

Marketing In Business Partnership (Manager's Perspective)

Salma Fauziyyah, Hari Sukarno, Puji Lestari R.F.

Abstract: understanding manager about concept of partnership is very important to determine the strategies and policies that must be done. This research aimed to explore the concept of partnership and its marketing impact based on the perspectives of middle managers and top managers. The type of this research is descriptive qualitative research. Informants in this research are top managers and middle managers of the company. The determination of informants in this research is by purposive method. Data analysis methods are four steps, namely data collection, data reduction, data display, and conclusion. The conclusion of this research is partnership is defined as a method, strategy, and systems of mutually beneficial cooperation between the company and its partner, the partnership that can generate profits for related parties and outlined in the agreement. The marketing impact on the company's partnerships can be seen from several factors: the expansion of marketing networks, increased sales, promotional efforts, profit sharing, assurance of supply, and the determination of marketing strategy.

Index Terms: Competitiveness, partnership, manager's perspective, marketing strategy

1 INTRODUCTION

Humans are social beings who basically cannot live alone. So it is with the company. A company cannot stand alone without the help of another person or company. The company will survive if it does not run alone in the competitive world of business and the current uncertainty. The rapid economic development and the discourse on free trade require the managers of both manufacturing and service companies to increase the value of their companies so they can compete with other companies. Companies cannot only rely on the resources they have to achieve their competitive advantage, for that company needs other parties. Companies need to make partnerships or cooperation with other parties. The purpose and objective of the partnership is a win-win solution where both parties who make the partnership both benefit and no one are harmed. Companies can get some important benefits by doing partnerships such as market access, technology transfer, and capital. Many companies benefit from the partnerships they do, especially small companies that partner with larger companies. One of the big companies doing the partnership is Aqua company (PT Tirta Investama) in partnership with Danone. Both companies that agreed to join this impact on improving product quality and put Aqua as the largest bottled mineral water producer in Indonesia. Another positive impact of this partnership is Aqua expanding its market share by producing Mizone which is a product of Danone (www.aqua.com). Companies do not have to always compete in the sense of competing against other parties to be able to have competitive advantage. Cooperation strategy can also be done in order to improve the competitiveness of the company.

This means that the company does not always make partnerships with suppliers, distributors, or customers, but companies can also partner with other companies that become competitors. Companies that engage in a strategy of cooperation with competitors must remember that although pursuing a common goal, in cooperation there is still competition. Based on these statements, among the companies that have partnered there can be some conflict, thus the initial concept of a win-win solution of the partnership may end and become a competition. Some companies that conduct partnerships may experience conflicts, for example the partnership conflict between farmers and PT Central Pertiwi Bahari (Bratasena) due to unrelated partnership issues (www.antaralampung.com). Based on the phenomenon, the concept of partnership that should pursue the same goal could be a conflict of interest because one party feels aggrieved. The concept of a partnership that should be a win-win solution is ultimately not fulfilled resulting in conflicts between companies that partner. It shows that not all partnership concepts are acceptable to each company. The concept of partnership that each company receives depends on the company's policy holder i.e. manager. According to Amir (2006: 11), there are three levels of managers: top managers, middle managers, and first-line managers. Top managers are top executives of corporate organizations who are responsible for the survival and success of the company. Top managers as strategists for the company, including strategies related to business partnerships. One of the top managers' roles is as a negotiator with outsiders including their business partners, while middle managers act as policy implementers determined by top managers. Therefore, understanding of top managers and middle managers on the concept of partnership is very important to determine the policies and strategies that must be done. Based on the above background, obtained the research problem is how to understand the concept of partnership and marketing impacts based on the perspective of top and middle managers? The purpose of this study is to explore the concept of partnership and its marketing impacts based on the perspectives of top and middle managers.

