

TRADITIONAL SNACK STRATEGIC MARKETING ANALYSIS OF PT. X

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ABSTRACT

This research represent about marketing strategic analysis for traditional snack which produce by PT. X, hence PT. X can find marketing strategy that work effectively and efficiently for market share. The objective of this research is to obtain marketing strategy for traditional product of PT. X. This research is a qualitative research, obtain data through interview from credible sources which have experiences in marketing both from inside company and outsider who have connection with the company itself. The result from interview will be processed with SWOT Analysis to get the Strength, Weakness, Opportunity, and Threat from PT. X. Moreover the result from SWOT Analysis will be processed further with 7P's Marketing Mix to obtain the marketing strategy for Product of PT. X. The result of this research indicates there some marketing strategy which have to implemented by company for it's traditional-trade product, they have to concerned about Price and Product from Marketing Mix. The main factor for modern-trade product are Product and Physical Evidence. The company have to do many improvement regarding this matter, not only for the main factor but also the other factor, hence it will be a great help for company to maximize their marketing strategy.

Keywords : Marketing Mix, SWOT Analysis, Marketing Strategy

INTRODUCTION

Snack nowadays is not only for complementary food, but also substitute to fulfill people needs. One of the main reason is because most people feel so busy which lead them to eat something that easy to get or make. The most important factors which become the main reason for people to choose a snack is food hygiene, hence people will not buy it. Import snack become really renown because of unique packaging and food hygiene. The point of view from local market about traditional snack is not as good as what they see in import snack. Traditional snack manufacturer have to make something unique and fresh product, otherwise they will not be able to compete with import snack.

There are so many traditional snack, not only ready-to-eat snack but raw snack as well. One of the most well-known traditional snack is snack pellet or so-called kerupuk in Indonesia. Local brands that quite famous even in other countries are Qtela, Kusuka, Lumba-lumba, Finna and Nixxa. Other countries that make snack pellet are China, Korea, Taiwan, and India. PT. X is one of snack pellet manufacturer that established since 1989 which located in Mojokerto. PT. X develop their business to compete with other competitor in international market and local market as well. Food Hygiene, unique and healthy encourage PT. X to develop new traditional snack pellet which packed with unique packaging, natural ingredients, healthy and hygiene.

PT. X produce traditional snack such as onion snack pellet, fish snack pellet, shrimp snack pellet, prawn snack pellet, cassava chips, egg noodle. Creative and fresh idea and innovation will give new taste for PT. X traditional snack to compete with other local and global competitor. One of the most important aspect beside a good product is how we introduce and promote the product. One of the most important marketing theory is called Marketing Mix which presented by Kotler in Saputra (2013), Marketing mix contain marketing tool that can be used by some companies to get them closer to their goal. Marketing Mix have four basic factor, there are Product, Price, Promotion and Place. Those factors have been developed into seven factors ,according to Boom and Bitner's in Lin (2011) , as follows Product, Price, Promotion, Place, People, Process, Physical Evidence.

Creative idea and a new innovation are needed to support for new product, one of the main factor that really important to improve is marketing strategic. Marketing Mix is a tool to help company in analyzing marketing strategic which effective and efficient to develop a product. Marketing Mix will be used to get basic elements in marketing. All of the basic elements will be combine to get a good way to promote and market the product, for example how PT. X explain that the new product is a healthy product , hygiene and safe. Another example to promote are using social media and follow the trend, hence people will know the product easily through this way. A good way to promote and market the product will make the company have a chance to tell what the value of their product. PT. X will increase their sales and develop their business one step ahead, according to Lamb Hair & Mc Daniel in Dharmawan (2012).

