

Marketing Strategy Of Local Processed Food Products In The Time Of The Covid-19 Pandemic

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ABSTRACT

Local processed food products have potential prospects to be developed as a form of food diversification. Qobidh MSMEs are one of the business actors who face problems related to product marketing during the Covid-19 pandemic. The purpose of this study is (1) to analyse the internal and external factors of Qobidh MSMEs. (2) To find out alternative marketing strategies for Qobidh SMEs during the pandemic. Sample determination using purposive sampling technique with key informants, namely the owners and employees of Qobidh MSMEs. The analysis method uses qualitative descriptive, IFAS and EFAS matrices, diagrams and SWOT matrices. The results of this study show that the internal factors of Qobidh MSMEs include strengths, namely: there are several flavour variants, without using preservatives, quality products, competitive prices, practical packaging, promotions utilising social media/online, weaknesses while including: Lack of labour, promotional activities are not optimal, information on packaging is still unclear, products are easily destroyed, lack of business capital. External factors include opportunities, namely: the presence of regular customers, the support of the government, being favoured by the public as interlude food, the use of online media as a means for promotion, while the threats are: competitors of fellow similar business actors, changes in consumer tastes, unstable prices for complementary and supporting materials. Alternative marketing strategies for Qobidh SMEs are aggressive strategies or SO including: maintaining product quality and improving sales services through online media, optimising the role of the government for product marketing, expanding marketing networks and using online media to increase sales.

Keywords:

Marketing Strategy,
Local Processed
Food Products,
Covid-19 Pandemic

INTRODUCTION

The development and stability of the economy in Indonesia which is able to contribute from the Gross Domestic Product (GDP) of around 60% and absorbing a workforce of 97% is from Micro, Small and Medium Enterprises (MSMEs). However, after the Covid-19 virus outbreak hit almost all corners of the world , including in

Indonesia, it had a considerable impact on various sectors in Indonesia, especially in the field of micro, small and medium enterprises [1].

MSME actors in the face of the Covid-19 outbreak need to consider developing their products/services in accordance with consumer preferences. Product pricing also needs careful consideration because it is a sensitive matter for

consumers. MSME players must ensure that the price set is in accordance with the quality of the products/services offered and can compete with other competitors. The location of service facilities is one of the crucial factors that influence the success of a service, because location is closely related to the potential market of service providers. However, with the development of the digital economy, MSME players can take advantage of online delivery service facilities to facilitate consumer reach. Promotion is also an important factor, business success as a means of introducing products/services. During the pandemic and the era of technology, the use of social media as a means of promotion is a method that can be the main choice for MSME players to market their products. The use of digital-based marketing can make it easier for business people to monitor, provide, and make it easier for consumers to obtain products according to their wants and needs [2].

One of the MSME actors in Tarakan City who develops snack products sourced from local processed food is Qobidh MSMEs. Local processed food products have potential prospects to be developed as a form of food diversification. In its development, most business actors still use a standard product strategy, namely creating processed products as they are widely marketed. In addition, promotional strategies are carried out in various ways to attract the attention of consumers, such as: the use of brands / logos in product packaging, giving discounts and giving freebies with the condition that they make a

minimum purchase of products so that consumers tend to be loyal and get satisfaction. In addition, doing promotions through social media such as Facebook [3]. During this pandemic, there are several obstacles and problems faced, including the decline in consumer purchasing power so that it affects income, since the enactment of restrictions on community mobility, the distribution of products has been hampered, and the number of workers has decreased. Seeing the existing reality that the business has the potential to be developed, a business marketing strategy is needed, especially in the midst of the Covid-19 pandemic. In marketing a business needs to pay attention to the internal environment and external environment using a SWOT analysis approach, a business marketing strategy can be formulated. The objectives of this study are to identify internal and external factors of Qobidh MSMEs and formulate a marketing strategy for local processed food products in Qobidh Tarakan MSMEs.

METHOD

This type of research is descriptive qualitative that provides an empirical picture or description of the data collected in the study. This research was conducted at Qobidh MSMEs in Tarakan City using techniques intentionally (*purposive*) with the consideration that the MSMEs are businesses that produce local processed food. Determination of samples using the purposive sampling method [4]. Data analysis uses qualitative descriptive methods, IFAS and EFAS matrix, SWOT diagrams and matrix to systematically identify internal and external

factors in formulating strategies to be used in marketing local processed food products in Qobidh Tarakan MSMEs.

RESULT AND DISCUSSION

1.1. Identification of Internal Factors of Qobidh MSMEs

Identification of internal and external factors aimed at determining which key factors become opportunities, threats, strengths, and weaknesses in Qobidh MSMEs. Identification of internal and external factors is obtained through interviews with Qobidh business owners, and external parties of the workforce. As for what is included in the internal factors that are the strengths and weaknesses in marketing Qobidh MSME products, they are presented in table 1.

Table 1. Internal Factors in Qobidh MSMEs

Strength	Weakness
<ul style="list-style-type: none"> ● There are several flavour variants ● Without the use of preservatives ● Quality products ● Competitive price ● Practical packaging ● Promotion utilising social media/online 	<ul style="list-style-type: none"> ● Lack of labour ● Promotional activities are not optimal ● Information on the packaging is still lacking ● Products are easily destroyed ● Lack of business capital

Based on table 1 shows the strengths and weaknesses of Qobidh MSMEs including: products, prices, promotions, capital and distribution. According to Affandy in the analysis of the internal environment, there are several things that need to be done by periodically evaluating strengths and weaknesses for variables in the field of marketing, namely: product, price, promotion and distribution [5].

1.2. Identification of External Factors of Qobidh MSMEs

Identification of external factors aims to provide information on the picture of opportunities and threats faced by Qobidh MSMEs. As for those that include external factors that are opportunities and threats to Qobidh MSMEs, they are presented in table 2.

