Strategy Of Market Acceptance Acceleration On Sweet Potato Noodle Snack Produced By Small Medium Enterprise Lestari

Elys Fauziyah*, Iffan Maflahah, Dwi Ratna Hidayati

* Agricultural Faculty, Trunojoyo University, Bangkalan 69162, Indonesia

Abstract

Sweet potato known as commodity that enabled to be utilized into various product such as sweet potato noodle snack made by small medium enterprise Lestari. Generally, new product oftentimes get rejection from consumer, therefore it needs strategy to overcome the problem. Research purpose is to formulate acceleration strategy of market acceptance on sweet potato noodle snack produced by Small Medium Enterprise (SME) Lestari in Bangkalan District. Sample of research were staff of Industry and Commercial Agency of Bangkalan District, staff of Agriculture and Livestock Agency of Bangkalan District, one expert from Agroindustry of Trunojoyo University, and one food entrepreneur. Data was analyzed by SWOT method. Result of analysis shown that strategy that may be applied by UKM Lestari are 1) determining product price on similar range with noodle made from wheat flour, 2) designing interesting package for certain targeted consumers, 3) promotion through various media such as exhibition, advertisement by both mass media and electronic media, 4) creating partnership among entrepreneur surrounded Bangkalan District area.

Keywords: Strategy of market acceleration, noodle snack, Small Medium Enterprise lestari

1. Introduction

Noodle is food product consumed by many people of Indonesia. According to Head Association of Wheat Flour Entrepeneurship (2013), Indonesia has been already greatest noodle consumers in the world. [1] stated that noodle demand in 2012 reached 16.5 packs by market share of noodle reached US$1.95 billion, and per year increase at about 4-5%. Huge of noodle demand in Indonesia had caused wheat flour import number increase annually, this was encouraged by main material of noodle containing wheat flour. Next, this is caused State exchange decrease highly and affecting domestic food endurance.

In the other hand, Indonesia had been known as second megabiodiversity country in the world. Indonesia has plenty plants of carbohydrate and protein source as main substance of noodle. Rice, cassava, corn and banana includes as main commodity list based on FAO statistic. There are several material has not included into FAO list namely sweet potato, which is production reach 1,947,311 tonnes (Statistic Centre Agency, 2012). Those material has been examined during noodle creation, either as main material or wheat flour substitution.

Bangkalan District has big potential concerning with beets production. These commodity were some being consumed and some other being sold. Percentage of beets being sold is 50% cassava, 33.33% sweet potato, 70.97% obi, 33.33% edible tuber, 29% creeping edible tuber, and 97.67% taro [2]. Seeing huge potential of beets in Bangkalan district and high demand of consumer on various noodle product, then SME Lestari at Tonjung Village of Bangkalan District
together with researcher team of Agriculture Faculty of Trunojoyo University initiated to utilize beets as noodle snack that pleased by people.

During the expansion, agroindustry created by SME Lestari face marketing problem. Noodle snack has not well responded by targeted market, moreover last three months sale decreased. New product is oftentimes being rejected by consumers. Therefore more attention on marketing strategy should be applied. According to Kotler [3], marketing strategy is fundament tools that planned in order to achieve company goal by developing sustainable competitive advantage through market and marketing program on serving targeted market. Marketing strategy consist of five related elements, namely; 1) choosing targeted market by most possible segmentation, 2) product planning that consist of specific product, brand name, packaging, size, service, return guarantee, 3) determining price may reflect quantitative value of product to consumer, 4) Distribution system of product passing until last consumer and 5) market communication consisting advertisement, promotion, sale, direct market and public relation.

In strategy formulation to achieve competitive advantage, each agroindustry faced different situation both internally and externally. The situation may open opportunity as well as threat for the agroindustry. The opportunity will exist if agroindustry use strength precisely and avoid any threat by overcoming weaknesses. Implementation of agroindustry activity needs precise and effective market planning due to competition, therefore agroindustry needs to analyze strength, opportunity, threat that may hamper growth of market as well as company goal to increase sale volume as maximum as possible. Research purpose was: identification of internal and external SME Lestari, formulation of market acceptance strategy acceleration on sweet potato noodle snack produced by SME Lestari.

