

Research Article

Market Analysis and Positioning: A Case Study of TARKAN Men's Underwear Brand in Indonesia

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Abstract: TARKAN is a new brand seeking to enter the men's underwear market in Indonesia. As the brand prepares to enter the men's underwear industry, the main challenges involve developing strategies to position the brand among existing competitors. In this study, situation analysis is conducted to identify external and internal factors that can influence the strategy formulation. Externally, the study uses Porter's Five Forces and Competitor Analysis to explore current market conditions, while internal factors are analyzed using a Resource-Based View to identify TARKAN's capabilities. This study uses qualitative methods, including semi-structured interviews and observations. The data analysis method used in this study includes content analysis to categorize the findings, which will be further used in determining the positioning strategy using the Segmentation, Targeting, Positioning (STP) method. The result of this study is that TARKAN positions its brand as an affordable men's underwear brand tailored to young adult employees with high mobility in their daily work activities.

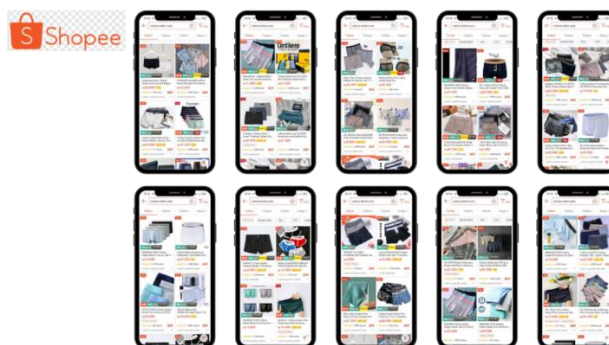
Keywords: Market Condition, Market Entry, Men's Underwear Industry, Positioning.

I. INTRODUCTION

Men's underwear is a rapidly growing product category in the apparel market, owing to both innovative design and technology (Askin, 2004; Underwear: Building on the Basics, 2010). Previously, male consumers had few options for underwear and, as a result, few expectations. Today, they can choose from a number of shapes and fabric innovations, such as flat fronts, horizontal flies, and performance-based fabrics. When selecting men's underwear, it is important to consider three key attributes: comfort, style, and color (Dibyendu, 2018). The growing need for modern men's underwear has influenced design techniques such as structure, knitted materials that adhere to male body morphology, comfort perception, and possibly soft tissue reshaping (Cheng Z, 2018). This provides opportunities for underwear companies to innovate in order to offer modern underwear goods that meet people's needs and preferences.

Previously, the author conducted observations on several popular marketplace platforms in Indonesia, specifically Shopee, Tokopedia, and Lazada. Observations were conducted to assess the condition of the underwear industry in the current marketplace era, focusing on factors such as pricing, product variety, prominent brands, visual presentation, and sales quantity.

According to a brief observation, the majority of underwear products available on the three online marketplaces, namely Shopee, Tokopedia, and Lazada, are sold at low prices. This phenomenon can occur due to the presence of economies of scale, enabling the reduction of manufacturing costs and subsequently selling products at lower prices. In terms of product types, it is quite diverse, and each variety of underwear has its own customers. Regarding visual presentation, the majority use flat-lay images featuring a blend of multiple product variations set on neutral backdrops like white or gray. Only a few brands show their underwear products worn by a model.



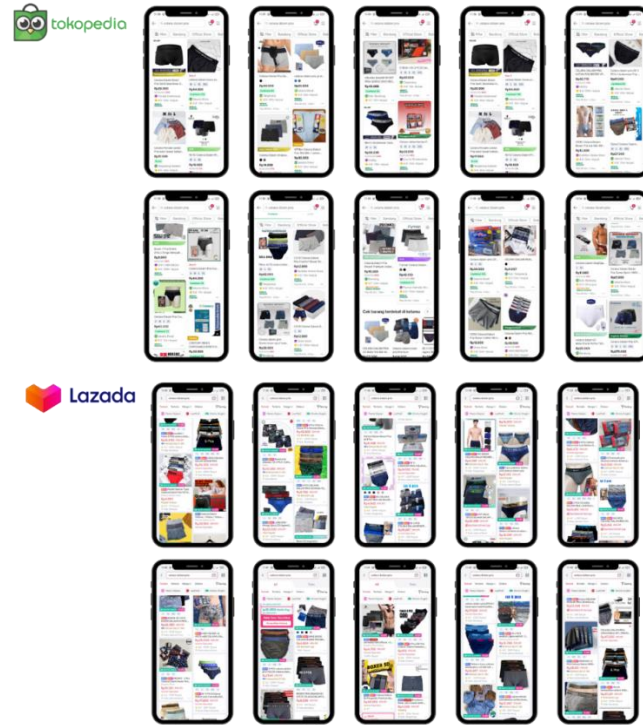


Figure 1: Brief Observation of Men's Underwear Products in Shopee, Tokopedia, and Lazada

Considering these observations, TARKAN, as a new brand seeking to compete, must strategize on capturing customer attention and ensuring that TARKAN products stand out among competitors' offerings. This includes identifying compelling factors that drive customers to pause and check out TARKAN products while scrolling through search results, ultimately generating substantial traffic that can be converted into sales. Furthermore, TARKAN needs to take appropriate brand positioning among existing competitors to enter the men's underwear market in Indonesia successfully.