- Salma Fauziyyah is magister student from Faculty of Economics and Business, University of Jember, Indonesia, E-mail: salmafauziyyah@gmail.com
- Hari Sukarno is a lecturer in Univrsity of Jember, E-mail: harisukarno.feb@unej.ac.id
- Puji Lestari R.F. is magister student from Faculty of Economics and Business, University of Jember, Indonesia, E-mail: Kinantisriwedari@gmail.com

2 LITERATURE REVIEW

2.1 Marketing

The American Marketing Association released the latest definition of marketing as an organizational function and a set of processes of creating, communicating and delivering value to customers, and managing customer relationships in such a way that benefits organizations and its stakeholders. Understanding of marketing management by Kotler and Keller (2009: 5) is the art and science of choosing target markets and reaching, maintaining, and growing customers by creating, delivering, and communicating superior customer value. One of the scopes of marketing activity is relationship marketing which is to build mutually satisfying long-term relationships with key constituents to earn and keep business. Companies can build relationships with key constituents through partnerships. Some experts link partnerships with marketing. The concept of marketing partnership is different from previous product-oriented marketing concepts. The concept of marketing partnerships is based on relationship marketing that builds long-term relationships with key constituents of relationship marketing.

2.2 Marketing Partnership and Business Competition

According to Hafsa (in Fadilah and Sumardjo, 2011), a partnership is a business strategy undertaken by two or more parties within a certain timeframe to achieve mutual benefits and benefits based on mutual need and mutual principles based on agreement. The important role of partnership is also mentioned by Kotler and Armstrong (2008: 9) that the company cannot currently run alone in marketing activities aimed at creating customer value and building strong customer relationships. They have to work with various marketing partners. Partnership marketing aims to build mutually satisfying long-term relationships with constituents to earn and keep business. The four key constituencies for partnership marketing are customers, employees, marketing partners (channels, suppliers, distributors, dealers, agents) and members of the financial community (shareholders, investors, analysts).

2.3 Empirical Study

Research conducted by Orpha (2012) specifically aims to measure the potential of partnerships as a mode to enhance the ability of innovation and technology within a company in their efforts to regulate competitiveness. One form of increasing the competitiveness of a company is how to achieve innovation and technological improvement capabilities that depend on the ability to acquire, adopt, and transfer knowledge from partners. The result of this research is that both (the capability of innovation and company technology) can be achieved by the company if the company is able to develop a mechanism to manage the knowledge gained from the partnership and to communicate and use the appropriate conflict resolution technique. Ruswanti (2011) conducted research on the influence of marketing partnership on competitive advantage. Marketing partnerships are a new concept in marketing where marketers strongly emphasize the importance of long-term good relationships with consumers, and extend customer's life, therefore products delivered to consumers must be superior products, value added, and highly competitive. The result of this research is marketing partnership as marketing strategy and able to put the company

as a competitive company. This research is conducted to find out the concept of partnership and its marketing impact based on the perspective of top managers and middle managers. The difference of this research with previous research is this research is qualitative research with perspective of research informant.

3 METHODOLOGY

This research is a research with qualitative approach, type of phenomenology research with exploratory data retrieval that is intended to explore information about the concept of partnership based on the perspective of top managers and middle managers and the impact of marketing. This research was conducted to capture the phenomena that exist in the field through interview which produces descriptive data in the form of written or oral words from people and observed behavior and then studied more deeply. The data analyzed in this research is primary data and secondary data. Primary data obtained from this study is the result of in-depth interviews conducted by researchers about the concept of partnership and its impact on marketing aspects to some middle managers who were selected as informants. Secondary data in this research is data about general description of company where manager of company become informant in this research. Manager of the company that became the object of this research is the manager of companies both companies engaged in services and manufacturing. Informants in this study are key informants and determined by purposive method with the following criterias:

1. Top managers or middle managers of state-owned companies or private companies.
2. Assumed to know about the concept of partnership done by the company where the informant worked.

This research is a qualitative research. Activity in qualitative data analysis is done interactively and continuously until complete so that the data is saturated or nothing new anymore (Miles and Huberman in Sugiyono, 2014: 87). Data analysis in qualitative research is done at the time of collecting data and after collecting data in certain period (Sugiyono, 2014: 91). The steps of data analysis model Miles and Huberman in this research is done with 4 stages, that is data collecting, data reduction, data presentation, and conclusion.

4 RESULT AND DISCUSSIONS

4.1 Result

Based on the results of interviews with nine informants consisting of seven top managers and two middle managers of state-owned enterprises and private companies hence can be obtained understanding of partnership in accordance with the understanding of each informant. Ade as the director of PT. Industri Gula Glenmore defines partnerships as a form of cooperation with third parties and strategic efforts for businesses that are expected to help the business. The next opinion was put forward by Sulianta as the director of PT. Rolas Nusantara Medika and Sonny as the owner of Joan's Shoes, partnership is a form of mutual cooperation between parties who partner in any field of business. Information obtained according to Rama as manager of "Alami" Pharmacy, partnership is a method of cooperation between companies and parties that can provide benefits to the company. The definition of partnership according to Kholid as director of CV.