2. Material and Methods

Research was held purposively at SME Lestari by consideration that this business has already capable in producing noodle which is as derivative product varian of sweet potato, but facing problem in product marketing. Therefore it is important to formulate strategy of market acceptance acceleration. Sample of research was purposively determined namely staff of Industry and Commercial Agency of Bangkalan District, staff of Agriculture ad Livestock Agency of Bangkalan District, one expert from Agroindustry of Trunojoyo University, and one food entrepreneur. Method of data analysis to analyze internal and external factor at SME Lestari were IFAS and EFAS, meanwhile marketing strategy was formulated by SWOT.

IFAS analysis was used to analyze internal factor of company, namely knowing strength and weaknesses of company. Result was used to manage opportunity in facing threat coming from external. Strength of company can be used as weapon to compete and weaknesses should be improved to face surrounded situation exchange. After internal strategic factor being identified, IFAS (Internal Strategic Factors Summary) table was arranged to formulate internal strategic factors into Strengths and Weaknesses framework. Stages being done was 1) determining factors as strength and weaknesses into first column, 2) Giving weight on each factor by scale starting from 1,0 (most important) until 0,0 (not important), based on effects of factors to strategic position of company (All weights amounts should not more than total score 1,00), 3) calculating rating (inside the column three) for each factor by scaling from 4 (outstanding) up to 1 (poor), based on effects of factor to the company condition. All variables included as strength category were given rate 1 up to 4. Value +4 is excellent poin by comparing with average industry or main competitor. Meanwhile weaknesses variable were rated -1 up to -
4. Value -4 shows high weaknesses of company compare to average similar industries. If weaknesses are under average industry, the value is -1, 4) multiply weight on second column with tird column to gain weighting factor in fourth column. As the result, weighting score for each factors were varied starting from 4,0 (outstanding) up to 1,00 (poor), 5) Summed up weighting score (fourth column) to gain total weighting score of company. Total value shows how the company reacts to internal strategic factors.

External Analysis is a monitoring on surrounding area of company by identifying threat and opportunity that may affect to the company as well as strategy creation to achieve the company goal. External environment is factors out of company control area that may affect on options of direction and action, organizational structure and internal process of company. By considering that there is strong linkage between company and external factors, then it is necessary to analyze it due to monitoring surrounded sector in determining opportunity and threat of company. Methods of External Strategic (EFAS) determination is as follows: 1) arrange factors being opportunity and threat in fisrt colum, 2) giving weight each factor in second column, starting from 1,0 (very important) up to 0,0 (not important), 3) determining rating on tird column for each factor by scaling from 4 (outstanding) up to 1 (poor) based on factor effect to the company condition. Rating value for opportunity starts from 1 up to 4. Rating value of threat is the opposite namely -1 up to -4. Each factor varied from 4,0 (outstanding) up to 1,0 (poor), 5) Summed up weighting score (fourth column) to gain total weighting score of company. Total value shows how the company reacts to external strategic factors.

SWOT Analysis is identification of various factors systematically to formulate company strategy. This analysis is based on logical to maximize Strengths and Oppurtunities, however at the same time could minimize Weakness and Threats. Process of strategic decision always related to development of mission, goal, strategy and policy of company. Therefore strategic planner should analyze strategic factors of company (strength, weaknesses, opportunity, and threat) on current situation. This called as situation analysis. Most popular of situation analysis is SWOT analysis (Rangkuti, 2005). Based on SWOT analysis, there are four result of strategy as consideration for company management. , namely:

a. SO Strategy (Strength-Opportunity). This strategy use internal strength to achieve opportunity existing in out area of company. So, if company has weaknesses then it needs to be solved, meanwhile threats should be avoided and try to concentrate on existing opportunity.

b. WO (Weakness-Opportunity). This strategy aimed to minimize internal weaknesses by using external opportunities. Sometimes company face difficulties in using opportunity due to internal weaknesses, therefore it depends on the management to use it.

c. ST Strategy (strenght-threat) Trough this strategy, company tries to avoid any impact of external threats.

d. WT Strategy (weakness-threat). This strategy is tactic to defense by decreasing internal weaknesses and avoiding any threats. Company that face internal weaknesses ad external threats is actually under danger situation which needs to keep survive.

