

Why It Fails? Marketing Strategy Analysis On The Brand “X” Instant Noodle Sales Performance In South Korea Market

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Abstract: *This study aims to examine the reason why the sales performance of Brand “X” Instant Noodles from Indonesia is not successful yet to expand its market in South Korea. This study used sequential mixed-method approach comprising two steps: first is to analysing the external and internal factors using a qualitative approach. Secondly, the researcher also observed the behaviour of the customers that fit into the targeted segment, who are likely to be influenced by price, flavour variety, convenience, and brand loyalty. The results lead to indication of unprofitable business of instant noodles because of high intensity of rivalry and substitutes, and also unfavourable bargaining power of buyers and how it is easy for the competitors to entering the market. Furthermore, the company of Brand “X” Instant Noodle is still a conservative manufacturing-oriented company, taking a risk such as doing aggressive marketing to introduce its brand to a new market is still difficult. Additionally, competitor analysis shows that there are many contenders and stiff competition in the market. There are some limitations for this research, to make it more focused. First, the research only focused on Brand “X” Instant Noodle sales in South Korea. This research was conducted in South Korea since the analysis is focusing on the analysis of marketing strategy on the Brand “X” Instant Noodle Sales Performance in South Korea market. In this paper, the focus is on analysing the reasons why the Brand “X” Instant Noodle has not been able to achieve its sales targets compared to other foreign markets, particularly within the instant noodle industry. Rather than exploring the various factors that influence sales performance in general, the study specifically looks at the factors that are hindering the success of Brand “X” in the market. Overall, the goal of this paper is to provide valuable insights that can help Brand “X” Instant Noodle to understand its situation better.*

Keywords: Sales Performance, Marketing Strategy, Instant Noodle, South Korea

1. Introduction

Momofuku Ando invented instant noodles in 1958, under the brand name Chikin Ramen (Wallace, 2007). Since then, instant noodles have become popular around the world. In 2021, people consumed 118 billion servings globally, with China, Hong Kong, Indonesia, and Vietnam leading the way (World Instant Noodle Association, 2021). South Korea has the highest consumption per capita, with an average of 74.6 servings per year (Parpart, 2019).

In South Korea, instant noodles, or Ramyun, have been popular since 1963. A survey

conducted in 2021 found that over 50% of respondents with a household income of 3.5-5 million South Korean Won reported eating instant noodles one to two times per week. Furthermore, 48.2% of respondents with an annual salary of at least 7 million South Korean Won reported eating instant noodles once to three times per month (Statistica, 2021).

Brand "X" Instant Noodle, produced by PT "Y," is a well-known instant noodle brand in Indonesia and has become a household name. For further steps, Brand "X" looks an opportunity to penetrate the foreign market. To enter foreign markets, Brand "X" Instant Noodle works with local distributors. In South Korea, the brand is currently working with five different distributors. However, the brand's performance in South Korea has not been as successful as in other countries, with only 0.1% of the market share. In 2021, the brand sold 6.6 million units, which was lower than the target of one pack per person. In 2022, sales performance dropped by 12.73%. Hence, this research aims to answer the question why the sales performance of Brand "X" Instant Noodle in South Korea is not as good as in other countries.

2. Literature Review

Sales Performance

Sales performance refers to how well a company is doing in terms of sales over a certain period. Sales performance itself can be measured by the sales volume (Rangkuti, 2015). Strategies to increase sales volume include: presenting products attractively, arranging them well, analyzing the market, identifying potential customers, organizing exhibitions, and offering discounts (Kotler & Keller, 2012; Mukiira et al., 2017; Oeyono, 2013).

Marketing Strategy

Sales performance is influenced by marketing strategy (Abu-alhaijaa & Abu-Elanain, 2017). Marketing is the process of establishing and maintaining customer relationships (Keramati, Ardalan, & Ashtiani, 2012). To do this, businesses must target specific customers and create a marketing mix that appeals to their needs (Crittenden, 2005). Marketing contributes to a company's strategic planning by identifying profitable market opportunities and creating plans to achieve business goals (Kotler & Armstrong, 2018). Competitive advantage is achieved by considering internal capabilities and the market (Feurer & Chaharbaghi, 1995; Lin & Chen, 2008). Marketing strategy involves researching and analyzing the target market, defining the target audience, setting marketing goals, choosing the appropriate marketing mix, and allocating resources to execute the plan effectively. The aim of marketing strategy is to increase brand recognition, customer loyalty, revenue, and sales growth. Ultimately, marketing strategy can impact sales performance (Sirvastava et al., 2001; Hax & Wiled, 2001; Juttner & Wehrli, 1994; Hooley et al., 2003).

