

# BRAND DEVELOPMENT STRATEGY OF MICRO SCALE SHOE INDUSTRIES BASED ON AUGMENTED REALITY FOR SMARTPHONE APPLICATION

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## ABSTRACT

One of the best fashion products made in Bandung is shoes. Bandung micro scale shoe industries have a great potential to reach international market. But it is still constrained by conventional product marketing. This research aims to explore digital information technology to develop digital product marketing. At this moment, digital marketing strategy has been able to reach the gaps that cannot be done through conventional strategy. This research focused on digital interaction development intended as a bridge for consumers to get product information through augmented reality. User can see the shape, material, and color closely resembling real shoes through augmented reality feature. This is the main solution offered in this research.

**Keywords:** *macro scale shoes, digital, marketing strategy, brand strategy, augmented reality*

## ABSTRAK

*Salah satu produk fesyen terbaik buatan Bandung adalah sepatu. Industri sepatu skala kecil memiliki potensi besar untuk menembus pasar internasional, tetapi masih terkendala pemasaran produk konvensional. Penelitian ini bertujuan untuk mengeksplorasi teknologi informasi digital untuk mengembangkan pemasaran produk digital. Pada saat ini, strategi pemasaran digital telah mampu menjembatani kesenjangan yang tidak dapat diatasi dengan strategi konvensional. Penelitian ini difokuskan pada pengembangan interaksi digital yang ditujukan sebagai jembatan bagi konsumen untuk mendapatkan informasi produk melalui augmented reality. Pengguna dapat melihat bentuk, bahan, dan warna yang sangat mirip dengan sepatu yang sebenarnya melalui fitur augmented reality, sebuah solusi penting yang ditawarkan dalam penelitian ini.*

**Kata kunci:** *industri sepatu, sistem informasi digital, pemasaran produk, augmented reality*

## INTRODUCTION

Local fashion brand in Bandung has grown rapidly in the last decade. In fact, local shoes products of Indonesia, Bandung in particular, can compete in quality with products of foreign brands (economy.okezone.com). This is unfortunate, because local shoes have a difficulty to compete as people still have a paradigm to buy shoes from international big companies leading to the local shoes being unable to develop. Bandung is well known for its enormous potential youngsters that have a passion for fashion. The youngsters are not only involved as fashion consumers but they are also involved as actors in fashion industries (www.bisnis.com). This movement has become a locomotive for Bandung creative industries.

One of the key areas of Bandung's fashion industries, especially shoe industry, is Cibaduyut. Cibaduyut is famous for its shoe industrial centers. The industry is ready to facilitate youngsters who are willingly involved in the shoe industry. With these youngsters involved, the industry thrives from making old-fashioned shoes to the latest update. They modify shoe models that they found from big company and combine them with the local culture or taste. For example, we can find batik shoes displayed in local product bazaars (www.swa.co.id). There are more to offer from this industry aside from local culture; one of them is the usage of high quality materials. These high quality materials such as leather, suede and others, are produced by local craftsmen. Most of the materials they

offer are leathers and processed leathers. These leathers come from the local industries, and they are on top notch in the term of quality ([www.marketing.co.id](http://www.marketing.co.id)). The lux and strong image of leathers gives the local leather shoes its popularity, and has become one of the most favorable commodities in the local bazaars. Other than leather, one of the most unique materials that gives the shoes a more appealing sense is bamboo fiber. Recently, bamboo fiber has been developed into a main material for shoe products.