3. Result and Discussion

3.1 Internal Environmental Analysis
Internal environment is factors as strength and weaknesses of SME Lestari in producing noodle snack. Based on observation result, there are factors as strength of SME Lestari concerning with marketing, namely: 1) sweet potato noodle snack includes as new varian product, 2) Having good relationship with supplier, 3) Good cooperation among workers. Meanwhile weaknesses at SME Lestari in the marketing activities are: 1) Too expensive product price, 2) Weak market network, 3) Less promotion, 4) Less interesting packaging. Based on calculation result, it describes that strength of small medium enterprise Lestari is smaller than weaknesses.

Table 1. Analysis result of Internal Factor Identification by IFAS Method at SME Lestari

<table>
<thead>
<tr>
<th>Strategic Factor</th>
<th>Weight (W)</th>
<th>Rating (R)</th>
<th>WxR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strength</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweet potato noodle snack includes as new varian product</td>
<td>0.2</td>
<td>3</td>
<td>0.6</td>
</tr>
<tr>
<td>Good relationship with supplier</td>
<td>0.1</td>
<td>2</td>
<td>0.2</td>
</tr>
<tr>
<td>Good cooperation among workers</td>
<td>0.1</td>
<td>4</td>
<td>0.4</td>
</tr>
<tr>
<td>Amount</td>
<td>0.4</td>
<td>-</td>
<td>1.2</td>
</tr>
<tr>
<td>Weaknesses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expensive product price</td>
<td>0.2</td>
<td>-4</td>
<td>-0.8</td>
</tr>
<tr>
<td>Weak market network</td>
<td>0.2</td>
<td>-3</td>
<td>-0.6</td>
</tr>
<tr>
<td>Less promotion</td>
<td>0.1</td>
<td>-3</td>
<td>-0.3</td>
</tr>
<tr>
<td>Less interesting packaging</td>
<td>0.1</td>
<td>-3</td>
<td>-0.3</td>
</tr>
<tr>
<td>Amount</td>
<td>0.6</td>
<td>-3</td>
<td>-2.0</td>
</tr>
<tr>
<td>Total</td>
<td>1.0</td>
<td>-</td>
<td>3.2</td>
</tr>
</tbody>
</table>

3.2 External Environmental Analysis

External environment is factors could affect marketing activity of SME Lestari. External environment is grouped into opportunity and threat. Based on identification there are factors categorized as opportunity namely: 1) government support on small medium enterprise growth through various ways such as capital loan with low rate interest, promotion aid by regional and central government exhibition, production tool aid, 2) High demand of various noodle products, 3) Plenty potential of sweet potato. Meanwhile factors identified as threats are: 1) Competition with other many increasing noodle producer, 2) Trade liberalization, 3) Fluctuative fuel price. Description gained about external condition at SME Lestari is higher opportunity compared to threats.

Table 2. Analysis Result of Identification for External Factors by EFAS Method at SME Lestari

<table>
<thead>
<tr>
<th>Strategic Factor</th>
<th>Weight (W)</th>
<th>Rating (R)</th>
<th>WxR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government support on small medium enterprise growth</td>
<td>0.3</td>
<td>3</td>
<td>0.9</td>
</tr>
</tbody>
</table>
### SWOT Analysis

According to [4] in macro, acceleration strategy of agroindustry in Indonesia could be done through several ways:

a. Acceleration of logistic infrastructure. Development of national logistic system and sufficient supporting infrastructure could guarantee flow of goods and decrease transaction cost that will encourage economic activity.

b. Increase of human resource quality through enhancement of research and industrial technology development that supported by research result implementation as well as appreciation to researcher in order to grow research culture in national industry.

c. Increase of bureaucracy service quality that pro business and having competitive advantage to minimize high economic cost. This effort could be done by simplifying bureaucracy and regulation.

d. Encourage increase of investment finance in industrial sector with proper rate either for big, medium and small industry

e. Optimization of Indonesia comparative advantage as country with natural resource base by increasing added value of product and keeping long term availability of natural resources.

Acceleration of agroindustry strategy could be achieved soon if each agroindustry capable to formulate development strategy including marketing strategy through identification of internal and external factors. Base on mapping analysis of IFAS and EFAS, then position of SME Lestari is on Quadrant II at X axis negative and Y axis positive. Business strategy that could be applied is *Turn Around Strategy*. In this position, there is opportunity can be used to develop the business, but in the other hand SME Lestari face internal weaknesses problem. Therefore, management is demanded to keep improving internal problem in order to support long term development of business.