The overall aim of a marketing strategy is to create and sustain a competitive advantage, increase brand recognition and customer loyalty, and ultimately drive revenue and sales growth (McDonald & Wilson, 2016).

Marketing Strategy and Marketing Mix

A marketing strategy is a plan to use limited resources to focus on opportunities that can increase sales (Srinivasan & Adaro, 2018). It directs a company's activities to influence consumers to buy its products or services.

The marketing mix, in which businesses design concepts to market the products they produce (Raj et al., 2015), is one of the marketing strategies that producers can use to increase the

volume of sales of the products they produce (Assauri, 2015). The four components of the marketing program are combined in the marketing mix: product, cost, location, and advertising (Gituma, 2017). According to Mugiantoro (2016), each of these four aspects will have an impact on the achievement of the established sales goals.

Marketing Mix

As previously mentioned, marketing strategy is divided into two parts and one of them is composition of marketing mix. (Kotler, 2000, p.9). It consists of four broad levels of marketing decision which is product, price, place, and promotion (McCarthy, 1964).

Product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need (Kotler & Armstrong, 2015). Meanwhile, price is the amount charged for a product or service – considered as a customer perceived value. Pricing is one of the most important elements of the marketing mix, because it supports the other elements.

Place refers to providing convenience access for consumers (McCarthy & Jerome, 1964). In addition, according to the Kotler and Armstrong (2015), place is an arrangement of interdependent organizations included during the time spent making a product available for utilization by consumers.

Based on Boone and Kurtz (1974), promotions have three purposes which are to present information to consumers and others, to increase demand and to differentiate a product. In addition, promotion is the method of closing the information gap between would-be sellers and would-be purchasers (Jones 2007).

To improve sales performance, businesses need to understand their market and evaluate their marketing mix, which includes product, price, place, and promotion (Oxenfeldt, 1958). Marketing strategy is a key goal of increasing sales and gaining competitive advantage, achieved through effective implementation of product, pricing, merchandising, and distribution strategies (Rotich, 2016). Studies have shown that the marketing mix has a significant relationship with sales performance, with each element playing an important role in improving sales. Effective marketing strategies can increase sales, market share, and consumer confidence in product quality (Keramati, Ardalan & Ashtiani, 2012; Mustapha, 2017; Srinivasan & Adaro, 2018; Ahmad, et al., 2023).

3. Research Methodology

Research Design

To answer the aforementioned research question, this research is using a sequential mixed method comprising two steps: the first step is to analyze the external and internal environment by using qualitative approach, and the second to gather information of customer's preference towards instant noodle by using quantitative approach. Qualitative research methods include gathering and interpreting non-numerical data. Meanwhile, quantitative research methods include compiling numerical data to test causal relationships among variables (Hoover, 2021).

Data Collection Method

The data collection consists of primary and secondary data. By doing the interview and customer survey, it gathered the primary data to understand the customers and internal situation of Brand "X" Instant Noodle. Meanwhile, secondary data is gathered from published data in

the form of journals, website documents, and articles regarding the instant noodle industry in South Korea to analyze the external situation. The target population of this study is the potential customers of Brand “X” Instant Noodle which is people in the range of 18 – 34 based on Brand “X” Instant Noodle’s STP profile.

The population is determined by the total population in the range of age of the potential customer but focusing on Seoul as one of the major cities in South Korea. This is also due to the market coverage of Brand “X” Instant Noodle is mainly still in Seoul. Based on Statista (2021), the total population of Seoul is 9,976,000 people. The % of people in the age range of 18 – 34 is 37.3%. Hence, total potential customers of Brand “X” Instant Noodle in Seoul are 3,721,048 people. Based on the sample size calculation the sample size for this study is 400 people. The margin error that is used is 5 % due to the time limitation. This study uses a non-probability sampling method, which is judgmental sampling.

