

Customer Value-Based Marketing Strategy: A Case Study of PT Sharp Electronics Indonesia in Improving Loyalty and Brand Image

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Keyword	Abstract
Customer Value, Marketing Strategy, Loyalty, Brand Image	<i>This research focuses on customer value as a key component in modern marketing strategy, with a case analysis of Sharp Electronics Indonesia Corp. With the development of technology, companies need to adapt strategies to provide optimal value to customers through relevant products and services. This research uses descriptive qualitative methods to identify customer value-based marketing practices that focus on product quality, innovation, and responsive service. Primary data was obtained from observations of Sharp's marketing activities, while secondary data from related literature. The findings show that customer value plays an important role in driving consumer loyalty and satisfaction. Sharp, through approaches such as utilization of digital channels, loyalty programs, and product customization for the local market, strengthens its position in the market and improves brand image. This research recommends practical strategies for businesses looking to strengthen customer loyalty and engagement through a customer value-oriented marketing approach</i>

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I. Introduction

The world of marketing today has experienced a very significant movement, especially along with the development of technology that is developing so rapidly. Companies in various sectors must adapt to these changes to remain relevant and competitive. The rapid development of technology makes business actors also have to be quick to adjust to these changes, one form of technology that is widely used by people is social media (Utama, 2019).

Marketing strategy through an approach that puts customer value at the center of all marketing activities means that all business decisions, from product development to marketing communications, are focused on providing maximum value for customers. A customer value-based marketing strategy is a key approach that focuses on providing value to customers through products, services, and experiences. By understanding and meeting customer needs and preferences, companies can build long-term relationships and drive loyalty.

Customer value is the customer's perception of the benefits they get from a product

or service, compared to the cost they incur. The concept of customer value has become a central topic in the modern business world. Experts from a wide range of disciplines, from marketing to economics, have provided in-depth insights into why customer value is so important to the success of a business.

Several main reasons why customer value is important, Frederick Reichheld (2006), emphasized that customers who feel they get high value will be more loyal and tend to recommend products or services to others. Meanwhile, Gary Armstrong and Philip Kotler (2012) argue that sustainable business growth can only be achieved through customer satisfaction. Satisfied customers will return to buy and bring in bar customers.

The key to a company's sustainability and growth lies in how they treat their customers. According to Christensen (1997), although company executives believe they control the company and make key decisions, the reality is that customers have a great influence in determining the direction and decisions of the company. The resource dependency theory

states that a company's survival depends heavily on its ability to meet the needs of customers and investors, which provides the company with vital resources. Customers are an invaluable source of innovation. By understanding the needs and desires of customers, companies can develop relevant new products and services.

Peter Drucker (Swaim, 2011) states that the main goal of business is to create customers. But not all customers are the same, some are loyal and profitable, some are profitable but not loyal, some are loyal but not profitable and some are disloyal and unprofitable. Loyal customers can help companies survive in the face of fierce competition and market changes.

This research journal aims to explore various ways to integrate customer value into marketing strategies to drive business success. By analyzing case studies by taking the example of PT Sharp Electronic Indonesia, this research can show how important customer value is in marketing and how companies can effectively implement customer value-based approaches. In addition, this research will also look at the impact of customer value on brand loyalty, customer satisfaction, and overall business performance. By exploring strategies and best practices for creating and delivering customer value, the journal seeks to provide practical recommendations for businesses looking to strengthen their marketing efforts and build stronger relationships with customer.

II. Literature Review

Customer value is the perception or assessment of a benefit obtained from a product or service, compared to the cost or sacrifice that the customer spends to get it. This customer value is a major factor influencing a customer's purchase decision because it focuses on balancing the perceived benefits and the costs incurred. According to Woodall, the term customer value has many meanings, but there are two dominant ones: value to the customer (value perceived by the customer or value received by the customer) and value to the company (value from the customer, which is now more commonly referred to as customer lifetime value) (Smith & Colgate, 2007).

Customer value is essential in marketing because it helps businesses differentiate themselves from competitors and create a unique sales proposition that suits their targets. When

customers feel the value of the product or service offered meets their expectations, there is a higher tendency for them to remain loyal. This customer loyalty is important because retaining existing customers is much more cost-effective than attracting new customers. Strong customer value in marketing strategies helps create a positive experience that ultimately strengthens the relationship between the brand and the consumer (Rachman et al., 2024).

According to Setiawan et al. (2023), it shows that the right customer value can differentiate products or services in the midst of increasingly fierce market competition. When a company focuses on developing value that is unique and relevant to its customers, it can not only improve customer satisfaction but also develop a competitive advantage that is difficult for other competitors to replicate. In this context, companies can use personalization approaches or technological innovations to meet the specific needs of customers.

The value that customers perceive has a direct impact on their propensity to make a repeat purchase and recommend a product or service to others. By creating memorable and valuable experiences, companies can obtain positive recommendations from satisfied customers, which indirectly helps attract potential customers through effective word-of-mouth promotion (Pramiarsih, 2024).