These unique traits of the local shoes are not going to work for themselves if they are not supported by a good marketing strategy. Moreover, in the current technological era, Internet-based digital strategies are very crucial. A brand has to be able to interact with the consumers to create brand equity. In the battle of digital strategies, Nike is one of the big companies that successfully apply this kind of strategy. One of the most interesting digital strategies by Nike is Nike+ and NikeID. Nike+ is a strategy that urges Nike consumers to go out and do sports. Nike+ is a system that is perfectly integrated, connecting the shoes with mobile phone apps. Nike implants a special chip in their shoes to record the sporting activities of the users, whose data will be uploaded and viewed in mobile apps. While Nike+ promotes the image of sports, NikeID is a web-based application that facilitates the users to design their own dream shoes. NikeID provides shoes models that can be freely customized by the consumers to match their own appeals. The customized shoes will then be produced by Nike, and be sold only to the consumers that made their own design. This make the NikeID shoes something really personal and only available for one pair. The most important thing of those two digital strategies is the activity of information sharing that being done by the consumer. This is so important, so that Nike does not really need to promote their goods, as the consumers are promoting the goods themselves. So Nike can cut some of the conventional branding activity if they use this digital strategy. This potential of the digital strategy have to be optimized so that brand equity can be made for a local

products. This kind of strategy is needed to enable even a local industry can participate in the international brand battle.

### **Sneakerhead and Shoe Game**

These days, shoes have become more than just footwear; it has become an identity, a lifestyle that defines the user. Understanding the needs of certain lifestyle, big companies communicate this lifestyle as a marketing strategy. This marketing strategy has been well communicated by the big company to sell their products. One of the best strategies to market the shoes that mark an identity is by selling a replica of shoes worn by public figures, such as an athlete, or a rockstar. These industrial scale brands compete in designing the shoes that are more suitable for the needs and characteristics of the public figures, resulting products with a particular spirit. As an example, Nike Air Jordan is a model of shoes that were worn by a basketball legend Michael Jordan. Since his debut in 1985, Air Jordan has released more than 20 models with a limited supply to the market.

This model of communication managed to lure the consumers, and has made strong brand equity. Shoes lovers, especially those who are into basketball, always wait with anticipation for the new release of the newest Air Jordan. Nike itself often re-releases the old Air Jordan series. These retro Air Jordan with its limited supply has made the value of a pair of Air Jordan shoes sky-rocketing. Consumers that feel related by the spirit of the products, finally become brand loyalists, who are undoubtedly happy to spread the same spirit with them, and recommending the products to their friends and colleague voluntarily. They are ready to stand in line in the middle of the night, only to make sure that they get their favorite shoes. They even want to buy the same pair of shoes even though the size itself does not fit their feet.

This fanaticism towards shoes is known as “the Shoe Game”. The Shoe Game is a hobby in which the hobbyist collect sneakers shoes from different brands, type, and series. The Shoe Game players, or known as “sneakershead” usually have a meet up event

to trade information about anything related to shoes, showing each other collection, or just simply taking pictures of the shoes they wear that day. These Sneakersheads have their own rules in buying the sneakers they are going to collect. This kind of spirit will finally become a fanaticism to a certain brand. The horizontal segmentation practice, which communicates the consumers as ones who care for each other, and have a shared purpose, value, and identity, is known as the New Wave Marketing (Kartajaya, 2010). That kind of segmentation practice that has made the brand equity of the big company is well rooted in the mind of the Indonesian people. At this point, a brand can exploit communities to collaborate and do the marketing effectively for them.

### **Social Media and Digital Frontier in Indonesia**

Within the discussion concerning potential market through digital media, Indonesia is one of the developing countries that is trying to follow the development of the digital age. Today, there are 72 million people in Indonesia who are active Internet users (www.slideshare.net). An average Indonesian spends 5 hours to access the Internet, while the time they use on mobile gadget is 2 hours per day. 15% of the Indonesian people are active social media users. In a day, they can spend 2-3 hours to socialize in their social media. From the 15%, 74% of them do the social media interaction through their mobile phone. Those statistics show that social media is pretty much popular in Indonesia. The characteristics of Indonesian people who love to spend time with family and friends might be the reason for such popularity. Indonesia is also a country with the highest mobile phone consumers in the world. The turnover of gadgets in Indonesia is very high, the users always switch their gadget into the newest one in a matter of 1-2 years, or even months. Of the total Indonesian populations, 14% uses the newest generation of smartphones. From those 14%, 94% of them use their phone to access information, 95% access the detail of a product, and 57% of them do online transactions via smartphone (www.slideshare.net). These data alone have

shown a big potential to sell products through social networking.