4. Result

Marketing Mix Analysis

As we did online survey to 400 respondents in order to get insights about customers’ perception towards instant noodle brand including the Brand “X” Instant Noodle, the Kaiser-Meyer-Olkin (KMO) test is used to determine the validity and reliability of the data. It measures the sampling adequacy that determines whether the data are suitable for conducting a factor analysis. The KMO test assesses how well the observed variables in a dataset correlate with each other and checks whether there are sufficient correlations to justify conducting a factor analysis (Tabachnick, & Fidell, 2013). The KMO value is obtained by comparing the observed correlation coefficients with the partial correlation coefficients. the KMO test is based on the idea of partial correlation, but it involves computing a different set of coefficients to assess sampling adequacy for factor analysis.

Specifically, the KMO test involves computing the correlations between each variable and all other variables in the dataset. These correlations are then used to compute a series of partial correlations, which measure the strength of the relationship between each variable and all other variables, while controlling for the influence of the remaining variables (Field, 2009).

The KMO value requirement is as follows:

- i. $0.9 < \text{KMO} \leq 1.00$ data is very good
- ii. $0.8 < \text{KMO} \leq 0.9$ data is good
- iii. $0.7 < \text{KMO} \leq 0.8$ data is good
- iv. $0.6 < \text{KMO} \leq 0.7$ data is more than adequate
- v. $0.5 < \text{KMO} \leq 0.6$ data is sufficient
- vi. $\text{KMO} < 0.5$ data is not acceptable.

**Table 1: Validity and Reliability of Marketing Mix Analysis
KMO and Bartlett’s Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.816
Approx. Chi-Square		1228.412
Bartlett's Test of Sphericity	df	55
	Sig.	.000

Based on the table above, the KMO test shows the value of 0.816, that means that the data is good and adequate. Moreover, to analyze the relationship between variables of each question,

we used the Bartlett's test. If variables X_1, X_2, \dots, X_p are independent (i.e., mutually independent), then the correlation matrix between the variables is equal to the identity matrix. The Bartlett's test has high accuracy (significance) with $p < 0.00000$, implying that the correlation matrix is suitable for factor analysis. For this test, the benchmark value is seen with a significance of 0.000 (<0.05), which means that it can be 100% trusted that there is a correlation between variables. In the CFA model, the indicators are implemented in items that directly measure the construct. Testing using CFA, indicators are considered valid if the loading factor is 0.50 - 0.60 can still be tolerated (Ghozali, 2014). The lowest value can be used is 0.400

Table 2: Consistency Analysis
Rotated Component Matrix^a

	Component			
	1	2	3	4
P01	.628			
P02	.471			
P03	.703			
P04	.824			
P05	.639			
P06		.770		
P07		.775		
P08			.774	
P09			.764	
P10				.851
P11				.483

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

Based on the rotated component matrix values obtained from the EFA analysis, the researcher did not set a fixed number of variables to be tested, but instead allowed the calculation to separate components based on the tendency of each value. The researcher found that the value was:

- i. The Product is consisted from item 1, 2,3,4, and 5
- ii. The Price is consisted from item 6,7
- iii. The Place is consisted from item 8,9
- iv. The Promotion is consisted from item 10,11

Thus, the items can be used, and the indicators of the item can be used to measure the 4P in this research. From this point forward, the researcher would like to analyze the 4Ps to Intention.

Table 3: Correlation Analysis

	PI	PQ	PV	IP	BR
Pearson Correlation	.725**	.677**	.752**	.709**	.695**
Product Sig. (2-tailed)	.000	.000	.000	.000	.000
N	400	400	400	400	400

** Correlation is significant at the 0.01 level (2-tailed).

	PP	PC
Pearson Correlation	.872**	.874**
Price Sig. (2-tailed)	.000	.000
N	400	400

** Correlation is significant at the 0.01 level (2-tailed).

	ACC	APS
Pearson Correlation	.856**	.867**
Place Sig. (2-tailed)	.000	.000
N	400	400

** Correlation is significant at the 0.01 level (2-tailed).

	ADV	POSM
Pearson Correlation	.837**	.803**
Promotion Sig. (2-tailed)	.000	.000
N	400	400

** Correlation is significant at the 0.01 level (2-tailed).

Product	Price	Place	Promotion
Product ingredients	Product Price	Acessability of Place	Advertisement
Product Quality	Price Competitiveness	Availibility of place	Material Promotion
Product Variants			
Informative packaging			
Brand reputation			

Based on the research findings, all five indicators of the Product factor showed a good correlation with the product, while two indicators of the Price factor, two indicators of the Place factor, and two indicators of the Promotion factor also showed a good correlation. This indicates that these variables are important factors that customers consider when choosing which instant noodle to buy. Moreover, according to this consumer's profile, a quick research has been conducted and from total 400 respondents, only 40% of them that already aware of Brand "X" Instant Noodle.