Marketing is a organizational function and chain of process to create, communicate and give value to customer to build relationship between customer through a profitable way for the organization, according to Kotler & Keller in Lengkey (2014). Marketing Mix is a combination of four variables that build basic and core from a marketing system, as follows Product, Price, Promotion and Place. Product is the first element in Marketing Mix, a product have to fulfill the customer needs. Product have some elements as follows, physic, service, branding, packaging, colour, standaritation, planning, development, modification, innovation, etc. Price is element that affect product's sales, price covers pricing policy, discount, profit margin, term of payment, credit, etc. Promotion is element that draw customer to buy a product, promotion can be described as a way to communicate about the product from a company to the customer. Promotion includes few things, as follows direct sales, advertisement, promotion activity, public relations, demonstrate, exhibition, etc. Place is the last element from Marketing Mix that show time, place and utility. Place is a combination of distribution, storage, market place, facility, storage level, transportation, warehouse, etc. Four basic elements are really important and must be balanced, hence it will maximize the potential of Marketing Mix.

Promotional Mix is a tool for promotion in marketing strategic to communicate the value from the product to the customer in persuasively and build relationship between customer. There are five main components, as follows advertising, sales promotion, public relation & publicity, personal selling, and direct marketing. Advertising is element that contains promotion idea through sponsors. Sales Promotion is element that have short-term incentive which draw customer interest to try or buy a product or service. Public Relation is element that cover programs to promote and protect company profile and product. Personal Selling is element that contains direct interaction with customer to give a demo, presentation, interaction and receive order. Direct Marketing is an element that cover media communication as follows phone,fax, and e-mail to communicate with customer.

Marketing Mix is not management theory which comes from scientific analysis, but a conceptual framework which emphasize into decision-making principle, according to Boom & Bitner's in Lin (2011). Marketing Mix is really useful when it comes to long-term and short-term development, according to Palmer in Lin (2011). Four elements of Marketing Mix then developed into seven elements, as follows Product, Price, Promotion, Place and the additional

elements are People, Process, and Physical Evidence. The framework of seven elements can be applied in a wider range rather than four elements. New elements of Marketing Mix have to be integrated with the old one, hence it will maximize the potential of Marketing Mix itself. The fifth element is People, that can be described as customer, employee, management, and every individual. Products reputation can be affected by people who involved in the process to make those product. The sixth element is Process which a method and process to make services or products. The last element is Physical Evidence that cover experience of using services or products, company's image, etc.

SWOT Analysis is a way to identify factors systematically to produce strategy for company. Analysis is based on internal and external from the company, there are four factors, as follows Strength, Weakness, Opportunity, Threat. Strength is a resources, skills, and other advantages which related with internal. Weakness is a limitations or boundaries which inhibits company's performance. The limitations can be described as capital limit, facility, human resources. Opportunity is a situation which lead to a profits and advantages, for example new technology, new way to promote and marketing, etc. Threat is a unfavorable situation which come from external and have a chance to become a threat to company, for example government policy that prohibit some technology, new product that can substitute the product, etc.