With such potential, social media users not only passively receive the information, but they also actively share them, making them the information givers (Safko, 2010). This has bypassed the process of conventional social communication and thus the spread of information can be done more efficiently. Moreover, social media are able to spread information virally. This aspect is a completing feature that has an important function in social media. This viral effect is something that is being discussed by people in an occurrence of a new social media. This can be seen in facebook, with their "like" feature, or the twitter with "mention" and "retweet", or Instagram with their unique hashtags like "#OOTD" and "#nofilter". The users specifically associate these features with the social media, and are unconsciously promoted as they are incorporated in their daily talks.

### **Social Media, a Solution to Widen Consumers' Brand Equity for Local Shoes**

According to Sharma, Herzog, & Melfi (2008), mobile media composes the broad basis for the seventh generation of media and the second big generation of digital media after the Internet. Mobile phones add four significant elements not possible in any previous mass media, making mobile, in some ways, potentially superior. As devices, new mobile phones enable these consumer media capabilities to work at lower prices than ever seen before. Mobile phone has the following four unique capabilities:

1. They are high volume, personal fashion statements.
2. They are always carried by the users and always on.
3. They have unique user input experiences of cameras and voice.
4. They have built-in payment mechanism.

With these points, the development of the mobile media has made the new wave marketing possible to change a consumer into a producer, or also known as prosumer (Kartajaya, 2010). This is strongly related to the role of the social media as an arena for the consumer to express their opinion for a product. There are two categories that differ a

social media. The first one is: expressive social media, which includes blog, facebook, YouTube, and twitter. The characteristic of the expressive social media is that the user might use the media to sound their opinion freely, from an objective opinion, to something that is *ad hominem*. With this kind of expressive social media, consumers can freely affect other consumers with their opinion and experience they have with a product. The other one is the social media with collaborative nature, which includes Wikipedia, Rotten Tomatoes, and craigslist. Collaborative social media endorse a more collective opinion to contribute to a product. This type of social media is an open source one, in which the user can contribute together to a product. In this category, the brand holder will give the user a special platform in which the consumers can express their opinion and hope about the product. This collaboration process will soon make the consumer co-creators. This behavior is a phenomenon that happened because the consumer role is so close to the stakeholder, thanks to the social media (Kotler, 2010).

In the current new wave era, the marketing segmentation becomes more horizontal. New wave marketing sees the consumer as a group of people that will share their experience with other people with the same purposes, values, and identity. In the new wave era, community has an important role in this strategy. We can use either an already existing community, or create a new community, which synchronizes with our products. This community then will have a central role in the company's business strategy, not only as a marketing activity but also a public relation. With this strategy, the company has to give the community a set of chances so that they can develop along with the brand itself. Accordingly, every decision-making in term of marketing strategy has to be synchronized with what the community wants. This new wave marketing activity that brings the spirit of the information technology as a promoting platform then triggers a marketing practice that highly depends on consumer behavior. This practice is called Marketing 3.0. The segmentation of the community in the new

wave marketing promotes something called creative society. This creative society has then bridged the consumers, as they are used to working with their right brain. Most of them work as creative scientists, artists, and professional services. They are the most expressive and collaborative consumers who maximize the use of the social media. This creative society might be able to affect the general society with their lifestyles. They always try to make up the world and themselves. Creativity shows itself in a form of humanity, morality, and spirituality. As an improvement of a trend in the society, consumers are now not only looking for the goods and services that they need, but also, an experience and business model that touches their spiritual side. Marketing 3.0 era, for instance, is an era where the marketing practice is highly influenced by the behavior and interest changes of the consumers.

