



Case Study

Marketing strategy of dried mango

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Abstract

This research has purposes for identified and determine marketing strategy of Taci Kembar. Taci Kembar is company which processing fruit, especially mango become dried mango and located in Cirebon City. This research is qualitative descriptive with quantitative analysis. The analysis tools used SWOT (strength-weakness-opportunity-threat) analysis which has function is to identifier of various factors and QSPM (quantitative strategic planning matrix) which has function is to determination of alternative strategy. The result in this research shows that SWOT analysis which got from internal factors (marketing, production, finance, and management) and external factors (economic, environment and social, technology, and competitive) got four strategies that are maintain of product's quality (S-O), buy a machine for effectivity (W-O), widening of marketing network (S-T) and do a contract with mango's farmer (W-T). While, according to QSPM analysis the final result that strategy alternative has highest attractive score and can to applicate in Taci Kembar is widening of marketing network strategy.

Keywords: Marketing strategy, SWOT Matrix, QSPM, dried mango.

Introduction

In the competitive era, business that have same type of business became tough of competitive especially for small business for took the market. Business must have strategies for survive and become the leader market. Strategy analysis and choice come from on objective information such as internal factors (marketing, production, finance, and management) and external factors (economic, environment and social, technology, and competitive)¹.

TaciKembar is the one of small business which business in mango fruit. This company make mango to dried mango. This company located in Cirebon City, West Java. West Java is the one of province that has huge production of mango with 13.22% of total mango's production in Indonesia². Mango itself is the one of the fruit that can play a role in increasing farmer's income because it's has a high economic selling value. The other hand, mango can be one of supporting for industry development and export, because the high demand for this fruit³. In Indonesia, mango is the one of commodity which has big contribution in the fruit national production with Production of mango took second position with production total is 2,431,300 ton or almost 12.28% from total fruit national production in 2014³. Cirebon is one of the district/city which became the production center of mango's production in West Java with percentage is 23% from total production in West Java². Mango productions each year have difference in total production dependence of climate and weather, because this fruit is influenced by it. The huge of production of mango like

in Cirebon, Indramayu and Majalengka became many small business want open mango business, mango processed became dried mango, juice, puree, cake or anything else⁴.

Processing of mango's product and the facts of mango commodities, finally make the small business actors opened mind to see how the potential in this fruit to make a huge profit and can become as income. Small business can transformed primer product to processed product and it is have a value added to the product⁵. TaciKembar has advantage in this business because its product doesn't use the chemical substance in the processing and its company is listed in health department of Indonesia.

In Cirebon, there are many businesses that have same type of business especially in dried mango. So, if TaciKembar want to survive and become the leader market TaciKembar must be do the strategic marketing analytic. Strategic analytic of TaciKembar used analysis SWOT (strength-weakness-opportunity-threat) and QSPM (quantitative strategic planning matrix)⁶.

Methodology

The object which inspect is the marketing strategy of TaciKembar. TaciKembar is the one of small business focusing product dried mango, and its company is one of biggest company of mango's processing in Cirebon City. Dried mango of TaciKembar has brand is "TaciKembar" same as with company's name, and controlled by Handrawati. Research's design used study case method. In this research will get output

is alternative marketing strategy's TaciKembar. Research's technique used descriptive qualitative and quantitative analysis. Qualitative research is one of research procedure which has output descriptive data which is statement of text and respondent's behavior and quantitative research is one of method to see reality or phenomenally can be relative classification and concrete⁷.

In study case must be has key informant. Key informant is person in this research to give information about situation and condition in research's area. Key informant in this research used purposive technique. To find key informant used purposive technique is to get sample source data with certain considerations which is the most known about the situation in research's area, so can be make it easier to inspects object or social situation which is being inspected. List of key informant in this research is TaciKembar's manager as key informant and TaciKembar's employee as supporting informant⁷.