Table 2. External Factors in Qobidh MSMEs

Opportunities	Threat
<ul style="list-style-type: none"> ● The presence of regular customers ● There is support from the government ● Favoured by the public as an interlude food ● The use of online media as a means for promotion 	<ul style="list-style-type: none"> ● Competitors of fellow similar business actors ● Changes in consumer tastes ● Unstable prices for complementary and supporting materials

Based on table 2, it shows that the external factors of Qobidh MSMEs include opportunities and threats. Factors in the external environment can affect the successful implementation of a business strategy. According to Setyowati that the success of the formation and implementation of a business strategy is determined by the ability to manage the external environmental factors owned including: demographics, economy, politics, law, technology, socio-culture, suppliers, consumers, competitors, distributors, government institutions, availability of labour and creditors [6].

1.3. Marketing Strategy for Local Processed Food Products in Qobidh MSMEs

Based on the results of the analysis of internal factors consisting of strengths and weaknesses, external factors consisting of opportunities and threats to Qobidh MSMEs, the results of the IFAS (Internal Factors Analysis Summary) matrix calculation showed that the total score value of

key internal factors was 2.75. This indicates that the internal position of Qobidh MSMEs is above average in utilising their strengths and overcoming their internal weaknesses. The external conditions that Qobidh MSMEs describe with the results of the EFAS (External Factors Analysis Summary) matrix analysis. The total EFAS matrix score for Qobidh MSMEs is 2.69. This means that the external position is still above average in taking advantage of opportunities and avoiding external threats.

Based on the results of the identification and analysis of internal and external factors, it will

then be used as the basis for the formulation of alternative strategies. The formulation of alternative strategies is carried out by combining various factors that have been identified and grouped. The results of the strategy formulation which is a combination of the Strength-Opportunity (SO), Weakness-Opportunity (WO), Strength-Threat (ST) and Weakness-Threat (WT) strategies are summarised in the SWOT matrix. The formulation of marketing strategies for local processed food products in Qobidh MSMEs based on the SWOT matrix is presented in figure 1.

Internal factors External Factors	STRENGTHS (S) <ul style="list-style-type: none"> ● There are several flavour variants ● Without the use of preservatives ● Quality products ● Competitive price ● Practical packaging ● Promotion utilising social media/online 	WEAKNESS (W) <ul style="list-style-type: none"> ● Lack of labour ● Promotional activities are not optimal ● Information on the packaging is still lacking ● Products are easily destroyed ● Lack of business capital
OPPORTUNITIES (O) <ul style="list-style-type: none"> ● The presence of regular customers ● There is support from the government ● Favoured by the public as an interlude food ● The use of online media as a means for promotion 	SO STRATEGY <ul style="list-style-type: none"> ● Maintaining product quality and improving sales services through online media ● Optimising the role of government for product marketing ● Expanding the marketing network ● Using online media to increase sales 	WO STRATEGY <ul style="list-style-type: none"> ● Utilising government support in providing business capital and promotion in the form of exhibitions of local processed food products ● Forming marketing units to expand market share
THREATS(T) <ul style="list-style-type: none"> ● Competitors of fellow similar business actors ● Changes in consumer tastes ● Unstable prices for complementary and supporting materials 	ST STRATEGY <ul style="list-style-type: none"> ● Building cooperation with business actors and conducting audiences with relevant agencies to make Qobidh MSME products as snacks typical of North Kalimantan, especially Tarakan City 	WT STRATEGY <ul style="list-style-type: none"> ● Increase cooperation with related parties such as other cooperatives / MSMEs in marketing local processed products and availability of raw materials ● Improving product quality so that it is not easily destroyed to overcome the threat of changing consumer tastes, and competitors of fellow MSMEs

Figure 1. SWOT Matrix of Marketing Strategy Formulation in Qobidh MSMEs

Figure 1 shows that there are four formulations of marketing strategies in Qobidh MSMEs including: SO, WO, ST and WT strategies. The

SO strategy uses strengths (Strength) to capitalise on opportunities (Opportunity), the WO strategy minimises weaknesses to capitalise on

opportunities, the ST strategy uses strengths to overcome threats and the WT strategy minimises weaknesses and avoids threats. Based on the analysis of IFAS and EFAS, the highest weight was obtained and showed the SO strategy as a grand strategy in marketing local processed food in Qobidh MSMEs. The strategies that can be carried out by MSMEs are: Maintaining product quality and improving sales services through online media, Optimising the role of the government for product marketing, Expanding marketing networks and Using online media to increase sales.

CONCLUSION

Based on the results of the research, it can be concluded that the identification of internal factors in Qobidh MSMEs includes the strengths and weaknesses of Qobidh MSMEs consisting of products, prices, promotions, capital and distribution which gives an idea that with their strengths can overcome existing weaknesses. Meanwhile, external factors show that Qobidh MSMEs are able to respond to opportunities and minimise threats. Based on the analysis of IFAS and EFAS, the highest weight was obtained and showed the SO strategy as a grand strategy in marketing local processed food in Qobidh MSMEs. The strategies that can be carried out by MSMEs are: Maintaining product quality and improving sales services through online media, Optimising the role of the government for product marketing, Expanding marketing networks and Using online media to increase sales.

ACKNOWLEDGMENTS

Praise be to Allah SWT, for Rahman and His Rahiim, the author is still given health and ability in completing the article entitled "Marketing Strategies for Local Processed Food Products during the Covid-19 Pandemic". In the implementation of research to the writing of this article, the author received a lot of help from various parties. Therefore, on this occasion, the author would like to express his deepest gratitude to LPPM UBT, Faculty of Agriculture UBT, and all parties for the compilation of this article which certainly cannot be mentioned one by one.

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