### **Digital Branding Strategy – an Effective Way to do Marketing in Digital Frontier**

According to Sharma, Herzog, & Melfi (2008), to accommodate audience in the digital frontier, an approach beyond reach and targeting will be needed. For the next generation, the combination of tracking engagement, viral responses to campaigns, and transactions in smaller, fragmented, and highly targeted niches, should prove to be powerful. Mobile app is unique because it has built-in payment mechanism and camera phones that can read mobile barcode. These are all somewhat familiar terms and concepts, but they have not been fully applied in conventional branding. The following sections discuss the key measurement factors across the five-point frameworks:

#### 1. Reach

Social media have to be able to build a good communication between the users of the application interaction to the interusers of communication. The mobile gadget in this matter has an important role to help the users access social media we are going to make, everywhere they are. This will consistently walk along with the fans community who already has an important role. Moreover, social

media is a beginning for the Indonesian Sneakershead. In 2011, Indonesian Sneakerhead officially established a community for the Sneakersheads: the Indonesia Sneakers Team (IST). The IST actively exchanges information through the 'group' they made in facebook and twitter. Up till now, the registered members in the group have reached 3000 people, spreading all across Indonesia. Not only do they interact in the social media, but also routinely make a meeting in the real world, to get close to each other.

With social media such as facebook and twitter, this community also manages to hold a sneakers bazaar in April. This sneakers bazaar is a collaboration between IST and a famous fashion store in South Jakarta. In the bazaar, there are more than 250 pairs of shoes that are being exhibited (and sold), among which are very rare items, or even a very limited edition.

IST has established a collaboration not only with the Bazaar but also with Ken Patra.

Ken is one of the sneakers custom artists from Jogjakarta known as SevenZulu. IST and Ken made 3 pairs of custom-made shoes with endemic fauna of Indonesia as the main theme. Ken modified 3 pair of shoes from a famous international brand into *Varanus Komodoensis* or the Komodo dragon, *Pradisea Apoda* or the Cendrawasih, *Panthera Tigris Sumatrae* or the Sumatran Tiger. These 3 custom shoes are then auctioned among the internal IST members throughout IST facebook group. The profit of this auction is then used as a charity for the animal welfare organization in Depok, West Java.

From the two events, IST can be classified as a form of New Wave Marketing in the world of sneakers. IST is the avant-garde of the shoe fashion in Indonesia. The creative potential from Bandung is enormous; this is a big chance for the local brand in Bandung to spread their wings through the market in the digital frontier.



Figure 1 Indonesia sneakers team x Maris – Sneakers Garage 25-27 April 2014. (<http://blog.ist.web.id/>)



Figure 2 IST and SevenZulu custom shoes collaboration. (<http://blog.ist.web.id/>)

## 2. Targeting

In this case, the primary target is clearly the collectors, or the shoe lovers throughout Indonesia with the hope that they can affect their surroundings to participate in this circle. The Sneakershead community is also targeted as an actor to actively participate in developing the social media so that it can be used to improve the image of the Bandung local shoes. Moreover, “collaboration” is a keyword that can bring the brand image of Bandung local shoes into the world. For the secondary target, public figures such as musicians, athletes, or designers, who have a unique spirit, can be included in the collaboration of the brand. One of the examples is HRCN, a Bandung clothing brand that produces sneakers, which collaborate with Bandung famous death metal band, Jasad. Collaboration between the shoes and the band are something that is very commonly done by the world sneakers brand. HRCN tries to incorporate the pride of the local product and a local band, with the shoes as a result of the collaboration. The Branding strategy aforementioned has to be developed into something that accommodates the pride of Bandung local products.

## 3. Engagement

Building a strong connection between a social media and its user includes the user interface and user experience. The display of the minimalistic interface is not something that is translated into something ordinary. The choice of colors, icon, even the typography have to become a great concern. The choice has to be made based on the concept that has been well built. Then, the user experience has to give the user simplicity in using the social media. With the user experience, we should

prompt the user to frequently upload pictures, give comments, and even do online transaction. We can also give the user a new user experience, which is discussed as an augmented reality.