To further analyze this relationship, paired t-tests were conducted to compare customers' expectations towards Brand "X" Instant Noodle with the actual performance they received upon consuming the product. This analysis was carried out for variables that were found to be significantly correlated with the intentional usage of Brand "X" Instant Noodle.

Table 4: Marketing Mix Significance Test

Pair	Factors	Mean difference	T	Significance
Pair 1	Product (Expected) - Product (Performance)	.27273	3.708	.000
Pair 3	Place (Expected) - Place (Performance)	.83807	8.413	.000
Pair 4	Promotion (Expected) - Promotion (Performance)	.64773	7.823	.000

Based on the research, it was found that the difference between the Expected and Performance scores was significant, with a p-value of less than 0.05. This suggests that there is a significant difference between the expected and actual performance of the product, place, and promotion. Since the analysis was conducted by calculating the difference between the expected and performance scores, a positive mean difference indicates that Brand “X” Instant Noodle's current performance is lower than customer expectations, which means that it is not meeting the expectations of the customer

External Analysis

External analysis is an important process that organizations undergo to identify and evaluate the external factors that could impact their business operations. Hence, this analysis is conducted to understand the external factors that impacting the Brand “X” Instant Noodle stagnant sales performance.

General Environment Analysis

General Environment Analysis consists of demographic, economic, political/ legal, sociocultural, technological, and global.

Demographic

South Korea is one of the countries in Asia with Seoul as its capital city. According to Worldometers (2023), population of South Korea in 2023 is 51.38 million people which equivalent to 0.66% of the total world population. Moreover, according to a Statistica (2021), among Seoul residents in South Korea on their consumption frequency of instant noodle products in 2021, roughly 56.1 percent of respondents aged between 18 and 29 years stated that they ate instant noodles one to two times per week. At the same time, around 46.3 percent of respondents in their 50s answered that they consume it one to three times a month.

Economic

South Korea is a highly developed mixed economy as can be seen in their nominal GDP, South Korea is the 4th largest economy in Asia and 13th largest in the world (Kerr, Anne; Wright, Edmund, 2015). By 2022, their GDP nominal reached USD 1.73 trillion. The country's revenues are USD 428.7 billion with USD 456.5 billion in 2020 (Ministry of Economy and Finance, 2021).

In conclusion, the country has a strong economic situation. In terms of instant noodle consumption, consumers have a high-level spending power which supports the demand for convenience foods such as instant noodle itself which has mentioned previously in demographic analysis.

However, the country has a highly competitive food industry, with several major players in the instant noodle market. The cost of raw materials and production may impact the profitability of instant noodle manufacturers. For instance, South Korea does the production of wheat as one of the main ingredients of instant noodle while Indonesia, as the country origin of Brand “X” Instant Noodle, needs to import wheat at a fluctuating price. Hence, the cost of goods sold of instant noodles produced in South Korea can be more competitive compared to imported instant noodles such as Brand “X” Instant Noodle (Mordor Intelligent, 2022).

Political/ Legal

Instant noodles are a popular food item in South Korea and have become a staple in the diet of many South Koreans (IS Huh, 2017). The government recognizes the cultural importance of instant noodles and may take steps to protect and promote the domestic production and consumption of these products. It might due to South Korea has a thriving food industry, including several domestic producers of instant noodles. The government may provide support or incentives for domestic producers, which can affect the import of foreign instant noodles.

For instance, South Korea has regulations in place for food safety and labeling, which can affect the import of instant noodles. The government can impose restrictions on imports from countries that do not meet their safety standards (MFDA, 2023). Additionally, the government can also impose tariffs or quotas on imports to protect domestic producers (International Trade Administration, 2023).