Research Design

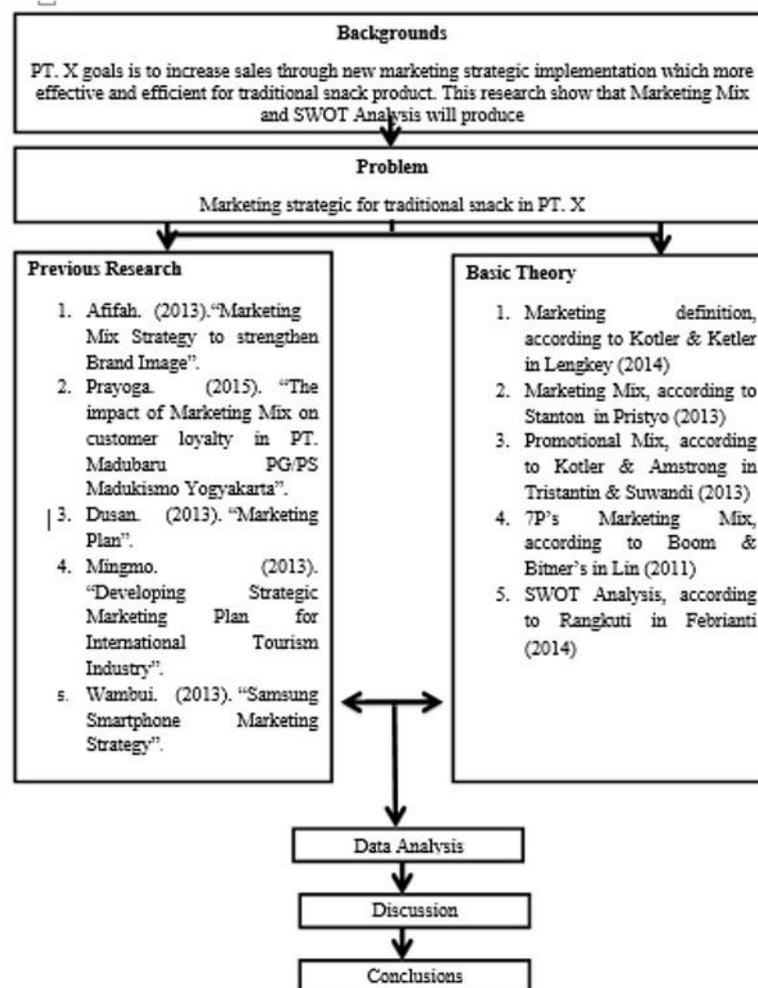


Figure 1. Research Design

RESEARCH METHODS

This study is a descriptive research with qualitative approach. Qualitative research is a tradition in social science which based on observing the human being and related to themselves, according to Kirk & Miller in Moeloeng (2012:2). Qualitative research have characteristic, there is involving certain measurement. Characteristics can be described are data collected as a picture, sentence, except numeric. Qualitative research is not using statistic data as well. The method used to collect data is through direct interview.

Place and Period

This research was conducted in Sidoarjo and Mojokerto. The periode time of this research is between April 2016 – Juni 2016 with limitation one product.

Research Subject

Research Subject is part which become sample for the research to get information. There are three kinds of subject, as follows Distributor, Supermarket and Competitor in the same field of business. Distributor to be interviewed is one of snack distributor that work for a long time, hence they understand and know very well about sales strategy for the product. Another research subject is Supermarket that sell traditional snack, so that they have the knowledge about strategy to sell those products. The last subject is competitor who produce the same type of product, through this subject it can obtain many kind of information about the strategy for traditional snack. Research object is PT. X, a traditional snack and crackers manufacturer. PT. X have a goal that develop a product and build a good marketing strategic. Informant from this research are Marketing Manager from PT. X, Distributor product from PT. X, and Director from PT. X. There are some certain criterias which informant must have.

Method of collecting data

Interview is a technic to collect data if researchers want to study and find the problem, according to Sugiyono (2011). Collecting data technic with interview can be done in some ways, phone, face to face, another communication tool. Interview will be done with some questions which lead to some detail information. In this research is using structured interview. Observation is a complex process which contain biological and phycological process, according to Hadi in Sugiyono (2013:145). Observation have a specific characteristic compare to other data collecting technic, it's because there are no boundaries and limitations

Data Analysis

PT. X is family business which produce indonesia traditional snack, established in 1987 by Rudy Tjahyono. PT. X have potential to produce good quality traditional snack. PT. X located in Mojokerto, East Java, Indonesia. The informant who give information to assist this research from PT. X are Rudy Wijaya as Director of PT. X and Irene Chandra as Local Marketing from PT. X. Other informant is Aditya Kurniawan as Distributor from PT. Y who distribute PT. X's product.

SWOT Analysis is a tool to identify factors in organization to give impact through comparison internal factor and external factor. Four factors are Strength, Weakness, Opportunity, Threat. SWOT Analysis need data which obtain through interview. The results from interview will be analyzed and identified. PT. X's Strength are good quality product, cheaper price for modern trade product, experienced staff, diversified product, custom product, return policy, and free sample. PT. X's Weakness are some process still using traditional machine, there are no system for distribution path, price for traditional trade product are overpriced, quality of main ingredients unstable, international certification for export, no warehouses in some distribution area. PT. X's Opportunity are purchasing power of customer increasing, awareness of food hygiene, government policy about export become less strict, government facilitate local product to enter exhibition with accomodation, new technology. PT. X's Threat are changing of dietary and instant food, import snack, price war with other company, etc. Results from SWOT