Augmented reality is a way to give a new experience for the physical world, by adding digital elements. Augmented reality is a part of the multiverse concept in which the experience of the digital world collides with the real world. This is a result of human needs in creating an interaction that is beyond time and space. The things that create the physical world are: space, time, and matter, while those that construct the digital world are the opposite; no space, no time, and no matter. The interaction between these worlds, the physical and digital are known as the multiverse [13].

Augmented reality has been used to help with the daily human life. According to B. Joseph Pine II (2011), there are a few things that should be concerned in using the augmented reality:

- Physical world as a background, or foreground in the application of the augmented reality.
- Smartphone is suitable as a media for augmented reality.
- This technology can be used as a media for extension from human mind or body.
- This technology is effectively used as a new experience rather than only providing information.
- For some people, this technology is an annoying digital stimulus.

From this information above, it can be concluded that augmented reality can make the physical world more informative, effective, binding, and can be easily remembered.

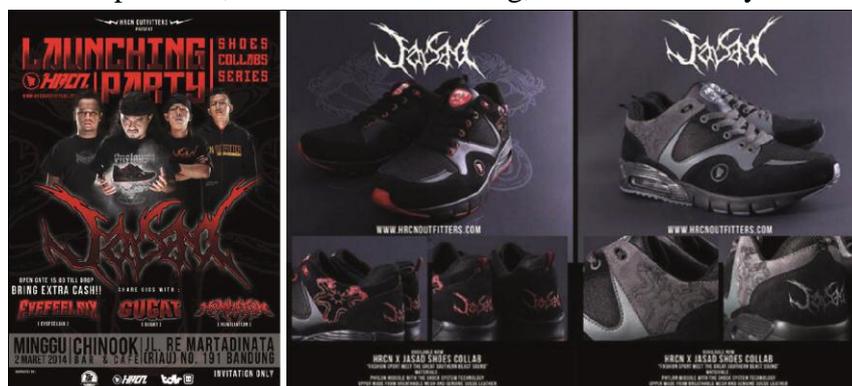


Figure 3 HRCN Southern Stone x Jasad – Bandung latest collaboration.  
([https://twitter.com/Jasad\\_bdm](https://twitter.com/Jasad_bdm))

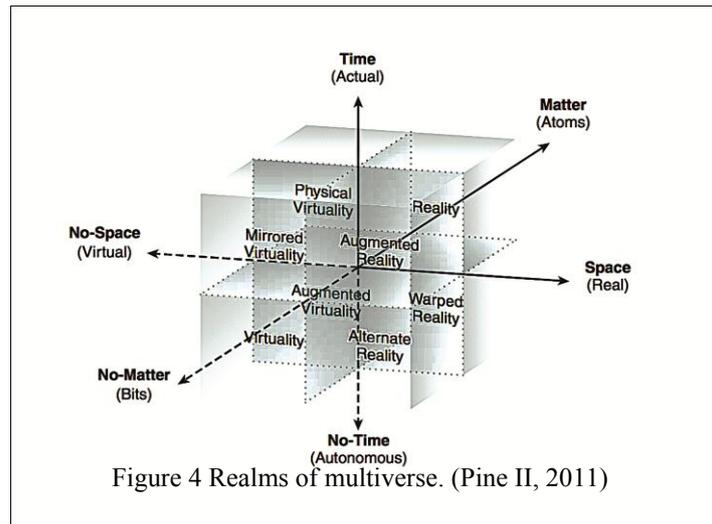


Figure 4 Realms of multiverse. (Pine II, 2011)



Figure 5 Augmented reality application in mobile apps.  
(<http://www.digitaltrends.com/>)

Augmented reality brings virtual experiences to the user from the physical world. This kind of approach is called MES (Multi-sensory, Emotional, and Sharing) approach. Multisensory stimulates sense in order to deliver information to users. In this case, augmented reality can accommodate audio and visual stimulus in order to give emotional bound information to the users. When the users processes the information emotionally, they will share the experience they have gained to other users unconsciously.