II. LITERATURE REVIEW

Literature Review

In the literature review, the author employed a theoretical foundation constructed by aggregating significant and relevant theories pertinent to the identified issues.

A) Porter's Five Forces

Porter's Five Forces is a strategic framework employed to evaluate the competitive environment of a sector and calculate its profitability (Rothaermel, 2021). This technique identifies five essential factors that influence competition and profitability.

a. Threat of New Entrants:

Describes the level of difficulty in entering a particular market or sector. New entrants can be a threat to established companies, reducing the industry's total profit. The easier new entrants enter the market, the higher the threat.

b. Bargaining Power of Suppliers:

Describes the power of suppliers to impact the pricing, quality, and timeliness of raw materials. Suppliers with strong power have the potential to demand higher prices and decrease lower quality.

c. Bargaining Power of Buyers:

Describes the power of buyers to impact prices, conditions, and quality of the products. Strong buyers are a threat to companies because they can demand low prices with higher quality, leading to decreased profitability for the company.

d. The threat of Substitute Products:

Describes the accessibility of substitute products that can fulfill the same requirements as the products provided by the industry.

e. Rivalry among Existing Competitors:

Describes the level of competition among established companies in the industry. Intense rivalry can result in price conflicts, diminished profit margins, and decreased profitability.

B) Competitor Analysis

This method is essential in shaping an organization's strategy and determining how companies respond or adapt to competitors in the industry. According to Kotler et al. (2021), there are three steps in analyzing competitors: Identifying competitors from a market point of view, assessing competitors' objectives, strategies, strengths and weaknesses, and reaction patterns, and selecting which competitors to attack or avoid.

C) STP

Segmentation, Targeting, and Positioning (STP) is a strategy framework utilized by marketers to align their marketing activities with the individual needs and preferences of their target market (Kotler et al., 2021).

a. Segmentation:

Breaking a market into distinct groups of customers based on their unique demands, features, or behaviors.

b. Targeting:

Determining the desirability of each market segment and selecting one or more market segments to enter.

c. Positioning:

Establishing brand image and position in the eyes of consumers within the segment.

With the mentioned theories, the author developed a conceptual framework that assists in directing and synthesizing the research, as well as serving as a guide for analysis.

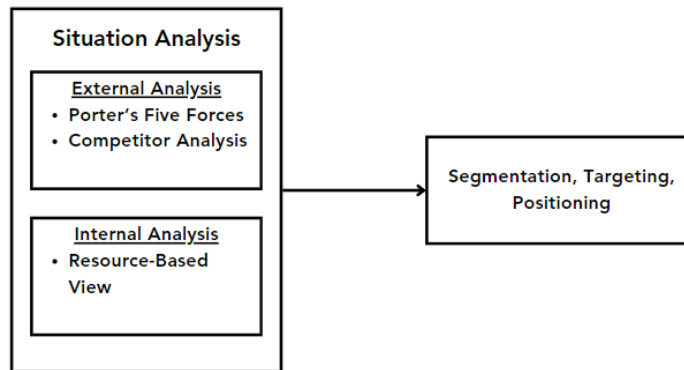


Figure 2: Conceptual Framework

D) Research Design

This study used a qualitative approach, starting from the business issue exploration as the first step. After the business issue had been identified, research objectives were determined. The data collection process includes primary and secondary data collection. Primary data was collected through observations and several semi-structured interviews. In contrast, secondary data was obtained from relevant literature such as books, journals, reports, and public data to provide additional information. This study used content analysis for the data analysis method. This method includes reading textual materials, generating categories from reading, and evaluating categories in regard to the relevance of emerging taxonomy in relation to the empirical setting (Jennings, 2005).

III. RESULTS AND DISCUSSION

A) External Analysis

Firstly, the study uses Porter's Five Forces to analyze the competition in the men's underwear industry. The analysis is as follows. (1) Threat of new entrants – Level Medium: New entrants face a medium barrier to entry if they want to enter the men's underwear industry. This barrier includes economies of scale, network effects, customer switching cost, capital requirements, government policy, and credible threat of retaliation. (2) Bargaining Power of Suppliers – Level High: It is relatively hard to switch to other suppliers. When changing suppliers, there are often differences in specifications in terms of color and material quality, which do not meet the company's standards, resulting in complaints from customers. (3) Bargaining Power of Buyers – Level High: Customers could switch from one brand to another if they wanted to, as there are many

varieties of existing brands that customers can choose from. (4) Threat of Substitute Products – Level Low: In the current men's underwear industry, where everyone uses underwear in their daily lives, there is no substitute for underwear replacement for everyone's daily needs. (5) Rivalry among Existing Competitors – Level Medium: There are many existing competitors that have already been in the market; however the competitiveness in the men's underwear industry is not as fierce as regular fashion. Thus, the competition in the men's underwear industry is categorized as medium to high. Additionally, this study utilized Competitor Analysis of several brands that provide similar products and offer the same value to the target market to identify and assess their strategies. This analysis helps TARKAN to understand its competitors' strengths and weaknesses. Brands with weaker market presence tend to compensate for a relative lack of visibility by delivering value in other areas. Specifically, they focus on providing better quality products or more competitive pricing. Such strategies are often employed to attract customers who are seeking either high-quality products or more affordable options in the marketplace. By utilizing Porter's Five Forces and Competitor Analysis, insight can be gained as brands that want to enter the men's underwear industry should have strategies to be able to compete with competitors who are already well-known.

