

Marketing Strategy of Brem in Wonogiri Regency

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Abstract. the research tried to analyze the condition of brem industry center to develop the right strategy for brem marketing. This study aims were to (1) analyze marketing strategy for brem producers in Wonogiri Regency; (2) identify and analyze the external and internal factors that affect marketing strategy of brem in Wonogiri Regency and (3) to formulate marketing strategies of brem in Wonogiri Regency. Descriptive analysis was carried out using the SWOT matrix, IE Matrix, and QSPM Matrix. Growth Strategy was designed to achieve growth, both in sales, assets, profits, or a combination of the three. This can be achieved by reducing prices, developing new products, increasing the quality of products or services, or increasing access to a wider market. Based on the QSP analysis diagram, the priority strategy that can be applied in the marketing activities of Brem is namely brem product diversification. The diversification of brem products can increase the demand for brem in the market. Hence, the production capacity will increase as well as there will be an increase in the number of sales and profits.

1. Introduction

Glutinous rice is one type of rice plant whose results are used as ingredients for processed food products. Glutinous rice is not consumed directly as staple food such as rice, but glutinous rice is processed as processed food ingredients. One of the food products made from glutinous rice in Wonogiri Regency is Brem. Solid brem is a good source of sugar [1].

Brem's marketing prospects are quite good. This can be seen from the brem products that already exist in various large regions both on Java and outside Java. Therefore, it must be supported by continuous brem production and good brem quality so that consumers are more interested in consuming it. In Wonogiri Regency there is one agro-industry center that processes glutinous rice agricultural commodities into processed foods called brem. The brem industrial center is in Bumiharjo village and Gebang village, Nguntoronadi Sub-District. Nguntoronadi sub-district is an industrial center, which is a type of industrial group, which in terms of business units that has a small scale but forms a grouping or production area consisting of a collection of business units that produce similar goods [2]. The brem industrial center in Nguntoronadi Sub-District is the only industrial center in Indonesia that produces typical foods commonly known as brem putih or brem wonogiri which are not owned by other regions.

Seeing how strategic the role and potential of the brem industry center in Nguntoronadi Sub-District in providing employment opportunities for the community is quite large, and the benefits contained in the brem have proven that the small brem industry is one of the industries that must be continuously developed, surely marketing efforts towards these industrial centers are very necessary now. Marketing efforts must be accompanied by a new strategy that is more appropriate to map the actual development targets to be achieved. Based on this argument, the researcher tried to do an

analysis of the brem industry center in Nguntoronadi Sub-district to develop the right strategy for brem marketing in the industrial center. Based on the problem. The purpose of the study were: 1) to identify internal condition (Strength and Weakness) and external (Opportunity and Threat) in brem marketing system in Wonogiri Regency; 2) to formulate alternative strategy what can be applied in marketing of brem in Wonogiri Regency.

2. Materials and Methods

Data analysis was done by using several ways,,: 1) Descriptive analysis was used to describe the company's vision and mission statement, the characteristics of products or services, the level of achievement of sales targets, and management information systems applied by the company, 2) External Environmental Analysis and Internal, 3) IFE Matrix and EFE Matrix were used to analyze internal and external factors, classify them into strengths and weaknesses as well as opportunities and threats of the company, 4) Internal-External Matrix (IE) was used to know the business position so it can know the right strategy to develop business. 5) Determination of brem marketing strategy used SWOT Matrix analysis. Through this analysis, the company was expected to develop various alternative strategies based on the combination of strength, weakness, opportunity, and threat factors. The SWOT matrix was an important tool for a manager in developing four types of strategies, namely SO (strenghts-Opportunities), WO (Weakness-Threats), ST (Strenghts-Thhss), and WT (Weakness-Threats), and 6) QSP Matrix used to decide on goals among alternative strategies. QSPM used input from phase 1 analysis (IFE matrix and EFE matrix), phase 2 matching results (IE matrix and SWOT matrix). Hence, stage 2 provides the information needed to define QSPM.

3. Results and Discussion

3.1. Identify Factors of Strength, Weakness, Opportunities, and Threats

Based on the results of internal and external factors analysis on brem business, it can be identified strengths, weaknesses, opportunities and threats that affect the marketing of brem in Wonogiri Regency. The results of identification are as follows.