Data analysis technique used SWOT analysis and QSPM then divided in 3 stages. First is the matching stage, the base stage of collecting information and pre-analysis data divided 2 data, are internal data and external data. Second is the matching stage, this stage to analysis data from first stage and used SWOT Matrix. SWOT Matrix is the matching tools for helping manager to develop some alternative strategies which are S-O (Strength-Opportunity) strategy, W-O (Weakness-Opportunity) strategy, S-T (Strength-Threats) strategy, and W-T (Weakness-Threats) strategy. Third is the decision stage used QSPM (Quantitative Strategic Planning Matrix)¹. It is the last stage of strategy formulation. QSPM is the tools for compile strategy to evaluated alternative from internal and external data with objectivity which is identified before. The concept from QSPM is to get the relative attractiveness from many strategies from SWOT Matrix. The advantage from QSPM is the strategies can be identified sequentially and helping make strategies in input some factor external and internal which relevant into the process of decision making¹. The following is the stages of strategy-formulation analytical.

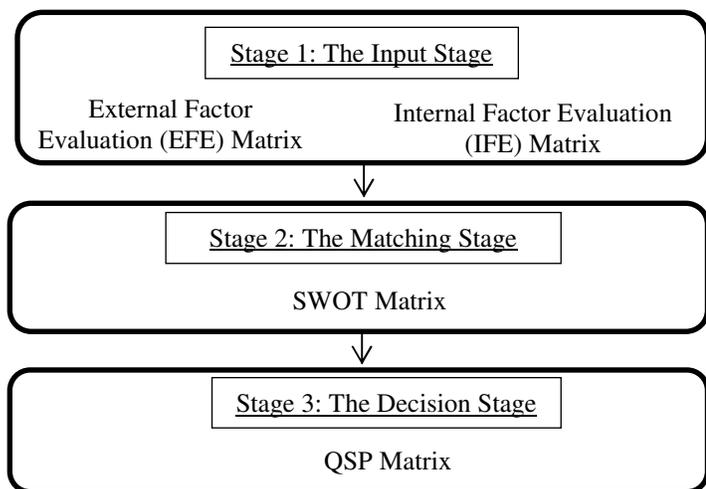


Figure-1: The Stages of Strategy-Formulation Analytical¹.

Result and discussion

General Description of TaciKembar: TaciKembar is company which processed fruit like mango, pumpkin, papaya, rosella, ginger and carrot. In this research mango became focused. Raw material itself got from farmer around Cirebon, West Java. TaciKembar processed mango became processing dried mango with added sugar, salt, and sun light then package and marketed. This company has been running for 40 years. TaciKembar located in Garuda Mas Street No. 12A (Gunung Sari Dalem), Cirebon. Raw material is mango's fruit which some type of mango like harumanis, lalijiwa, cengkir and golek. Process buying of raw material done with every mango's dealer which came to TaciKembar. This is done because already long time dealing with mango's dealer and minimalize of risk.

SWOT Matrix Analysis of TaciKembar: From analysis result of internal and external factor, so can be identified of strength, weakness, opportunity and threat as follows in Table-1.

Internal Factors: Marketing: The first strength is experienced in marketing this is proven because TaciKembar have a fixed consumer and have good qualities product cause by TaciKembar's product didn't use of chemical substance in its processing. The second strength is TaciKembar has an effective distribution channels this is proven because TaciKembar have some distributor like in Bandung, Cianjur, Semarang and Yogyakarta. The Distributors bought monthly and the product's size is 20-50 Kg of dried mango. The only TaciKembar's weakness is from production model doesn't fit with market trend because the company still using traditional packaging when the competitor using modern machine for packing.

Finance: The only strength is TaciKembar has good finance structure because TaciKembar knows how to using that capital for next cost production (raw material, wages, etc.). The first weakness of TaciKembar in finance is the capital itself caused by TaciKembar didn't have much capital because tax from government can influence for cash flow, so still need for capital for some necessity. The second weakness is total cost production nears with total revenue, so the profit is less.