Sociocultural

Instant noodles are a popular food item in South Korea, with a high level of consumption and production. As South Koreans have become more time-constrained due to the demands of work and other responsibilities, they have turned to quick and easy meals like instant noodles.

It is well known that Koreans are extremely punctual and closely adhere to schedules. People are forced to be speedy in everything by their hectic work schedules and deadlines. As a result, it also influences lifestyle and nutritional decisions, which boosts the sales of convenient and rapid meals.

Technological

Instant noodles were first introduced in South Korea in the late 1960s and have since become a staple food item in the country (Jeeyong Kim, 2017). The technological advancements in the instant noodle industry have led to significant improvements in taste, texture, and packaging (Obadi, 2022).

Global

South Korea is one of the largest producers and consumers of instant noodles in the world, with a market size of around USD 3.5 billion in 2020 (All News, 2020). The industry is dominated by a few major players such as Nongshim, Samyang Foods, and Ottogi, who collectively account for the majority of the market share (Euromonitor, 2022).

Overall, while the South Korean instant noodle industry faces challenges, it remains a significant player in the global market. The industry is likely to continue to evolve and innovate

to meet changing consumer preferences and trends.

Internal Analysis

The purpose of conducting an internal analysis is to identify and evaluate the resources, capabilities, and competencies that a company possesses and how they can be leveraged to achieve the organization's goals and objectives. Hence, internal analysis is used to understand the current internal situation of Brand “X” Instant Noodle.

According to the interview result with the senior regional manager for Korea, Brand “X” Instant Noodle is a highly valuable brand for PT “Y” as it is one of the most popular instant noodle brands.

Brand “X” Instant Noodle's unique taste and variety of flavors make it a rare brand in the instant noodle market which is stated by the Senior Regional Manager of Brand “X” Instant Noodle in South Korea during the interview.

While it is difficult to replicate Brand “X” Instant Noodle's unique taste and flavor, the production process for instant noodles is not highly complex, and there are many competitors in the market. This makes it relatively easy for competitors to imitate the product and enter the market.

Moreover, Brand “X” Instant Noodle has an extensive production and distribution network that allows it to efficiently produce and distribute its instant noodles to various regions and countries. This network includes factories, distribution centers, and logistics capabilities that are difficult for competitors to replicate. PT “Y” has 16 factories to produce instant noodles around the world (Kemendag, 2019). This gives Brand “X” Instant Noodle a competitive advantage in terms of cost efficiency and speed to market.

PT “Y” has a strong organization that has been able to build and maintain the Brand “X” Instant Noodle brand over time. The company has invested in research and development, marketing, and distribution, which has helped to create a strong brand and secure its position in the market. However, the company is still conservative manufacturing-oriented company.

Competitor Analysis

The purpose of conducting a competitor analysis is to gain a comprehensive understanding of the competitive landscape and identify opportunities and threats that could impact the Brand “X” Instant Noodle performance.

Competitors: Based on the interview’s results, it can be concluded that the main competitors of Brand “X” Instant Noodle in Korea are Nongshim, Samyang Foods, Ottogi, and Paldo. These companies offer a range of instant noodle products that compete with Brand “X” Instant Noodle.

i. Competitors' Products: Each competitor offers a range of instant noodle products with different flavors, ingredients, and packaging. Nongshim is known for its Shin Ramyun brand, which is spicy and popular in Korea – the soup based instant noodle. Samyang Foods is known for its Buldak Bokkeum Myun brand, which is also spicy and has gained popularity through viral challenges – the dry based instant noodle. Ottogi offers a range of instant noodle products, including jjajangmyeon and udon. Lastly, Paldo is known for its Jjajangmyeon and Bibimmyeon brands. However, based on the interview with the Senior Regional Manager of

Brand “X” Instant Noodle that in charge of South Korea, Brand “X” Instant Noodle should be compete with dry based noodle. Hence, NongShim – the popular Shin Ramyeon might not the direct competitor of Brand “X” Instant Noodle. In terms of price, Brand “X” Instant Noodle might be the cheapest one. However, if it is divided to be 100 grams so that the comparison is apple to apple, Brand “X” Instant Noodle’s price is still more expensive compared to its local instant noodle’s competitors except for Buldak from Samyang and Bibimyeon from Paldo.