The internal factors in brem marketing explain the strengths (S) and weaknesses (W). Internal factors used in the study consist of human resources, product, price and promotion. Data and information are derived from the analysis of strengths and weaknesses on aspects of marketing mix, production capacity and process, financial and capital allocation, human resources, product and technology reputation [3]. While the external environment leads to the opportunity and the threat of marketing brem. External factors discussed in this study consist of government, suppliers, competitors, marketers, consumers and technology. The variables of each internal and external factors can be seen in Table 1.

3.2. Anaylsis of Alternative Strategy Determination

3.2.1. Internal Factor Evaluation Matrix (IFE Matrix). IFE matrix was used to evaluate internal business factors related to company strengths and weaknesses. Data and information were derived from the analysis of strengths and weaknesses on aspects of marketing mix, production capacity and process, financial and capital allocation, human resources, product and technology reputation. After the identification, the weighted values obtained from the product of the weight of the rating on the IFE matrix. The total weighting was 3,045. It means that the company's internal position is in a strong position to deal with existing weaknesses. The most dominant internal factor which was the strength of business with a value of 0,588 was affordable prices. While the weakness factor that has the greatest influence on the business among others, no financial records was equal to 0,432. The results table of the IFE matrix can be seen in Table 2.

Table 1. Identification of Strengths, Weaknesses, Opportunities and Threats in Brem Marketing in Wonogiri Regency

| 1. Strengths | 2. Weaknesses |
|--|--|
| Affordable prices | Less attractive packaging |
| Sweet and tasty | Limited raw materials |
| Good quality of raw materials | Price fluctuation of raw materials |
| demand increasing | No financial report |
| No waste | Limited market place |
| Opportunities | Threats |
| Creating flavor's diversity | Simple technology |
| Products are known to the public | Government's equipment was not distributed evenly |
| Supervisory by government | Uneven training for Brem perpetrators |
| Improve community economy | The presence of brem competitors from other cities |
| There is a good relationship between consumers and producers | improvement of "kue kekinian" products. |

Table 2. Internal Matrix of Brem's Marketing in Wonogiri Regency

| Internal Strategic Factors | Weight | Rating | Score |
|---------------------------------------|--------------|--------|--------------|
| Strengths | | | |
| 1. Affordable prices | 0,147 | 4 | 0,588 |
| 2. Sweet and tasty | 0,041 | 4 | 0,164 |
| 3. Good quality of raw materials | 0,139 | 2 | 0,278 |
| 4. Demand increasing | 0,129 | 3 | 0,387 |
| 5. No waste | 0,096 | 3 | 0,288 |
| Weaknesses | | | |
| 1. Less attractive packaging | 0,101 | 2 | 0,202 |
| 2. Limited raw materials | 0,026 | 1 | 0,026 |
| 3. Price fluctuation of raw materials | 0,032 | 2 | 0,064 |
| 4. No financial report | 0,108 | 3 | 0,432 |
| 5. Limited market place | 0,181 | 4 | 0,724 |
| Total | 1,000 | | 3,045 |

3.2.2. *External Factor Evaluation Matrix (IFE Matrix)*. EFE matrix was used to evaluate external factors of business that directly or indirectly affect a business. Data and information were derived from analysis of opportunity and threat factors on aspects of consumers, suppliers, competitors, marketing intermediaries, government. The multiplication result between the weighting average and the rating resulted in a total weighting of 3,061. The figure indicates the effort has a good enough ability to take advantage of existing opportunities and overcome the threat. The main opportunities on this business based on the highest score was creating diverse flavors which is 0,764. By creating a variety of flavors, the more opportunities that are generated. The presence of competing products from other cities became the most dominant threat because the value reached 0,354. This greatly affected the sales made by the brem businessmen in Wonogiri Regency. The presence of competitors from other cities such as Madiun and Bali are able to influence the marketing carried out by traders. The EFE matrix results table can be seen in Table 3.

