

Implementation of Local Marketing Strategy Products At Kenanga Store In Maros District

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ABSTRACT

Implementation of Local Product Marketing Strategies at Kenanga Stores in Maros Regency. Thesis for the Study Program of Business Administration, Faculty of Social Sciences and Law, Makassar State University. This study aims to determine the marketing strategy for local products at Kenanga Stores in Maros Regency. This study used a qualitative method with a case study type based on the situation that occurred at Kenanga Store. Data collection was obtained from respondents in this study consisting of four people, namely shop owners, employees, and consumers from Kenanga Store. Data collection procedures used were observation, interviews, and documentation. The interview technique was carried out in a structured manner using interview guidelines. The results of the study show that Kenanga Store has implemented a marketing strategy for selling its local products, with a focus on three strategies, namely STP (Segmentation, Targeting, Positioning). The marketing strategy implemented by Toko Kenanga in this case is segmentation based on geographic and demographic variables. Targeting focuses on variable single-segment concentration (concentration on one segment). Positioning focuses on maintaining unique recipes, quality and affordable prices.

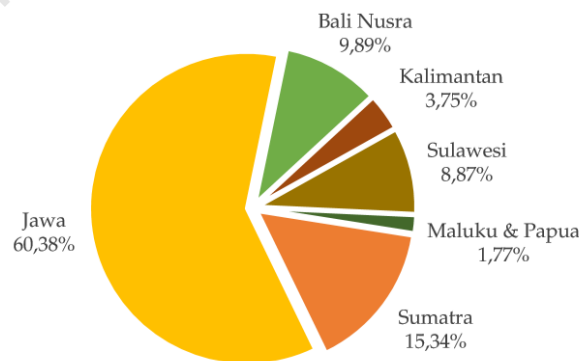
Keywords : Marketing Strategy, Positioning, Segmentation, Targeting

INTRODUCTION

The development of the food industry is a form of business that is quite prospective in Indonesia, this can be seen from the data released by the Central Statistics Agency regarding the number of Micro and Small Industries (IMK) in Indonesia, namely 4,162,688 businesses with industries operating in the industrial sector . food as many as 1,542,410 businesses in 2021. According to the Ministry of Finance of the Republic of Indonesia, it is stated more clearly in law number 9 of 1995 which states that small businesses are businesses with a maximum net worth of IDR 200,000,000 (two hundred million rupiah) , excluding land and buildings of business premises with annual sales proceeds of IDR 1,000,000,000 (one billion rupiah). In other words, the number of food

industry businesses contributes 37.05 percent of the total number of national IMK businesses.

Micro and Small Industries (IMK) are part of the manufacturing industry which is known for its labor-intensive nature and minimal capital. Small industry is an industrial company whose workforce is between 5-19 people, while micro industry is an industrial company whose workforce is between 1-4 people. Apart from contributing to Gross Domestic Product (GDP), IMK also plays a role in the economy. Based on industry groups, the majority of IMK businesses in Indonesia operate in the food industry with a total of 1.54 million IMK businesses. In other words, the number of food industry businesses contributes 37.05 percent of the total number of national IMK businesses.



Source: Central Statistics Agency (2023)

Figure 1. 1 Distribution of IMK Businesses/Companies by Island, 2021

The 2021 Micro and Small Industry Survey produces an estimated number of IMK businesses/companies in Indonesia of 4.16 million businesses. The distribution of IMK business locations is centered on the island of Java, which is around 60.38 percent and Sulawesi is the fourth province that dominates the distribution of IMK, namely around 8.87 percent. Based on data from the South Sulawesi Province Cooperatives and MSMEs Service, in 2019 there were more than 940 thousand business units recorded, then to around 1.2 million in 2020, and the number increased again to 1.5 million business units in 2021.

Business units in South Sulawesi, especially in the Maros Regency area, are dominated by bread and cake-based businesses. This was made clear by the South Sulawesi Province Cooperatives and UMKM Service in 2018 which stated that as many as 33% of businesses were based on cakes and bread. This is because Maros Regency has local products, making the Maros region a strategic location for residents to develop their own businesses in selling cakes and bread. The decision to choose a strategic location is part of a business strategy to minimize costs incurred and at the same time maximize income (Heizer & Render, 2009). One of the cakes that is so famous that it has become a

local and typical product of Maros Regency is "Roti Maros". Maros bread is a type of culinary bread filled with its signature jam, namely srikaya. Maros bread is a local product that can be used as a souvenir from Maros Regency because it can be consumed as a snack or *dessert* after a meal, or even as breakfast. With its delicious taste and affordable prices, local Maros bread products are a popular choice for local residents and visitors to buy as snacks or souvenirs typical of Maros Regency. Along with the development of local bread products, the product variants sold are not limited to Maros bread alone. Business owners have also introduced various other product variants. However, on the other hand, local bread sales businesses also face direct or indirect competition due to competition coming from other businesses that produce similar goods.