In this research, we can use mobile application to measure the feet to try the

available shoes via online catalogue. This mobile application is supported by an augmented reality technology that can show the image of the shoes to try in a 3D image. When the users try the shoes on in the form of 3D augmented reality, they can see their feet being covered by the image of the rendition of the shoes. If they fit the shoes, the users can then post the image of their feet to ask opinion from their friends, or their surrounding. The next step would be that they can access the shoes from the e-commerce integrated with the store of the brand, and therefore they can directly order the shoes that fit their feet.

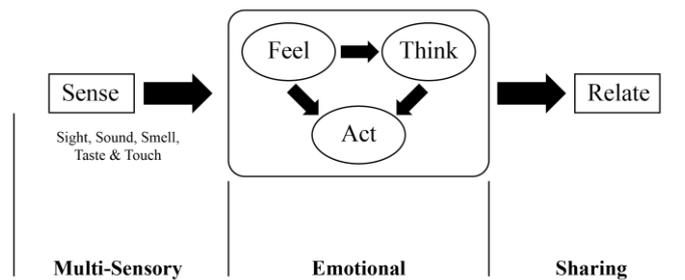


Figure 6 Diagram of MES (Kartajaya, 2010)

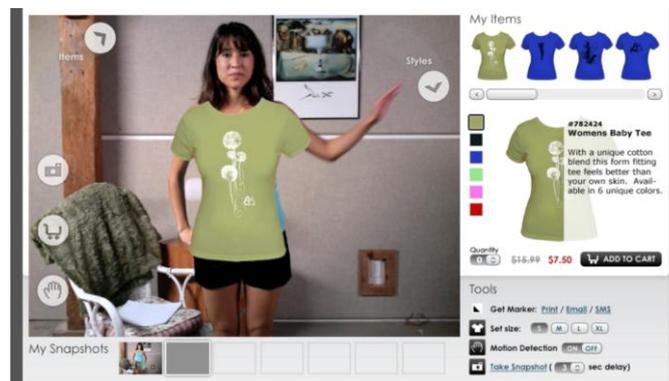


Figure 7 An example of augmented reality in e-commerce website. (<http://www.adstuck.com/>)

#### 4. Viral Effects

This aspect is a completing feature that provides an important contribution to social media. This viral effect is something many people discuss in an occurrence of a new social media. This can be seen in facebook, with their “like” feature, or the twitter with “mention” and “retweet”, or Instagram with their unique hashtags like “#OOTD” and “nofilter”. The user is specifically associated with these features with the social media, and unconsciously promoted as they are incorporated into their daily talks.

#### 5. Transactions

To support the branding of the local shoes, the transaction feature can be really important. The e-commerce feature gives users a simple way to access the information of the products, try the products, up to buying the products. The users have to feel safe when interacting through social media. Moreover, the promotion can be integrated with many offline stores, or

even other local products. As an example, having the social media account can give you a discounted price in the stores collaborating with the social media.

#### Conclusion and Recommendation

To raise our pride of Bandung local shoes, a brand has to integrate technology with community. The technology will provide an easy way to access information and give new experience to do things that cannot be done by conventional branding. As mentioned before, smartphone is a suitable media for augmented reality that will act as a technology that provides new methods to do shoe fitting and shopping without being physically present at the offline store. Thus, augmented reality will provide more informative, effective, and immersive digital branding. On the one hand, the community will become a brand representative who willingly promotes and is actively involved in social media. If these two aspects synergistically work together, we can

expect people to gain brand equity from their Bandung micro scale shoe industry should be able to compete in the international level.

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