Strong customer values can form a positive brand image in the minds of consumers. The value provided through products, services, or experiences can create a good perception of the brand, which ultimately strengthens the brand identity. When customers feel that they are getting more value from the product or service offered, they tend to have a positive outlook and feel emotionally attached to the brand (Simanihuruk et al., 2023).

Based on some of the explanations above, it can be concluded that fulfillment of customer value can increase loyalty, strengthen competitive advantage, encourage repeat purchases and recommendations, as well as fulfill brand image and positive perception for customers.

III. Methode

This study uses a descriptive qualitative research method. Qualitative research is a type of research that aims to understand the phenomena experienced by the research subject, such as

behavior, perception, motivation, and action, comprehensively by describing them in the form of words and language in certain natural contexts, and using various natural methods (Moleong, 2016). The data collected is divided into primary data and secondary data. Primary data was obtained through observation of PT Sharp Electronics Indonesia's marketing communication activities, while secondary data was obtained through literature studies.

IV. Result and Discussion

Technological developments cause information to be sent quickly, this also happens in the field of marketing where customers get quick information about a product or business service. The main task of every business is to provide value to customers with profits. In a highly competitive economy, where buyers are increasingly informed and have a lot of choice, companies can only win by improving the value delivery process and selecting, providing, and communicating superior value (Kotler & Keller, 2012).

According to Gary Armstrong and Philip Kotler (Armstrong et al., 2023), the key components of a customer value-driven marketing strategy include:

1. **Market Segmentation:** This is the process of dividing a market into different groups of buyers based on needs, characteristics, or behaviors. Segmentation allows marketers to identify specific segments that may require a customized marketing strategy or mix.
2. **Targeting:** After identifying a market segment, the next step is to evaluate the attractiveness of each segment and select one or more segments to serve. This involves assessing the size, growth potential, and suitability of the segment with the company's goals and resources.
3. **Differentiation:** This component involves differentiating market offerings to create superior customer value. Companies must identify unique attributes or benefits that differentiate their products from competitors.
4. **Positioning:** Positioning refers to the arrangement so that the market offer

occupies a clear, distinctive, and desirable place in the minds of the target consumer relative to the competitor's product. It helps in building a strong brand identity and value proposition.

The four components above can be used to build the right relationship with the right customer, thereby creating value for the company and its customers. The components that are the main bases in consumer market segmentation include:

1. **Geographic Segmentation:** involves dividing the market into different geographical units such as countries, states, regions, counties, cities, or neighborhoods. Companies can operate in one or more geographic areas or operate in all areas, but still pay attention to local variations. Some marketers even segment down to specific zip code.
2. **Demographic Segmentation:** This base divides the market into groups based on age and other variables. One of the reasons why this method is the most popular consumer segmentation is because consumer wants, preferences, and usage levels are often related to demographic variables. Another reason is that demographic variables are easier to measure. Even when the target market is described in non-demographic terms (e.g., personality types), a link back to demographic characteristics is still necessary to estimate the size of the target market and the media that must be used to reach it efficiently.
3. **Psychographic Segmentation:** This approach divides the market into different groups based on their lifestyle or personality and values. People in the same demographic group may exhibit very different psychographic profiles (Kotler & Keller, 2012).
4. **Behavioral Segmentation:** Behavioral segmentation divides the market based on consumer behavior

patterns related to product usage, benefits sought, loyalty levels, or attitudes toward a particular product. For example, consumers who use the product frequently may benefit from a loyalty program, while first-time buyers are better suited to referral promotions (Schiffman & Wisenblit, 2015).

Discussion

The depiction of how customer value can be met by a company can be seen from the level of customer satisfaction surveys. In Indonesia, there are several independent institutions that routinely conduct customer satisfaction surveys in various sectors. One of the institutions that conducted customer satisfaction surveys was Business Digest in collaboration with SWA magazine which launched the Indonesian Customer Satisfaction Achievement Award (ICSAA). ICSAA assesses customer satisfaction across a wide range of industries, including banking, telecommunications, automotive, and consumer goods. This survey uses measurement methods such as the Customer Satisfaction Index to assess customer satisfaction based on expectations and perceptions of the brand. In 2024, the company that will be the winner of the Air Conditioner category in the award is PT Sharp Electronics Indonesia.

Based on the results of media searches, Sharp is ranked 1st in the market share of electronic products with a customer satisfaction level of 98.9%, figure 1. Beyond the advantages of its products, Sharp's strategy in maintaining customer satisfaction is to regularly conduct surveys and monitor customer feedback to understand their needs and expectations. With this information, Sharp Indonesia can design products that are more in line with customer needs and provide a better experience.

