting narrower, faster and more complex. Unlimited access to information form the markets are getting smarter and demanding more value than the basic necessities they need. The variable purchase decisions are not constrained by function alone, but is triggered by how the products they buy can reinforce their status and image in society. Therefore, product innovation and the role of brand is an important consideration at this time as the determining factors of a company's competitive advantage.

Design strategy is the application of the principles of a future-oriented design in order to increase innovation and competitive advantage of an organization. The traditional definition of design is generally focused only on the mere creation solutions. The design strategy in a broader scope is the application of the principles of design to the problems and challenges are even greater systemic concerns the various areas of life or business. It changed how the problem is approached, identifying opportunities for action, and help provide a more complete business solutions and comprehensive.

This study contains the formulation of design strategies to one of the existing SMEs in the city of Bandung, namely One Java Seni. Design strategy formulation process begins with an analysis of external and internal factors. The next process is to determine the design of any output decisions that can be executed as part of the strategy, where it is based on facts rather than aesthetic or intuition alone. From the results of the study, they are expected to be obtained conclusion extent to which the design can play a role in achieving business goals of One Java Seni. Authors hope this study can be a material consideration in decision making related to the field of design. So that the resulting design output assessed not merely aesthetically but also can be seen as a strategic step in achieving business goals.

1. **Problem Identification**
    Researchers effort to unravel the extent of the application of design strategies can contribute to the development of micro businesses as research objects. The research results will be obtained conclusion design any opportunities that arise through the process of managing design strategies and how the role of design output in the achievement of business goals.

2. **Theoretical Reviews**
    Design management must first participate in the strategy formulation and selection processes by making an effort to bring design knowledge into the transformative vision of the market, but also by supervising the penetration of the design spirit into business objectives. Design management participates in all of the different stages of strategic formulation (Brigitte, 2003)

Table 1 Design Strategy Process

Phases	Issues to analyze	Tools
1. Strategy formulation Competitive analysis External	Industry attractiveness Opportunities & threats	"PEST" analysis "Porter five forces" model Scenarios Strategic group Segmentation Matrix attractiveness/assets
Competitive analysis Internal	Strategic capacity Key success factors Strengths & weaknesses	Value chain Benchmarking Portfolio analysis
Organizational objectives	Synthesis	SWOT analysis
	Corporate governance Stakeholders' expectations Business ethics Culture	Matrix power/interest Identity focalization
	Mission vision	Design management strategic audit
2. Strategy selection	Balance between governance objectives and SWOT analysis	Porter generic strategies · volume/price · differentiation
3. Strategy implementation	Strategy development routes	Vertical integration Diversification Internationalization

Note: Column 1 of table 11.1 lists the steps that are involved in deciding upon a strategy for the company to follow in order to achieve its aims (column 2). Column 3 lists the tools that are necessary to implement each stage of strategizing. and achieve the company's goals.

(Source: Brigitte, 2003)

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An industry's profit potential is a function of five forces of competition: the threats posed by new entrants, the power of suppliers, the power of buyers, product substitutes, and the intensity of rivalry among competitors. These defined as Porter's Five Forces, published by Michael E. Porter, a professor from Harvard Business School in 1979. The five competitive forces, which shape such industries competitiveness, provide a framework

for identifying the most important industry developments and for anticipating their impact on industry attractiveness.

2. Methods

This study was conducted with reference to a case study on one of the Small Medium Enterprises in the Bandung, i.e. One Java Seni. This study used a qualitative approach. The primary data obtained through interviews and discussions with the owner of One Java Seni and other Small Medium Entrepreneurs. Secondary data were obtained through a review of literature such as text books, journals, reports, websites and internal documentation. The process of analysing data using a variety of management analysis tools such as PEST analysis, Porter's Five Forces, Competitive Analysis, and SWOT matrix. The results are expected to show the opportunities and appropriate design strategies to address the problems of the business organization.

3. Discussion

One Java Seni is one of the Small Medium Enterprises (SMEs) located on Bandung, West Java, Indonesia. The business ebe founded in 2009 by Giri Hartono as the owner. The products are the puppet and Sundanese music instruments such as gendang, angklung, gamelan, wayang, jimbe, suling, etc. The workshop and selling point are in the same place, where located in culture centre district. One Java Seni has a moderate price due to its products is targeted for a middle class. Besides that, the quality of its products aligns with its price.