Senyumindo Mediatama is the relationship between the company with external and internal elements of the company. Another definition of partnership as a mutually beneficial cooperation between the parties involved in a black agreement on white disclosed by Agus as a manager of PT. Perkebunan Nusantara XII (Persero). Another definition is obtained from interview with Iriane as owner of UD. Rumah Batik Rolla is a partnership is a system of cooperation with other parties. Juliyanto as director of CV. Soerabaja 45 Indovista defines Islamic partnership with basic sharia is Murabahah that is agreement between capital holder with person having ability, skill, and management. Type of partnership according to Ade is operational cooperation, joint venture, and consortium / syndication. According to Kholid, the type of partnership based on organizational relations there are two kinds of external partnerships and internal partnerships. Cooperation relationships according to Sulianta, Sonny, Rully, and Iriane consist of divided activities such as operational cooperation, purchasing field, long term supply system, human resources field, and finance. Based on the results of the interviews, most informants have given their opinions on the types of partnerships in accordance with their respective understanding as corporate managers. Most informants mentioned the types of partnerships based on partnership forms in various fields, namely the field of goods purchasing, procurement systems, human resources, and finance. Interviews with informants indicate that partnerships involve external parties and internal companies. External parties include government, suppliers / principals, education, competitors, communities, and customers. Internal party of the company is employees. In general, informants have explained about the presence or absence of relationship between partnership and marketing based on informant perspective, most of informant also give indicator of linkage between partnership with marketing at company where informant work. The impact of partnership on corporate marketing can be seen from several factors. According to Ade, Rama, and Kholid, the impact of partnership on corporate marketing includes supply certainty, increased sales, and determination of marketing strategy. Agus said the partnership with marketing is a profit sharing. According to Sulianta and Juliyanto, the impact of partnership on the company can be seen from the expansion of the marketing net. Based on Iriane's perspective, partnerships have an impact on corporate marketing through promotional efforts. Most top managers and middle managers have given their opinions on the positive impact of partnerships based on their understanding of the company. Positive impact of partnership based on interview result is able to utilize capability / ability of technology owned partner, fulfillment of requirement of company capital, ease of procurement of goods and services, development of marketing, and direct promotion. For a company that has a basic sharia, a partnership or one in Islam called Murabahah can prevent companies from usury 'banks in financial terms. Most top managers and middle managers have given their opinion on the negative impact of partnership based on their understanding of the company. Some informants have also explained what caused the negative impact of the partnership. The results of the interviews show that partnerships in addition to providing benefits can also result in loss and potential losses for the company.

4.2 Discussion

Reconstruction of Partnership Concept

Interviews indicate that the knowledge of top managers and middle managers of the company on the definition of partnership is very good. This is evidenced by the understanding of informants who define partnerships as a method, business strategy, agreements, and systems. Thus the meaning of partnership for corporate managers is not only as an agreement, the way / method or business strategy but also as a system that the company does. The main elements that make up the system are input, process, and output. The purpose of partnership is not just for information transfer but also a process so partnership is not only a method and strategy but also a system. Companies that partner as much as possible seek a win-win solution in achieving that goal because the principle of partnership is mutually beneficial. Partnerships made by the company there are various types. According to informants in this study, there are several types of partnerships that they understand. The types of partnerships according to Ade are operational cooperation, Joint Venture, and consortium / syndication. Sulianta mentioned that partnerships have several forms, namely partnerships in purchasing, procurement, human resources, and finance. Different types of partnerships are expressed by Iriane, namely partnerships in the form of custody of goods, capital, and human resources. Another opinion expressed by Sonny and Rully, this type of partnership is a partnership with manufacturers, government agencies, and retailers. According to Rama, various partnerships are partnerships with distributors, consumers, retailers, and other similar companies. The form of partnership with similar companies and shareholders is disclosed by Juliyanto, while Agus also believes the type of partnership is a partnership with other companies. Another opinion expressed by Kholid namely the types of partnerships such as partnerships with external parties and companies internal company. External parties include government, suppliers / principals, education, competitors, communities, and customers. Internal party of the company is employees. Most informants mentioned the types of partnerships based on partnership forms in various fields, namely the field of goods purchasing, procurement systems, human resources, and finance. Several informants also mentioned types of partnerships based on inter organizational relationships between companies that partner. The form of such relationship is a similar company in the same level or competitors as well as vertical relationships that include corporate partnerships with government agencies, suppliers / suppliers, distributors, retailers, and consumers / customers. Interviews with informants indicate that both middle managers and top managers of the company have known and understood the concept of partnership that includes the understanding and type of partnership it does.