B) Internal Analysis

This analysis uses the Resource-Based View (RBV) to identify TARKAN's resources and capabilities. TARKAN's tangible resources include the owner's financial strength, access supplies to the raw materials and partnership vendors, equipment and tools for creative content producing, a rented house which functions as an office and stores inventory, and a simple organizational structure to make the company more agile—intangible resources, including expertise and knowledge of marketing and business management. Branding, although it has not been implemented yet, will become increasingly important and could serve as a competitive advantage as the brand develops. Even though TARKAN still has limited resources, it can collaborate with beneficial parties to bridge the gaps in TARKAN's capabilities. Such collaborations will enable TARKAN to operate its business more effectively with the aid of relevant partners.

C) Marketing Strategy

The author utilizes Segmentation, Targeting, and Positioning (STP) to determine TARKAN's marketing strategy. By using this method, TARKAN can position its brand appropriately so that it will succeed in the market entry. These are the explanation of STP:

a. Segmentation

Market segmentation refers to the process of categorizing target customers into distinct groups based on their shared demands and purchasing behaviors (Kotler et al., 2021). The following is the market segmentation.

Table 1: Market Segmentation

Market Segmentation	
Demographic	Age Toddler (0-5); Child (5-11); Teen (12-25); Adult (26-45); Older Adult (46-65). Those age categories were based on Amin & Junianti (2017)
	Occupation: Employed; Unemployed; Student
	Income per month: Below UMR*; UMR* – IDR 10,000,000; IDR 10,000,000 – IDR 30,000,000; above IDR 30,000,000
Geographic	Jabodetabek*, Bandung, Yogyakarta, Semarang, Surabaya
Behavior	Social media active user; social media passive user
	Regularly shops in online shops; rarely shops in online shops; never shops in online shop
	Regularly goes to the mall; rarely goes to the mall; never goes to the mall. Purchase underwear for himself; underwear purchased by someone else

*note:

- UMR: Upah Minimum Regional. It refers to the minimum wage level set by regional governments in Indonesia for workers in their respective regions.
- Jabodetabek: An acronym representing the metropolitan area that encompasses Jakarta, Bogor, Depok, Tangerang, and Bekasi.

b. Targeting

Targeting includes choosing specific segments to focus the marketing and product development efforts on (Kotler et al., 2021). Based on the detailed segmentation and interview data, TARKAN's targeting strategy can be explained below:

Table 2: TARKAN's Targeting

Targeting	
Demographic	<ul style="list-style-type: none"> • Young adults 25-35 years old (Millenials and Gen Z) • Occupation: Employee, entrepreneur • Middle and middle-upper income (Above UMR)
Geographic	Live in urban cities with high mobility, predominantly Jabodetabek, commuting to work.
Behavior	<ul style="list-style-type: none"> • Frequent online shopper but also visits physical stores • Social media active user • Likely to purchase during sales or promotions

Young adult employees represent a significant and growing demographic in Jabodetabek, Indonesia. This group often has disposable income and has the ability to make purchasing decisions that reflect their personal and professional lifestyles. By targeting this segment, TARKAN taps into a market with spending power and a desire for products that suit their active lifestyles. This segment is also familiar with purchasing products online, making it more feasible to attract them through online channels such as social media and marketplaces. Moreover, professionals with high mobility in their daily work require clothing, especially underwear, that can keep up with their active lifestyle. This includes comfort during long hours of work, durability to withstand frequent movement and materials that can manage sweat and odor effectively.

c. Positioning

TARKAN positions its brand as an affordable men's underwear brand for office workers who work in urban areas with high mobility who travel more than one hour to go to the office. By cultivating values of comfort and durability, complemented with proper fitment, TARKAN positions itself as a brand suitable for daily work activities.

IV. CONCLUSION

This study aims to analyze the current condition of the men's underwear market in Indonesia and determine the proper positioning TARKAN needs to take for a successful market entry. In the competitive underwear market, TARKAN strategically positioned its brand as an affordable men's underwear brand tailored to the needs of office workers in urban areas who experience high mobility and face extended daily commutes to their workplaces, often exceeding an hour. By emphasizing key attributes such as comfort, durability, and proper fit, TARKAN aligns its products with the demands of a busy, urban professional lifestyle. The focus on creating underwear that supports and enhances the daily work activities of its target audiences allows TARKAN to carve out a niche in the market, catering specifically to the practical and comfort needs of office workers in high-mobility urban settings.

Interest Conflicts

The authors declare that there is no conflict of interest concerning the publishing of this paper.

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