ii. Place – Distribution Channels: Each competitor has a strong presence in traditional retail channels such as supermarkets and convenience stores, as well as online platforms. Nongshim and Samyang Foods also have their own branded stores in popular shopping areas. This can be seen on how most of the respondents feel that it is easy to find them.

iii. Promotion - Competitors' Marketing Strategies: Competitors use a variety of marketing strategies to promote their products, including celebrity endorsements, social media marketing, and product placements in Korean dramas and movies. Nongshim, for example, has sponsored popular TV shows and celebrities, while Samyang Foods has gained popularity through viral challenges and social media marketing. However, both brands already have mature-market in South Korea where all Koreans know the brands.

iv. Buyers' Behavior: Most of the respondents' reasons on why they choose Nongshim, Samyang, or Ottogi are because they are already familiar with the taste and the brands since they were children. According to one respondent, usually Koreans go to the supermarket, they won't think any more about what brand of instant noodle they want to buy, they just take the one they are familiar with. The price doesn't matter either for them in terms of buying instant noodles. Even though the price is increasing, they would still buy it.

v. Competitors' Market Share: According to a 2020 report by Euromonitor International, Nongshim is the market leader in instant noodles in Korea with a 65.4% market share, followed by Ottogi (13.2%), Samyang Foods (9.1%), and Paldo (7.8%). Brand “X” Instant Noodle is a relatively new entrant to the Korean market and does not have significant market share yet.

Competitors' Strengths and Weaknesses: In conclusion, Nongshim's Shin Ramyun brand has a strong reputation for its spicy flavor and quality, and the company has a large distribution network in Korea. Samyang Foods has gained popularity through viral challenges and has a strong social media presence. Ottogi and Paldo have a range of instant noodle products that cater to different tastes and preferences. However, all competitors also face challenges such as changing consumer preferences and increasing health concerns about instant noodle consumption.

5. Discussion

Penetrating foreign markets is not easy as experienced by the Brand “X” instant noodle in South Korea. In spite of its big name in some other markets, it is not performing well in the South Korean market. From the analysis it is found that this is due to taste preferences, lack of marketing efforts, and especially the presence of strong competition from other brands. Just like many other Asian countries, especially east and south-east Asian countries, South Korea has a strong tradition of consuming noodles. Noodles are a staple food in many Asian cultures and are often eaten in a variety of dishes (Shelke, 2016). This brand’s competition in winning the market share is not something new and not surprising, including in the food industry.

It is not surprising that the emergence of new manufacturers and products intensifies the

competition in the market (Oh, 2018), and product competition plays a dynamic and indispensable role in achieving healthier firm performance (Liu et al., 2021). But a competition is not only about winning or losing market share, it leads to product innovation and further development by manufacturers (Oh, 2018).

Discussing the taste preferences, Korea's preference and fondness for spicy taste is well-known. A survey by Consumerwide (2014) shows Koreans prefer spicy taste over sour, salty, bitter and sweet tastes in general, and spicy taste is identified as the most favorite taste over all tastes in all age groups, except the teenager group. Some research shows the benefit of consuming this spicy food to the daily diet as healthy factors for Koreans (Cha et al. 2013; Lv et al. 2015). Also, large varieties of soup dishes in Korean cuisine developed throughout its history explain the obsession and love of Koreans' soup dishes. Indeed, Koreans consume relatively great quantities of soup (Ji et al., 2010) as they believe that no meal is considered complete without soup (Sheen, 2011).

The second determinant factor of a brand's sales performance is marketing strategy which traditionally concentrates on establishing mutual interactions between business and customer (Keramati, Ardalan, & Ashtiani, 2012), as explained by Best (2000) that marketing strategies have a direct impact on consumers and sales results. On the other hand, McDonald and Wilson (2016) added that it is required to create and sustain a competitive advantage, brand recognition and ultimately drive sales growth. That indicates the essential role of marketing strategy in driving competitive advantage and in the next step affects the sales performance of a brand. It means the success of sales is determined by how good the company develops and executes the strategy. Inability of an organization to have these two leads to inability of the organization to win the competition. Marketing efforts are needed more by a new product to enter the competitive market, to be accepted by a well-established market and competing with the existing players.