Acceleration of market strategy that can be applied by SME Lestari based on SWOT analysis are:

a. Determining product price on similar range with noodle produced from wheat flour or choosing consumer segmentation by at least intermediate level and more. Price of instant noodle price in market by 75 grams is at about Rp.1500-2500, meanwhile noodle snack by 50 grams is about Rp. 1000-1500. Price of sweet potato noodle snack per 50 grams is Rp.3000. Based on research sample, this price determination is too expensive. If sweet...
potato noodle snack product price cannot be decreased due to high cost then the strategy chosen could be on consumer segmentation and concentrate on it.

b. Designing brand package interestingly for targeted consumer. Package is media to attract consumer on buying product. Packaging made by SME Lestari is from plastic by very simple design label. Improve on packaging with interesting label is suggested for sweet potato noodle snack. According to Cendi [5] package should be interesting visually, emotionally and rationally. Good design of package will give added value on the product. A package should have two attraction powers namely: visual attraction (esthetic) ad practical attraction (function). Visual attraction(esthetic) is related to emotional and psychological factor on human unconsciousness, and refer to packaging performance concerning graphics elements such as beauty on color, shape, brad or logo, illustration, letter, layout, and mascot. Practical attraction (function) is effectiveness and efficiency of a package that targeted on consumer or distributor. For example, easiness in storage or product displays. Several other practical attraction are: product protection, easiness to be opened or re-close for storage, proper prosion for food or beverage, reusable, easiness to be carried, easiness to be hold, easiness to deplete and refill for such refill products.

c. Promotion activity through various media such as exhibition, advertisement through mass and electronic. Promotion activity could be done by various ways either offline and online. SME Lestari could use various online media to advertise product such as blog creation, joining online marketing sites, etc. Meanwhile by offline can be done by leaflet creation, interesting plank name, joining various exhibitions held by government or private company. This is in line with Bachtir research [6] about Marketing Strategy of Sidat Fish at Lamongan District.

d. Making partnership with onter entrepreneur at Bangkalan area. Madura community is known as community with high entrepreneurship spirit, therefore there are many shops selling food product. Moreover these shops highly increase in post of suramadu bridge construction. This situation can be used by SME Lestari to make partnership with food product shops. This is inline with Syaripudin research [6] on Melinjo Chips Resulted by Small Medium Enterprise in Bandar Lampung.

<table>
<thead>
<tr>
<th>Internal EFAS</th>
<th>Strength (S)</th>
<th>Weaknesses (W)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sweet potato noodle snack includes as new varian product with good taste</td>
<td>Expense product proce of product</td>
</tr>
<tr>
<td>2</td>
<td>Good relationship with supplier</td>
<td>Weak market network</td>
</tr>
<tr>
<td>3</td>
<td>Good cooperation among workers</td>
<td>Less promotion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not interesting packaging</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>External IFAS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Expensive proce of product</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Weak market network</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Less promotion</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Not interesting packaging</td>
</tr>
</tbody>
</table>

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Table 3. Strategy of Market Acceleration for Noodle Snack based on SWOT Matrix

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Opportunity (O)  
1. Government support on small medium enterprise growth  
2. High demand of various noodle product  
3. Plenty potential of sweet potato  

Strategy (SO)  
Utilizing government support to introduce Sweet potato noodle snack to public  

Strategy (WO)  
Enhance market demand by having both online and offline promotion, improve packaging design, partnership with local entrepreneurship  

Threat (T)  
1. Competition with other many increasing noodle producer  
2. Trade liberalization  
3. Fluctuative fuel price  

Strategy (ST)  
Showing superiority of Sweet potato noodle snack to overcome competition with other similar producer  

Strategy (WT)  
Strengthen market network through promotion, partnership to anticipate liberalization of free trade.  

4. Conclusion  
Strategy can be applied by Small medium enterprise Lestari are: 1) determining product price on similar range with noodle made from wheat flour, 2) designing interesting package for certain targeted consumers, 3) promotion trough various media such as exhibition, advertisement by both mass media and electronic media, 4) Creating partnership among entrepreneur surrounded Bangkalan district area.  

5. References  