3.1. Strategy Formulation

Eksternal Analysis
The acronym PEST is used to describe a framework for the analysis of macro environmental factors. A scan of the external macro-environment in which the firm operates can be expressed in terms of the following factors: Political, Economic, Social, Technological. From the analysis the researchers get the facts about the poor people's interest in cultural products, such as wayang golek. One of the causes of the decline in demand is related to demographic changes consumers increasingly advanced age. Changes in this age group are not accompanied by the turn of the new age group of teenagers and children. Penetration of foreign culture is one reason why this age group do not like wayang golek. Industrial films and comics with characters like captain America, iron man, Doraemon, minion, etc. become the primary choice for adolescents and children of Indonesia. This is very different from the existence of the characters that exist in the world of wayang such as Arjuna, Gatotkaca, semar, etc., who are increasingly forgotten. Some social campaigns, both by governments and charities, has been done to

improve the love of their own culture. Based on interviews, obtained positive results increased demand stemming from foreign tourists. This is in line with the government program which initiated Bandung city as a tourist town.

Porter's Five Forces used as a tool to analyze the attractiveness of the wayang golek industry. Results of the analysis showed high threat of substitutes for a wayang golek. The function Wayang golek as a toy has been replaced by action figures such as Gundam, hot toys, Lego etc. Analysis of the level of competition showed that the popularity of One Java Seni lower than its competitors, namely Giri Harja small Jelekong. Small market causing buyers to have great power, make difficult to raise the selling price of products.

Internal Analysis
One Java Seni craftsmen consists of 6 people who have competence in their respective fields. The Location of One Java Seni gallery is very strategically located in downtown. The problem is the lack of parking lot for customers to come and a narrow gallery space. When compared with both competitors, One Java Seni does not have a large working capital, and this is become a big problem for business development

Competitive Analysis
The analysis followed by observing the competitive situation in the wayang golek industry through interview, observation and literature study. The results can be seen in the table 1.

Table 2. Competitive Analysis

Key Industri Success Factors	One Java Seni	Giri Harja Jelekong	Giri Purwa Seni
Strategies	Cost-driven	Cost-driven	Cost-driven
Economies of scale	Small	Large	Small
Customer Awareness	Medium	High	Small
Product Quality	Moderate	High	Moderate
Place (location)	Downtown	Urban	Downtown
Pricing	Moderate	Moderate	Moderate
Promotion	WOM, Web Site*	WOM, Web Site, TV Show, You Tube	Web Site, blog, Social Media

*Not periodically working

Organizational Objective

Finally competitive analysis is summarized according to external and internal SWOT analysis. The SWOT analysis is a basic strategic analysis tool that is perfectly adaptable to design management strategy. It Synthesizes the company's situation in its context and determines the key succes factors to consider in design management (Borza De Mozota, 2003: 241).

Table 3. SWOT Analysis

Eksternal	
Opportunity	1. Increasing the number of tourists as a potential customer 2. Increased public awareness of domestic products
Threat	1. Decline in public interest in the younger age groups of the product of cultural products, including a wayang golek 2. Foreign cultural influences which shifts the local culture 3. The recognition of the nation's culture by other nations
Internal	
Strenghts	1. Competence of specific craftsmen 2. Strategic location 3 Loyal customer base
Weakness	1. Small Gallery and no parking lot 2. Limited working capital 3. Small-scale production 3. Modest brand awareness 4. Limited distribution chanel

3.2 Design Audit

The design audit means comparative analysis of the results of design on product strategy, the information system, and the communication strategy (Borza De Mozota, 244). Based on observations obtained visual data of the identity and media promotion of the One Java Seni. Visual analysis results showed that the logo is in use today both in terms of color and shape do not bring up the character of One Java Seni itself.

Table 4. Previous Design Output

Logo	Website	
Identification Sign		

4. Finding: Design strategy Selection

By definition, design strategy is a plan that helps diffuse design throughout the company. One of the design's job is to make the business strategy visible. A design strategy is based on a global image of all aspects of the company in terms of its communications, products, and locations. (Borza De Mozota, 2003: 246). Choosing strategy design is based on Porter's Generic Strategies.