Relating marketing strategy with the customer's preference, it becomes clearer what Dewasiri et al. (2021) discuss about the importance of cultural understanding in developing marketing strategy. Taste preference is a part of the culture of a society or community. In a wider scope, the general country's conditions influence as well the business environment and it becomes compulsory for a company to have a good awareness of this dynamic macro environment and respond to it with a good marketing strategy. Sheth (2021) see how this cross-cultural marketing strategy is necessarily important to respond to the customer's consumption pattern which is influenced by their cultural background, including food customs and traditions.

What next is to build a marketing strategy that can increase the competitive advantage. Organization must think of its internal capabilities and its market interactively as sources of achieving competitive advantage and/ or formulating marketing strategy (Sirvastava et al., 2001; Hax & Wiled, 2001; Hooley et al., 2003; Rotich, 2016). Composed of product strategy, pricing strategy, merchandising strategy, and distribution (location) strategy, it has a significant impact on business performance (Bintu, 2017). Moreover, numerous studies have shown that the marketing mix has a significant relationship with sales performance, with product, price, location, and advertising playing important roles in improving sales performance (Keramati, Ardalan & Ashtiani, 2012; Mustapha, 2017; Nigist, 2017; Srinivasan & Adaro, 2018; Mohd Faizul Bin Ahmad, et al., 2023).

Among the four elements of the marketing mix, promotion is highlighted. Marketing strategies are mostly based on promotional activities (Wang & Wang, 2021). The influence of media

increases the power of promotion, not only of a product, but also stimulates the consumers' desire (Park & Yang, 2010). They even stressed out the role of celebrity endorsement in promotion that celebrity endorsement still remains an effective marketing strategy. In Korea, media advertisements are presented as an effective marketing tool today with its strong connection and impact to consumers (Hadjikhani et al., 1998). Using celebrities in advertisements brings favorable outcomes to a product (Atay and Kahle 2011) as celebrities are identified as a symbol representing particular cultural values and ideas (Hung et al., 2011). This can be an answer to increase a brand's chance of success in the South Korean market.

In addition, specifically in the instant noodle industry, manufacturers could explore opportunities to differentiate their products from competitors by highlighting the use of natural and organic ingredients or offering unique flavors and packaging. Oh (2018) concluded that in Korea, convenience and taste of Ramyun are examined in a link to the popularity of Ramyun in Korea. Convenience, rapid cooking and preparation of Ramyun's features satisfy the Koreans demand created by the rushing culture. The social transformation led by globalization and successful development of society brought by rushing culture has, therefore, enhanced the significance of 'rush' in the society. The success of Ramyun in Korea is also followed by the adaptation of local cuisine.

It is important to note that improving the performance of Brand "X" in South Korea will require a long-term strategy that considers market trends, consumer preferences, and competition. By implementing a well-thought-out plan, Indonesian manufacturers can increase their chances of success in the South Korean market.

6. Conclusion

Overall, in this research, it is found that the Brand "X" Instant Noodle as a newer competitor is facing stiff competition. It has struggled to increase its sales in the South Korean market, with only 0.1% of the industry market share compared to almost 20% in other countries. The management target active young adults who seek fulfilling meals and crave delicious food. Research indicates that this customer segment is influenced by factors such as price, flavor variety, convenience, and brand loyalty. Social media, word-of-mouth recommendations, packaging design, and promotional offers also play a role in their purchasing decisions.

However, brand "X" Instant Noodle's current performance is lower than customer expectations, which may contribute to their stagnant sales. In external analysis, the general environment analysis indicates an opportunity for Brand "X" Instant Noodle to develop a good, niche product. Industry analysis, based on Porter's 5 forces, reveals that the instant noodle industry is no longer a profitable business due to several unfavorable factors except the bargaining power of suppliers.

Indeed, the company has a strong organization and investment in research and development, marketing, and distribution have helped to build a strong and sustainable brand. Somehow, since the company is still a conservative manufacturing-oriented company, taking risks like aggressive marketing to introduce the brand to the new market remains difficult.

7. Future Research Suggestion

While this research only focused on a particular instant noodle brand and in the context of South Korea market, we propose the future research to explore further on how to increase a

new entrant instant noodle brand's sales performance in a competitive market.

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