Production: The only strength is TaciKembar has innovation of dried mango like dried mango malam, dried mango sisir, wide and stick, crystalized sugar dried mango etc. TaciKembar have weakness are lack of raw material's production and machine is less effectivity. First weakness is lack of raw material's production because mango is seasonal fruit so can't be production every time. It's bother for production and became threats for TaciKembar. The second weakness is the machine has less effectivity caused by its still traditional like using knife for cutting fruit and traditional scales.

Management: First strength is TaciKembar has good teamwork it's proven with the workers work with each responsibility what workers did it. Many employers have work many years for its company, so they have good qualities of teamwork. Second

strength is management. Employers have determined of each task with TaciKembar and they know what they will do. But, management in TaciKembar has weakness for example is the qualities of human resources of TaciKembar’s workers. They don’t have well in education level.

External Factor: Economic: The opportunity that TaciKembar has is the price of the product caused by TaciKembar didn’t sell higher price, TaciKembar still ordered of fair price than other competitor. TaciKembar scared if increasing of product’s price because little by little consumer didn’t buy anymore, so this is became opportunity for get a new costumer. In other hand, TaciKembar has threats. First threat is increased of raw material’s cost, it is became increased to cost production so TaciKembar get more little profit. Second threat is increased of cost production, if cost production is higher than the price of product will increase too and if its happen costumer didn’t want to buy again because of the price.

Environment and Social: The opportunity of TaciKembar is good respond from costumer with company’s brand, it’s caused by TaciKembar’s product. TaciKembar has best product of dried mango it’s proven by when production processing TaciKembar doesn’t use chemical substance and got passed when test product by local government of Health. TaciKembar’s first threat is condition of business’s security, because many thugs who come each week asked for money, it’s dangerous for

business. Second threat is climate condition. TaciKembar only depends on sun light when production processing of dried mango, so it’s became threat if condition doesn’t have any sun light or rain as a result the product fail to processing and became useless.

Technology: First TaciKembar’s opportunity is development of channel. It’s can help TaciKembar to selling some product of its. So there are opportunities for increasing sales. Second TaciKembar’s opportunity is development of promotion. Promotion became important things in business, its can introducing TaciKembar’s product so costumer knows about its product. The threats is production technology of TaciKembar, they don’t want to using modern technology because when the manager said ‘if using modern technology like drier machine the taste is different when we used sun light’. So it’s became threat when the rain coming.

Competitive: The opportunity is TaciKembar has widely network’s marketing and the competitor doesn’t. Its proven by TaciKembar has many distributor like in Bandung, Cianjur, Semarang and Yogyakarta which each month the distributors ordered 20kg – 50 kg. The first threat is Lack of raw material, mango fruit. It’s became threats because if there are mango, TaciKembar cant production. Second threat is competitor have a same business it’s became the costumer can choose what brand they want to buy.

Table-1: Identification of Strength, Weakness, Opportunity and Threats in strategic formulation of TaciKembar.

Internal Factor	Strength	Weakness
Marketing	Experienced of selling	Production Model less appropriate with market trend
	Effectivity of Distribution Channel	
Finance	Good of finance structure	Capital not good enough
		The product’s price nears with production cost
Production	Innovation of the products	Lack of raw material’s production
		Machine is less effectivity’
Management	Good teamwork	Lack of human resource’s quality
	Effective of management system	
External Factor	Opportunity	Threats
Economic	Price of product	Increasing of raw material’s cost
		Increasing of cost production
Environment and Social	Good respond with company’s brand	Condition of business’s security
		Climate Condition
Technology	Development of channel	Production Technology
	Development of promotion	
Competitive	Competitor haven’t of widely network’s marketing	Lack of raw material
		Competitor have a same business

Development of Alternative Strategy’s Tacikembar: Based on internal and external factor, so got arrange some alternative strategies. Alternative strategi can be generated with analysis SWOT Matrix. The result from SWOT Matrix analysis from Tacikembar can be as follows in Table-2.