Based on the analysis described in Table 5, then design an appropriate strategy is the design differentiation strategy. A differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the competitors' products.

Table 5. Design strategy selection

Analysis		Design Strategies
Changes in consumer demographics adult age groups - older adults	Education of childhood and adolescence through product innovation puppets (wayang golek) that are adapted to the character of the movie and comic	Product Innovation
The high interest in the age group of childhood and adolescence to foreign cultural products		
The low brand awareness when compared to competitors	Strengthen identity design Brand activation through ads	Communication
Lack of market demand		
No Parking lot	Booth design, located in the exhibition or the location where tourists congregate such as hotels, cafe, souvenir shop, etc	Locations
The lack of visitors to the gallery		

Design Action at Operational Level

a. Product Innovation
   Results of innovation in the form of wayang golek characters: Cepot, Dawala, and Gareng that uses superheroes costumes. The concept of product innovation comes from social analysis (PEST), where the group segmentation childhood and adolescence prefer character that comes from the film and comic. The characters approach aims to spark interest in this product as a toy. It is hoped one day they would be interested in a conventional puppet. This strategy is carried out as a step educating potential customers and differentiation strategy implementation; how One Java Seni distinguishes itself with less competitors.

**Figure 1.** Wayang Golek based on movie character

b. Communication

Table 6. Visual media for information and communication

Logo	Stationary	Identification Sign	E-Poster
Web Site	**Social Media**	**Flyer Front**	**Flyer Back**
Packaging	**Packaging**		

Based on competitive analysis obtained the fact the low brand awareness of xxxx when compared to its nearest competitor. Furthermore, based on the design audit all previous design output does not represent the identity of xxx itself. To address this, we need a new identity that can strengthen the brand and in accordance with the character of One Java Arts. Identity in the form of a logo design implemented to all visual media: Stationary, Identification Sign, Packaging, and media promotion. Promotional media such as posters and flyers have a role as a medium of education that supports the launching of innovative products

c. Location
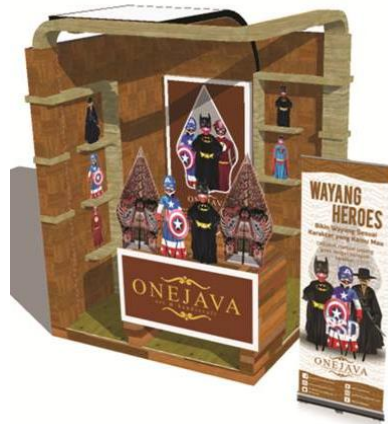
Figure 2. Booth Design

Design booth is designed as an implementation of the push-strategy. Based on interviews and observations, there are two main problems that cause low levels of customer visits. The first problem is their ignorance of One Java Seni. Secondly, the lack of parking space for customers. To that end, One Java Seni should be more proactive in visiting potential customers, one of which is to put the booth in a place where tourists congregate.

5. Conclusion

This study discusses the application of the design strategy that aims to build the brand and trigger innovation in collaboration with SMEs i.e. One Java Seni. The problems that emerged in the results of the analysis are very diverse and not everything can be solved with only design output. Strategy formulation stage designs attempt to capture any opportunities that arise related to the development of One Java Seni enterprise. Results of chosen strategy are how the One Java Seni distinguishes itself from its competitors. When other competitors tried to focus on the mastery of the production cost, then the One Java Seni must dare to make innovations on its products. One of the crucial problems of One Java Seni is the lack of working capital. Indirectly, the lack of working capital due to lower sales or lack of demand. So one way to overcome it is to create innovative products that can trigger demand and strengthen its brand through identity and promotion.

This study wants to show the relevance of management science and design. Design became an integral part in a strategic decision of an enterprise, especially in relation to product innovation and communication. Management tools such as Pest analysis, Porter's Five Forces, SWOT analysis, Competitive analysis, and Porter's Generic Strategies give more insight into structured and comprehensive. Design approach "human touch points" enables a deeper understanding of the customer's behavior and social aspects. One thing

that should be emphasized is the design decision should be based by analysis of expediency, not only from the aesthetic aspect and intuition.

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