Analysis will be used to improve PT. X performance, most powerful thing in PT. X's Strength is product quality. PT. X's Weakness which affect the most is traditional machine and process. PT. X's Opportunity which have the biggest chance to get is accomodation for exhibition from government. PT. X's Threat which give the most impact is import snack from other countries. Improved 7P's Marketing Mix used by PT. X to get a new way for sales marketing to promote and introduce products of PT. X. Results from Improved 7P's Marketing Mix are changing each element in PT. X, as follows Product, Price, Place, Promotion, People, Physical Evidence, Process. Improvement in Product are the limitation for custom product, ingredients that permit in other countries, additional smaller packaging, natural food-grade colouring. Improvement in Price is adding a new traditional-trade product with cheaper price. Improvement in Place is building new warehouses. Improvement in Promotion are registering membership for e-commerce and social media, entering exhibition in other countries, registering as member of food association. Improvement in People are adding more training for employee and operator, changing the organization culture, changing the organization structure to flat-organization-structure, adding some reward for employee of the month, adding system for distribution, adding new system for employee opinion, empowering young generation employee. Improvement in Process are researching about new technology, using belting and conveyor system for production line, adding system for return policy. Improvement in Physical Evidence are adding new storage and warehouses, changing production system to get HACCP certification and GMP certification, changing traditional-trade product packaging, maintaining company's facilities, making new design for brochure and product catalogue. The results from analyze most important factor in Improved 7P's Marketing Mix as follows, Price-Product-Promotion-Physical Evidence-Place-Process-People for traditional trade product and Product-Promotion-Physical Evidence-Process-Price-People for modern-trade product.

CONCLUSION

This research explain marketing strategic for traditional snack PT.X and how to get the marketing strategic itself. The first step is analyzing condition and current marketing strategic of PT. X. SWOT Analysis is the second step to understand more about PT. X's Strength, Weakness, Opportunity and Threat. Data which collected through interview will be processed with Improved 7P's Marketing Mix. The seven factor of Marketing Mix are Prouct, Price, Promotion, Place, Process, People, and Physical Evidence are not management theory from scientific analysis, rather a conceptual framework which help the company to adapt and fulfill customer needs, according to Boom & Bitner's in Lin (2011).

The result from this research are improvement in seven factor of Marketing Mix which lead some change in PT. X. PT. X traditional-trade product's most important factor are Price and Product, therefore modern-trade product's most important factor are Product, Promotion and Physical Evidence. Another results is PT. X need to re-evaluate about positioning and target market for traditional-trade product because it's too expensive.

There are some improvements and change for PT. X to develop their business. PT. X have to change in order to compete with other competitor. Improvements and change in PT. X as follows in seven aspects of Improved 7P's Marketing Mix. Improvement in Product are the limitation for custom product, ingredients that permit in other countries, additional smaller packaging, natural food-grade colouring. Improvement in Price is adding a new traditional-trade product with cheaper price. Improvement in Place is building new warehouses. Improvement in Promotion are registering membership for e-commerce and social media, entering exhibition in other countries, registering as member of food association. Improvement in People are adding more training for employee and operator, changing the organization culture, changing the organization structure to flat-organization-structure, adding some reward for employee of the month, adding system for distribution, adding new system for employee opinion, empowering

young generation employee. Improvement in Process are researching about new technology, using belting and conveyor system for production line, adding system for return policy. Improvement in Physical Evidence are adding new storage and warehouses, changing production system to get HACCP certification and GMP certification, changing traditional-trade product packaging, maintaining company's facilities, making new design for brochure and product catalogue. PT. X have to add training program for their employee to increase company's performance. A good human resource will lead company to work more effective and efficient. PT. X have to be aware with investment priority, which one will give the most impact and vice versa. The expectation from this research is PT. X can increase their sales and become a whole-new-level company. Last of all, PT. X still have long way to go, hence continuous improvement is one of important things that need to do in the future.

For future research, this research can be used as data resources with other theory and other factors, followed by more detail research.

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