S-O Strategy (Strenghts - Opportunities): This strategy purposes to make use of factors in strength and opportunity. The strategy can be applicate Tacikembar is maintaining of product’s quality. Tacikembar has a good product because it’s always maintained with local government of health Cirebon City.

S-T Strategy (Strenghts - Threats): This strategy purposes to make use of factors in strength and threat. The strategy can be applicate Tacikembar is widening of marketing network.

W-O Strategy (Weaknesses - Opportunities): This strategy purposes to make use of factors in weakness and opportunities. The strategy can be applicate Tacikembar is buy modern machine for effectivity.

W-T Strategy (Weaknesses - Threats): This strategy purposes to make use of factors in weakness and threat. The strategy can be applicate Tacikembar is doing a contract with mango’s farmer or dealer.

Alternative Strategy Priority of Tacikembar: Quantitative Strategic Planning Matrix(QSPM) is analytical tool for determine relative attractiveness for alternative strategies⁶. This technique with objectivity what best strategies can be applicate. QSPM obtained from internal and external factor multiplied with attractive score (AS) so will got total attractive scores (TAS). Strategies which obtained from analysis SWOT Matrix there are 4 strategies, first strategy is widening of marketing network with TAS score 5.254, second strategy is maintain of product’s quality with TAS score 5.176, third strategy is buy modern machine for effectivity with TAS score 4.987, and fourth strategy is do a contract with mango’s farmer or dealer with TAS score 4.394.

Table-2: Matrix SWOT.

IFE	Strengths	Weaknesses
EFE	<ol style="list-style-type: none"> 1. Experienced in selling 2. Effectivity of Distribution channel 3. Good of finance structure 4. Innovation In products 5. Have a good teamwork 6. Effective in management system 	<ol style="list-style-type: none"> 1. Production model less appropriate with market trends 2. Capital isn’t good enough 3. The product’s price nears with production cost 4. Machine has less effectivity 5. Lack of human resource’s quality
Opportunities	S-O Strategy	W-O Strategy
<ol style="list-style-type: none"> 1. Price of product 2. Good respond with company’s brand 3. Development of channel 4. Development of promotion 5. Competitor haven’t of widely network’s marketing 	Maintain of product’s quality (S3, S4, O1, O2, O4)	Buy modern machine for effectivity (W1, W4, W5, O4)
Threats	S-T Strategy	W-T Strategy
<ol style="list-style-type: none"> 1. Increasing of raw material’s cost 2. Increasing of cost production 3. Condition of business’s security 4. Climate condition 5. Production Technology 6. Lack of raw material 7. Competitor have a same business 	Widening of marketing network (S1, S2, S6, T1, T2, T5, T7)	Do a contract with mango’s farmer or dealer (W2, W3, W4, T1, T2, T6)

Table-3: Quantitative Strategic Planning Matrix.

Strategies Alternative	TAS Score	Rank
Maintain of product's quality	5.176	2
Buy modern machine for effectivity	4.987	3
Widening of marketing network	5.254	1
Do a contract with mango's farmer or dealer	4.394	4

Based on TAS score calculation, so got the alternative strategy with best rank is widening of marketing network with TAS Score 5.254. According to TaciKembar's Manager 'if we can production with large scale but can't sell it there will be an over production and that's not good for business'. So this strategy became the most priority strategy which can applicate in TaciKembar.

Conclusion

TaciKembar is one of small business which process mango to become dried mango. In competitive era, TaciKembar must have strategy for its business to become a leader market. Strategies of TaciKembar formulated with SWOT analysis matrix. The alternative strategies result from SWOT analysis got 4 strategies there are maintain of product's quality, buying modern machine of effectivity, widening of marketing network, and do a contract with mango's farmer or dealer. Based on

QSPM analysis, the most strategy can be applicate TaciKembar is widening of marketing network for business development.

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