With these conditions and circumstances, local product industries, especially Micro and Small Industries (IMK), are expected to be able to win the competition or at least survive in their target markets, so they need to be taken into account and be critical for the survival of the home business itself, including local products. The existence of a business depends on the business's ability to recognize opportunities in the market, especially in the marketing sector (Baharuddin et al, 2022). Business actors must take strategic and effective steps to be able to compete with other similar industries. Marketing plans are prepared to determine the target market, establish positions, formulate the marketing mix, and measure the size of the marketing budget (Kotler, 2003). Business continuity can help fulfill consumer desires. Marketing is related to the distribution of products from producers to consumers, and the importance of marketing activities in society is related to the fact that our lives are very dependent on the various marketing activities carried out today (Rizal et al, 2022).

One of the famous places selling local bread in Maros Regency is Kenanga Shop. Kenanga Shop is the first local bakery in Lau District, Maros Regency. Therefore, Maros Kenanga Bakery has two branches. Kenanga Shop was founded in 2010, the owner is Hj. Nurmi then in 2018 opened a branch with the name Toko Kenanga 2, the owner is the son of Hj. Nurmi is H. Yuyun. The locations of the two shops are side by side, approximately 7 meters apart, located at Maccini Baji Street, Lau District, Maros Regency, South Sulawesi. The Kenanga shop is open every day or 24 hours. The Kenanga shop offers various types of local bread and the main menu at the shop is maros bread with srikaya jam because this product is a specialty of the area. The types of bread sold are original Maros bread selling price IDR 15,000, Maros pandan bread selling price IDR 15,000, block bread or chocolate cheese bread selling price IDR 25,000, various bread selling price IDR 5,000 and milk bread selling price IDR 35,000 . Kenanga Bakery Shop accepts orders for events or celebrations, orders can be made via the owner's personal WhatsApp or order directly at the shop. The process of making this bread uses modern methods and quality ingredients.

To be able to survive and develop, a business must have a marketing strategy that can be used as a tool in achieving business goals in winning the competition. However, not all local businesses have effective and innovative marketing strategies. Sales at the Kenanga Shop are now starting to decline. Currently, the bakery business tends to be

empty of visitors. This is because the customers are generally people who travel across cities both to and from Makassar City. Apart from that, monotonous flavor variants are also an inhibiting factor in the development of local businesses selling typical Maros Regency bread. According to Gorover (2010) Product variations can be explained as products with different designs or types, which are produced by the same company. After collecting various strategic issues that need to be considered in determining an effective and efficient marketing strategy.

The description that has been mentioned led the researcher to conduct this research with the title "**Implementation of Local Product Marketing Strategies at Kenanga Shops in Maros Regency**". This research aims to analyze the marketing strategies used and provide useful recommendations for local businesses in improving effective marketing strategies.

RESEARCH METHODS

The research used is descriptive qualitative with a case study type of research *regarding* marketing strategies at Kenanga Shop branches 1 and 2. This research focuses on collecting information on the research object, namely Kenanga Shop. Data was obtained through surveys, interviews and observations (Kuncoro, 2003). For research to be focused and comprehensive, its scope is limited. This helps ensure the results are accurate and relevant. The data used in this analysis is qualitative data, namely data expressed in words or numbers that contain meaningful information (Noor, 2014). This research was carried out at Kenanga Shop branches 1 and 2 on Jalan Maccini Baji, Kec. Lau, Maros Regency, South Sulawesi 90513. The form of research used in this thesis is descriptive research with a qualitative approach using primary data obtained through surveys. Technique The primary data collection procedure used in this research is observation, interviews and documentation. In this study, researchers used a data validity test according to Sugiyono (2012) in qualitative research, namely credibility (internal validity), transferability (external validity), dependability (reliability), and confirmability (objectivity). To analyze the collected data using 3 steps that is data condensation (data condensation), presenting data (data display), and drawing conclusions or verification (conclusion drawing and verification).