Impact of Partnership on Corporate Marketing

Partnership is one of the policies undertaken by the company. Almost all companies do partnerships, especially large companies because of the many benefits that can be obtained from the partnership process. Based on interviews with informants, all managers stated that their companies benefit from partnerships. This indicates that partnerships always have a positive impact on partnerships. Several positive impacts / benefits gained from partnership according to

informants are able to take advantage of partners 'ability, benefit from liquidity, fulfilled their capital needs and avoid riba', ease of procurement of goods and services, as well as marketing development that is marketing net and direct promotion. Another positive impact of partnership is being able to take advantage of partner's technology capabilities / capabilities. In today's era of technology and information, technology can be the key to corporate success. Companies whose technology is still low can take advantage of even buying technology owned by other companies by partnering. Another benefit of partnership in financial terms is the fulfillment of the company's capital requirements. Companies that have management skills but do not have the capital then the partnership becomes one of the strategies in obtaining capital. For a company that has a basic sharia, a partnership or one in Islam called Murabahah can prevent companies from usury 'banks in financial terms. Other positive impacts obtained from the partnership are ease of procurement of goods and services as well as marketing development. Ease of procurement of goods and services related to the supply of goods to the company from suppliers. Partnerships with suppliers can provide assurance of supply of goods or services, so as to minimize the occurrence of shortages of goods within a certain period. The next benefit in the marketing context is marketing development. Companies can expand their marketing net by partnering. Besides, the company can also do direct promotion through partnership with certain parties hard to reach by the ability of the company itself. Based on the informant's understanding of the partnership as a method, strategy, and system involving other parties of the company, partnerships can not only generate benefits for the parties concerned but also can cause losses and potential losses. From the interviews with informants about the negative impact of the partnership, all informants said that partnerships could potentially harm the company, but only five out of nine informants felt that they had been harmed by a partnership in their company. The cause of such negative impacts is various. Most informants mention the cause of the losses resulting from the partnership process is the lack of partner commitment. Another cause is the incompatibility between the provisions that have been determined with what the partner, the wrong partner to manage the company, the regulatory uncertainty, the policy suddenly arise, and rules that are based on personal interests. Another informant mentioned the cause of the negative impact of partnership is due to the weakness of legality, order, and principle causing the mistake of structuring initial concept of partnership. The form of a negative impact or loss from one form of partnership is the profit earned cannot be maximized. This can happen if the partnership is a partnership with an unbalanced profit sharing policy between the partners. Based on the above description, the positive impact of partnership can be grouped into several things, namely the utilization of technology capabilities / capabilities, the fulfillment of capital needs in terms of finance, procurement of goods and services, and marketing development. The description of the negative impact of the partnership based on the manager's perspective points out some of the things that could be the cause of the negative impact of the partnership, namely partner commitment, legality of regulation or agreement, order and principle of partnership concept, and policy that suddenly emerged. The superiority of the competitiveness of the company is very important for the survival of the company and can place the company as a