Table 3. External Matrix of Brem's Marketing in Wonogiri Regency

| External Strategic Factors | Weight | Rating | Score |
|---|--------------|--------|--------------|
| Opportunities | | | |
| 1. Creating flavor's diversity | 0,196 | 4 | 0,764 |
| 2. Products are known to the public | 0,136 | 3 | 0,408 |
| 3. Supervisory by government | 0,045 | 1 | 0,045 |
| 4. Improve community economy | 0,105 | 4 | 0,420 |
| 5. There is a good relationship between consumers and producers | 0,063 | 2 | 0,126 |
| Threats | | | |
| 1. Simple technology | 0,119 | 4 | 0,476 |
| 2. Government's equipment was not distributed evenly | 0,085 | 2 | 0,170 |
| 3. Uneven training for Brem perpetrators | 0,078 | 1 | 0,078 |
| 4. The presence of brem competitors from other cities | 0,118 | 3 | 0,354 |
| 5. Improvement of "kue kekinian" products. | 0,055 | 4 | 0,220 |
| Total | 1,000 | | 3,061 |

3.2.3. Internal and External Matrix (IE Matrix)

Based on IFE analysis obtained the total weighted value with the number 3,045, while the total weighted value of EFE was 3,061. The total weighted values in the IFE and EFE matrices are then mapped in the IE matrix so that the firm position can be known. According to conditions, the Wonogiri brem company is in cell 1, which is growing and developing with the main strategy of growth strategy with the growth of the company itself. Growth Strategy is designed to achieve growth, both in sales, assets, profits, or a combination of the three. This can be achieved by reducing prices, developing new products, increasing the quality of products or services, or increasing access to a wider market. The purpose of using this model was to obtain a business strategy at the corporate level in more detail [4].

| | Strong | Average | Weak |
|--------|------------------------------|-------------------------------|------------------------------|
| High | I Grow and build | II Grow and build | III Maintain and preserve |
| Medium | IV Grow and build | V Maintain and preserve | VI Harvest or divestment |
| Low | VII Maintain and preserve | VIII Harvest or divestment | IX Harvest or divestment |

Figure 1. External Internal Matrix of Brem's Marketing

Alternative Strategy. Alternative of brem marketing strategies that can be applied were formulated by using SWOT Matrix analysis. As a sequence of previous stages in the SWOT matrix, it clearly

illustrated the internal strengths and weaknesses of brem marketing combined with external opportunities and threats so that alternative marketing strategies can be produced. In this SWOT matrix there are four possible alternative strategy cells that are a combination of internal and external factors, ie S-O strategy, W-O strategy, W-T strategy, and S-T strategy. Some alternative strategies that can be applied in marketing brem in Wonogiri Regency included:

3.2.4.1. S-O Strategy

- Increasing brem's production capacity
- Expansion of marketing networks with market development

3.2.4.2. W-O Strategy

- Larger area of promotion or bigger efforts for promoting strategies
- Brem quality improvement (use a good raw materials)

3.2.4.3. S-T Strategy

- Diversifying brem products in various flavors

3.2.4.4. W-T Strategy

- Upgrade the packaging

3.2.4. Priority Strategy

The final stage of strategy analysis was the selection of appropriate strategies and can be executed by the manufacturer. The selection of a suitable strategy used the QSPM analysis tool. Strategic alternatives are derived from the SWOT matrix in which the matrix produces several strategic alternatives through internal and external factors.

Based on the results of the QSP matrix in Table 4, it was known that the priority strategy that can be applied in the marketing activities of Wonogiri Regency Brem was strategy II, which is the diversification of brem products with a total attractiveness scores obtained at 6,084. The diversification of brem products can increase demand in the market so that brem production capacity can be increased and there will increase in the number of sales and profits. Another strategy that can be attempted by the company was strategy III, namely the improvement of brem's quality with a total attractiveness scores of 5,962. Good product quality will be the main consideration for consumers to maintain frequent consumers as well as the company can also get new consumers.