RESULTS AND DISCUSSION

1. Implementation of Local Business Marketing Strategies at Kenanga Stores

a. Segmentation

Market segmentation is the process of grouping consumers who are heterogeneous and have similarities in terms of needs, desires, behavior and/or responses to specific marketing programs (Tjiptono & Chandra, 2012). According to Kotler (2006), market segments consist of groups of customers who have the same set of wants and needs. In determining its market segment, Toko Kenanga has certain criteria in order to place its services in the best position. The results of interviews and findings in the field show that Toko Kenanga selects and determines market segmentation focusing on the selected

location and region. The Kenanga Shop is very strategic because it is located on the side of the main road, the area of origin of the local products and the sales place is its own home, so it is easy for the Kenanga Shop to monitor its business. Data found in the field shows that in determining the marketing strategy for local products at the Kenanga Store, segmentation is based on geography. This is in accordance with the opinion that geographic variables refer to the division of locations based on market segments, some geographic units include factors such as country, region, state, city, or neighborhood (Kotler et al., 2012).

To provide a deeper understanding regarding Kenanga Store's segmentation marketing strategy, using demographic segmentation to understand and market its products to a more focused consumer group. Toko Kenanga's local bread products can be accepted by all levels of economic income with the majority being middle income because the variants offered have different prices so they can be accepted by consumers according to economic level, ages ranging from children to the elderly, including all genders. man and woman. This local bread product has various sizes and prices, prices start from IDR 5,000 to IDR 35,000 which can be chosen based on consumer reach. . This is in line with the opinion of Kotler et al (2012), demographics group the market based on factors such as age, gender, family size, family life cycle, income, employment, education, religion, race and nationality. The results of the research above are in accordance with previous research conducted by Suyatna (2022) which stated that geographic variables focused on strategic and demographic locations with middle income levels for all groups which influenced the implementation of marketing strategies for bread products at Andre Resto & Cafe.

b. Targeting

Determining targeting or target market refers to activities where a company chooses the market segment it wants to target, then determines more specifically which market will be targeted (Mujahidin & Khoirianigrum, 2019). According to Kotler (2003) there are several criteria for determining target markets, five Alternative variables in choosing a target market are single-segment concentration, selective specialization, market specialization, product specialization and full market coverage. results of interviews and findings in the field conducted at the Kenanga Shop. Toko Kenanga selects and sets its target market to focus on Single-Segment Concentration (concentration on one segment). The majority of the target market that comes to Toko Kenanga is of a middle economic level, such as office workers, users of rental car services or public transportation, motorists, as well as local people who live around the business area. Kenanga Shop divides its bread product variants into several types according to the tastes of buyers or consumers. This strategy focuses marketing efforts on only one group of customers. The company chooses to focus on a single market segment, taking into account a number of factors, such as the company's limited funds and market opportunities in the relevant segment. This approach is effective if the company has special expertise in meeting the needs of that segment (Kotler, 2003). The results of the research above are relevant to previous research conducted by Rosnaini (2018) which stated that

implementation targeting uses market target determination with a concentration strategy that only focuses on marketing one group of Single-Segment Concentration vehicle sales buyers. PT's target audience. Kumala Celebes Motor (Mazda Makassar) are individuals or groups with an economic level in the upper middle class.

c. Positioning

According to Kotler and Armstrong (2000) a product is anything that can be offered to the market for attention, purchase, use or consumption and that can satisfy a want or need . Interview results and findings in the field show that according to Kotler (2006), there are several ways of product positioning that can be used to market products to target consumers, including:

- 1) Positioning based on attributes, a company highlights superior product attributes or features. The Kenanga Shop has been around for a long time, namely 2010 and still maintains the taste and quality of the local products it sells.
- 2) Determining positioning based on benefits , Kenanga Shop positions itself as a healthy culinary product because it is made without preservatives and the form is practical to eat straight away.
- 3) Determining positioning according to use or application, Kenanga Shop has maintained a consistent taste that does not change and the prices offered are affordable due to lower production costs.
- 4) Determining the position according to the user, in this position the Kenanga Store does not make specific determinations because all products are made for all groups, but the Kenanga Store provides various variants so that consumers can buy according to their needs and desires.
- 5) Determining positioning according to competitors, currently Kenanga Shop has 2 branches with the same brand name, the same recipe and variants, this is a consistent form that is applied.
- 6) Determining positioning according to product category, the most popular variety of bread sold at the Kenanga Shop is Maros bread because it is typical of the area so it sells quickly .
- 7) Determining price or quality positioning, memory shops once used social media for promotions such as WhatsApp, Instagram and Facebook to carry out promotions, but currently this is no longer done. Regarding the price and quality provided, it is still maintained, even the price offered is affordable with guaranteed quality.