competitive company. Companies must implement strategies in order to improve their competitiveness. A company's business strategy often involves more than one organization because the company cannot rely solely on its resources. Business strategies involving other companies within a certain period of time include implementation of a partnership activity. Partnerships are of several types as described previously. Some of these partnerships are related to company marketing. According to the informants of this study are top managers and middle managers of state-owned enterprises and BUMS, eight out of nine informants stated that there is a link between partnership and marketing in their company, while one informant stated that partnership is not related to marketing. Based on interviews with informants, partnerships can expand the network of partnerships that ultimately can expand the marketing net of a company. Based on that opinion, the partnership can give way to market for companies that partner with the breadth of the company's marketing net. For service companies that partner, some arrangement of cooperation can make the company get a regular customer. Thus, the more partners the company acquires, the wider the network marketing company that produces more and more customers. Informant research says that the link between partnership and marketing can be seen from the increase of sales. Sales increase is the most viewed aspect as a measure of company's marketing performance. Partnerships with retailers can increase the sales of companies because in general retailers buy goods in large quantities. Increased sales can increase the profit that a company receives even if the retailer buys at a relatively lower price. The company's marketing performance can be measured not only based on the profit earned or the selling rate, but it can also be measured based on the company's promotional efforts. Based on the results of interviews with informants, partnerships can also develop the company's marketing by promoting goods through partnerships made in order to be known by potential customers. Partnerships with a nonprofit, such as a government agency, are also linked to corporate marketing by promoting through the partnership. According to some informants in this study, other indicators that indicate that partnership and related marketing is the existence of profit sharing and certainty of supply of goods. Profit sharing is a benefit sharing gained from the partnership process. For companies that can not produce certain goods but have the expertise or resources, partnership is the most profitable strategy. Companies can make a profit even if they do not produce the goods themselves. The relationship of partnership and subsequent marketing is the certainty of supply of goods. The relationship between suppliers and customers varies from the transaction to the corporate nature. Supplier and customer cooperation relationships form relationships for long periods of time. Cooperation with suppliers may take the form of process and product design, implementation assistance, long-term supply contracts, and timely supply programs. It shows that the partnership can provide certainty of supply of goods to the company so that the company's marketing process is not hampered. Based on interviews, informants said that partnerships with similar companies or competitors are also linked to company marketing. Partnerships with competitors can help companies in determining the company's marketing strategy. Based on the above description, the relationship of partnership with marketing can be seen from several factors, namely expansion of marketing net, increasing sales,

promotion effort, profit sharing, supply certainty, and determination of marketing strategy.

5 CONCLUSION

The conclusion of this research is the definition of partnership is defined as a method, strategy, and system of mutual cooperation between companies with partners that can provide benefits to the parties concerned and set forth in the cooperation agreement. Types of partnerships based on organizational relationship there are two kinds of external partnerships and internal partnerships. The impact of the partnership on corporate marketing can be seen from several factors: expanding marketing net, increasing sales, promotion effort, profit sharing, supply certainty, and determination of marketing strategy.

REFERENCES

- [1] Amir, M, Taufiq, 2006, Belajar Manajemen Dari Konteks Dunia Nyata, Yogyakarta: Penerbit Graha Ilmu.
- [2] Budiman, Budisantoso, 2013, Konflik antarpetambak Bratasena Akibat Kemitraan Tak Sejalan, <http://www.antaralampung.com/berita/266738/konflik-antarpetambak-bratasena-akibat-kemitraan-tak-sejalan>, Diakses tanggal 6 Maret 2014.
- [3] Fadilah, Ratna, dan Sumardjo, 2011, "Analisis Kemitraan Antara Pabrik Gula Jatitujuh dengan Petani Tebu Rakyat di Majalengka, Jawa Barat", *Jurnal Transdisiplin Sosiologi, Komunikasi, dan Ekologi Manusia*, Vol. 5, No. 2, pp. 159-172.
- [4] Tjiptono, Fandi, Chandra, G, dan Adriana, Dedi, 2008, *Pemasaran Strategik*, Edisi 2, Yogyakarta: Penerbit ANDI.
- [5] Jane, Orpha, 2011, "Analisis Potensi Partnership sebagai Moda untuk Meningkatkan Kapabilitas Inovasi dan Teknologi", *Jurnal Administrasi Bisnis*, Vol.7, No. 2, pp. 192-205.
- [6] Kotler, P, dan Keller, K.L., 2009, *Manajemen Pemasaran*, Edisi 13, Jilid 1, Jakarta: Penerbit Erlangga.
- [7] Kotler, P., dan Armstrong, G, 2008, *Prinsip-Prinsip Pemasaran*, Edisi 12, Jakarta: Penerbit Erlangga.
- [8] Pemimpin Redaksi, Nilai Luhur Perjalanan Aqua dari Tahun ke Tahun, http://www.aqua.com/tentang_aqua/nilai-luhur, Diakses tanggal 7 maret 2014.
- [9] Ruswanti, Endang, 2011, "Pengaruh Pemasaran Kemitraan Terhadap Keunggulan Bersaing", *Jurnal Administrasi Bisnis*, Vol. 2 No.1, pp. 17-24.
- [10] Sugiyono, 2014, *Memahami Penelitian Kualitatif*, Bandung: Alfabeta.