4. Conclusion

- 1) The strategic factors in brem marketing in Wonogiri Regency include: a) strengths were affordable prices, sweet and tasty, good quality of raw materials, demand increasing, no waste. b) Weaknesses were less attractive packing, limited raw materials, price fluctuation of raw materials, no financial report, and limited market place. c) opportunities were creating flavor's diversity, products are known to the public, supervisory by government, improve community economy, there is a good relationship between consumers and producers, threats among others, simple technology, government's equipment was not distributed, uneven training for brem perpetrators, the presence of brem competitors from other cities, improvement of new products.
- 2) Alternative strategy that can be applied in marketing brem in Wonogiri regency SO Strategy (Strength-Opportunity): increasing brem's production capacity and expansion of marketing networks with market development, W-O Strategy: larger area promotion or bigger efforts for promoting strategies and brem quality improvement (use a good raw materials), S-T Strategy: Diversifying brem products, W-T Strategy: upgrade the packaging.
- 3) The strategic priority that can be applied in brem marketing in Wonogiri Regency based on QSP matrix analysis was diversification of brem products.

Table 4. Quantitative Strategic Planning Marketing Matrix of Brem in Wonogiri Regency

| Key Factors | Weight | Alternative Strategy | | | | | |
|---|--------|----------------------|-------|----|-------|-----|-------|
| | | I | | II | | III | |
| | | AS | TAS | AS | TAS | AS | TAS |
| Internal Factors | | | | | | | |
| Strengths | | | | | | | |
| 1. Affordable prices | 0.147 | 4 | 0.588 | 2 | 0.294 | 3 | 0.441 |
| 2. Has a distinctive sweet taste and round shape | 0.041 | 2 | 0.082 | 4 | 0.164 | 3 | 0.123 |
| 3. The quality of raw materials is good | 0.139 | 2 | 0.278 | 3 | 0.417 | 4 | 0.556 |
| 4. Brem's demand is increasing | 0.129 | 4 | 0.516 | 2 | 0.258 | 3 | 0.387 |
| 5. Does not produce waste | 0.096 | 3 | 0.288 | 2 | 0.192 | 4 | 0.384 |
| Weaknesses | | | | | | | |
| 1. Less attractive packaging | 0.101 | 2 | 0.202 | 4 | 0.404 | 3 | 0.303 |
| 2. Limited raw materials | 0.026 | 2 | 0.052 | 3 | 0.078 | 4 | 0.104 |
| 3. Fluctuating prices of raw materials | 0.032 | 2 | 0.064 | 4 | 0.128 | 3 | 0.096 |
| 4. Absence of financial records (bookkeeping) | 0.108 | 4 | 0.432 | 3 | 0.324 | 2 | 0.216 |
| 5. Marketing is still limited in the solo raya area | 0.181 | 4 | 0.724 | 3 | 0.543 | 2 | 0.362 |
| Total | 1 | | | | | | |
| External Factors | | | | | | | |
| Opportunities | | | | | | | |
| 1. Creating diverse flavors | 0.196 | 2 | 0.392 | 4 | 0.784 | 3 | 0.588 |
| 2. Products are known to the public | 0.136 | 4 | 0.544 | 3 | 0.408 | 2 | 0.272 |
| 3. There is assistance from the government | 0.045 | 4 | 0.18 | 2 | 0.09 | 3 | 0.135 |
| 4. Improve community economy | 0.105 | 4 | 0.42 | 2 | 0.21 | 3 | 0.315 |
| 5. There is a good relationship between consumers and producers | 0.063 | 2 | 0.126 | 4 | 0.252 | 3 | 0.189 |
| Threats | | | | | | | |
| 1. The technology used is simple | 0.119 | 2 | 0.238 | 3 | 0.357 | 4 | 0.476 |
| 2. Equipment assistance from the government has not been evenly distributed | 0.085 | 2 | 0.17 | 3 | 0.255 | 4 | 0.34 |
| 3. Uneven training for Brem perpetrators | 0.078 | 4 | 0.312 | 3 | 0.234 | 2 | 0.156 |
| 4. The presence of brem competitors from other cities | 0.118 | 2 | 0.236 | 4 | 0.472 | 3 | 0.354 |
| 5. Present cake products are increasing | 0.055 | 2 | 0.11 | 4 | 0.22 | 3 | 0.165 |
| Total | 1 | | | | | | |
| Total TAS | | | 5.954 | | 6.084 | | 5.962 |

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