Kenanga Store positions its products to consumers as light bread snacks with various variants, good quality and affordable prices. This is relevant to the goal of *positioning* which is a strategy to create unique product differentiation in the minds of customers or consumers (Tjiptono, 2008).

2. Determinant Factors in Marketing Product Local at the Kenanga Shop

In a business context, determinant factors are elements that influence the success or failure of a business. These factors can have a significant impact on a company's

performance and can help business owners better plan, make decisions, and manage their businesses. Determinant factors are divided into supporting factors and inhibiting factors or internal factors (strengths and weaknesses) and external factors (opportunities and threats). Based on the statement above, overall the supporting factors for Toko Kenanga's marketing strategy include the length of business, namely 13 years, maintaining typical recipes that have been passed down from generation to generation, consistently maintaining the quality of the products offered. The strategic sales location on the main road provides easy accessibility and access to get products. This is in line with the opinion of Heizer & Render (2009) who say that the decision to choose a strategic location is part of a business strategy to minimize costs incurred and at the same time maximize income. And the store's 24-hour operational hours mean product availability around the clock which is able to attract and retain consumers. Meanwhile, the inhibiting factor encountered in the local product marketing strategy at the Kenanga Store is limited resources, referring to financial limitations so that work force is reduced. This affects the time available to manage various aspects of the business. Due to limited resources, home businesses may find it difficult to innovate in products and processes due to limited resources and workforce. Additionally, lack of visibility such as in terms of promotion or more limited marketing such as relying on word of mouth and local promotion methods, Kenanga Store is lacking in online marketing. As for competition with big brands or similar businesses, it cannot be denied that businesses selling similar products in the region are high because they are typical products from that region.

After carrying out the interview process with informants, the researcher compiled a SWOT analysis table. Based on the opinion of David (2015), SWOT analysis acts as a tool that can provide assistance to business owners in developing four types of strategies, namely:

Table 1. Matriks Strengths, Weaknesses, Opportunities, Threats (SWOT)

| | <i>Strengths-S</i> | <i>Weaknesses-W</i> |
|--|---|--|
| | <ol style="list-style-type: none"> 1. Strategic Location 2. Recipes passed down from generation to generation 3. Length of Business 4. Product Quality 5. 24 Hour Product Availability | <ol style="list-style-type: none"> 1. Limited Resources (Financial and Labor) 2. Lack of Product Innovation 3. Limited Marketing 4. High Local Competition |

| | | |
|--|---|---|
| Opportunities-O 1. Online Marketing 2. Product Innovation 3. Local Cooperation | 1. Develop online marketing and reach wider customers. 2. Product innovation. 3. Local cooperation. 4. Focus on quality. 5. Take advantage of 24-hour product availability. | 1. Wise financial management. 2. Launch of new product variants. 3. Active online marketing. 4. Development of creative marketing strategies. |
| Threats-T 1. Big Brand Competition 2. Changes in Consumer Preferences 3. Limited Resources (Financial and Labor) | 1. Product diversification. 2. Strengthen the quality and authenticity of local identity. 3. Market research and quick response. | 1. Collaboration with local businesses. 2. Intensive market research. 3. Development of business alliances. 4. Increased operational efficiency. |

CONCLUSION

Based on the findings from the research that has been carried out, the researchers drew the following conclusions:

1. Marketing strategies can be assessed through three strategic approaches which are referred to by the abbreviation STP (Segmentation, Targeting, Positioning). The marketing strategy for local products at the Kenanga Shop has been carried out, selecting a market strategy with certain variable criteria in order to position its implementation effectively. The local product marketing strategy implemented by Toko Kenanga is: (a) segmentation (market share) based on geographic and demographic segmentation variables; (b) targeting (sales target) the majority of buyers are middle economic level consumers using the single-segment concentration sales target variable (concentration in one segment); (c) positioning (placement) of the product as local bread using recipes passed down from generation to generation with good quality levels and affordable prices. This strategy is able to provide a competitive advantage for Toko Kenanga in marketing its products.
2. The determinant factors in marketing local products at the Kenaga Store consist of two factors, namely supporting and inhibiting factors. The supporting factors are the longevity of the business by maintaining typical recipes handed down from generation to generation, a strategic location which also functions as a private home making it easier to control sales, and product availability 24 hours a day.

Meanwhile, inhibiting factors such as limited resources refer to financial limitations, workforce reduction and product innovation. In addition, lack of visibility affects marketing strategies which refer to limited marketing methods, lack of online marketing, and competition from similar brands or businesses.

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