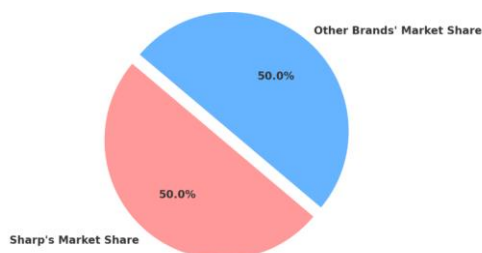


Figure 1. Market Share Electronic Product

Based on various media sources and available data, in general, the marketing strategies carried out by Sharp in increasing customer satisfaction value can be described as follows:

1. Focus on Product Quality and Innovation. Sharp is known for its commitment to product quality and innovative technology. Products such as refrigerators, air conditioners, and air purifiers are equipped with Plasmacluster technology, which not only maintains product quality but also improves health and comfort benefits for users. By developing durable and innovative products, Sharp ensures customer satisfaction through a positive user experience and high-value products.
2. Product Development in Accordance with Local Market. Needs Sharp tailors their products to the needs and preferences of Indonesian consumers. For example, Sharp's rice cooker is designed with optimal rice cooking functions and according to local consumer preferences. By paying attention to consumer habits and preferences in Indonesia, Sharp can offer relevant and tailored products, which ultimately increases customer satisfaction levels.
3. Responsive and Accessible Customer Service. Sharp has an extensive customer service network in Indonesia, including an authorized service center and a responsive hotline. By providing easy access to after-sales service and quick response to customer complaints or requests, Sharp creates a convenient and reliable experience for consumers. This is very important to maintain customer trust and increase their loyalty.
4. Good Warranty Program and After-sales. Service Sharp offers a warranty program for their various products, which provides safety and convenience for consumers. Good after-sales service, including repairs and replacement of authorized parts, also helps maintain customer trust and

satisfaction. This warranty program demonstrates Sharp's commitment to quality and long-term service.

5. **The Use of Digital Channels for Consumer.** Interaction Sharp leverages digital channels to reach customers, increase engagement, and provide responsive services. In the digital era, consumers want ease of access to product information, services, and support. Through digital channels, Sharp can provide up-to-date information, offer special promotions, and respond quickly to customer inquiries, ultimately increasing consumer engagement and satisfaction.
6. **Building a Strong Brand Image.** Sharp focuses on its brand image as a company that prioritizes quality, innovation, and customer satisfaction. With a strong brand image and good recognition in Indonesia, consumers feel more confident and have positive expectations for Sharp products. This brand image is built through consistent marketing, product innovation, and a positive customer experience.
7. **Loyalty Programs and Special Promotions.** Sharp periodically offers loyalty programs and special promotions to its loyal customers, such as discounts or cashback through certain digital channels or events. Programs like this not only increase sales but also strengthen customer loyalty by providing exclusive added value for consumers.
8. **Obtaining and Using Customer Feedback for Continuous Improvement.** Sharp actively collects feedback from customers to improve their products and services. Customer satisfaction surveys, online reviews, and social media responses are ways for Sharp to understand customer needs and make continuous improvements. This input is very important to maintain the relevance of Sharp's products and services in the midst of an ever-changing market.

The strategy adjusts to factors related to customer value. Heard (1993-94) looked at customer value through three main factors: product characteristics, orders shipped, and transaction experiences related to value chain activities within organizations such as design, production, and marketing. These values are evaluated by customers based on four dimensions: precision, punctuality, fit, and efficiency. Although simple, these factors are not the only source of value. Product information, understanding of features, and the physical environment when purchasing or consuming also play a role in increasing the value of the product. The transactional experience through customer interaction with staff and organizational systems creates additional value, either in the form of functional, symbolic value, or time efficiency and convenience, depending on the context of the interaction (Smith & Colgate, 2007).

According to Narver and Slater (2000), companies that have made market orientation an organizational culture will focus on external market needs, market desires and demands as a basis in formulating strategies for each business unit in the organization, and determining the company's success. To support a market-oriented organizational culture, what is important is the commitment and participation of all members of the organization which in the end will be continuous learning by the organization and its members that will generate more value for customers.

This reinforces previous research, where Wibowo concluded that by adapting the concept of integrated marketing communication into digital activities, Sharp was able to maintain and even increase its brand awareness in the minds of consumers. Sharp implements elements of the marketing mix through continuous campaigns on social media, creating compelling new ways for consumers to reap benefits beyond conventional sales. In addition, targeted advertising strategies and creative messaging through interactive activities make consumers feel connected to the Sharp brand even when they are at home. This approach not only increases brand awareness but also strengthens consumer loyalty, making Sharp a strong brand and remaining relevant in the minds of its consumers (Wibowo, 2021).

V. Conclusion

Customer value plays a crucial role in influencing purchasing decisions by balancing the benefits and costs that customers feel. To create and increase this value, companies like Sharp implement marketing strategies that prioritize product quality, innovation, responsive customer service, and the use of digital technology for more efficient communication. By focusing on local needs and preferences, Sharp ensures relevant products and services, increases satisfaction, loyalty, and strengthens its competitive advantage in the market. A proactive approach to collecting customer feedback and customizing products allows Sharp to build a strong brand image and meet consumer expectations by continuously providing a positive experience. This strategy is reinforced by a market-oriented organizational culture, where all members of the organization are committed to understanding and meeting customer needs, which ultimately increases customer awareness and engagement with the brand.

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