

Marketing Strategy Analysis at UD HP Putra Rice Mill

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Abstract

In 2023, the per capita rice consumption of the Indonesian people will reach 81.23 kilograms/capita/year. This value shows an increase in consumption of 3.2% from the previous 4 years. The increasing consumption of rice by the Indonesian people has created a business opportunity, so there is a lot of competition between entrepreneurs engaged in the rice business. This study was conducted to analyze the marketing strategy implemented by a company that has long been engaged in the production and sale of rice, namely UD HP Putra, in running its business, the obstacles faced in the process of marketing its products, and how UD HP Putra overcomes these obstacles. The method used in the study is a descriptive qualitative method, with data collection techniques derived from interviews, observations, and documentation studies. The results of the study show that UD. HP Putra, in carrying out its marketing, implements a marketing strategy by determining its STP well. They target middle to upper-class consumers, with an age range of 18-60 years, from various regions. And implements its Marketing Mix strategy very well. In addition, in overcoming the obstacles faced, UD HP Putra always tries its best to find solutions to existing problems and strives to improve the quality of its products and services. This makes UD HP Putra has increasingly advanced until now. UD HP Putra has marketed its products to various regions in Indonesia.

Keywords: marketing, marketing strategy, rice mill

INTRODUCTION

Rice is one of the most important commodities for the Indonesian people, this is because rice is the main staple food for most of its population. The per capita rice consumption of the Indonesian people in 2023 reached 81.23 kilograms/capita/year, this value shows an increase in consumption of 3.2%, whereas previously in 2019 it was still 78.71 kilograms/capita/year. According to Bapanas, in 2023 the average Indonesian person will consume food with a total energy content of 2,088 kilocalories/capita/day. Where as much as 926 kilocalories or 44% of it comes from rice consumption, which is the main source of calories for the Indonesian people [1].

Therefore, the rice industry in Indonesia plays a crucial role in the national economy and food security. According to data from the Central Statistics Agency (BPS), national rice production in 2023, the rice harvest area reached around 10.21 million hectares with rice production of 53.98 million tons of dry milled grain (GKG) equivalent to 31.10 million tons of rice. In this competitive industrial landscape, medium-scale rice milling businesses such as UD. HP Putra face significant challenges in marketing their products and maintaining their position in the market [2].

UD. HP Putra, as one of the rice milling business actors in Indonesia, faces various challenges in marketing its products. According to the report of the Ministry of Agriculture (2020), fluctuations in rice prices, competition with imported products, and changes in community consumption patterns are the main issues that need to be addressed by domestic rice producers. Therefore, a strategic decision

is needed in planning the right marketing strategy, this is done to adjust consumer needs and increase consumer interest in buying products [3].

Marketing is a very important factor in the operational activities of a company, because marketing has a role in bridging the company and the market. Marketing is not just about selling goods and services, but also about fulfilling wants and needs by trying to influence customers to be willing to buy the company's goods and services through the creation, offering, and exchange of valuable products. Marketing managers need to understand customer behavior so that the company can develop, price, promote, and distribute valuable products. An effective marketing strategy is the key to success for rice producers in facing the ever-changing market dynamics. The right marketing strategy can create added value for consumers while increasing the company's competitiveness. To design a good marketing strategy, it is necessary to have a deep understanding of market segments, product adjustments to consumer needs, and competitive analysis. In addition, product innovation, development of good distribution channels, and integrated promotions are also very necessary to help the Company maintain and reach a wide market share [4].

As previously explained, the high level of demand for rice shows the fact that the rice business is still profitable in Indonesia because rice is the main staple food for the Indonesian people, therefore there is a lot of competition between entrepreneurs engaged in the rice business. This study was conducted to find out how the marketing strategy is implemented by a Company that has long been engaged in the production and sale of rice, namely UD. HP Putra in running its business, what are the obstacles faced in the process of marketing its products, and how UD. HP Putra overcomes the obstacles experienced. From this study, it is expected to help entrepreneurs who will or have started their business, gain broader knowledge related to marketing their products.

METHOD

In its research, this study uses a qualitative method that is descriptive, this research method is carried out to describe and measure the phenomena that exist at the time the research is conducted. Qualitative methods emphasize the collection of objective and representative data to produce an accurate description of the research subjects being studied [5]. Data collection techniques used in this study include interviews, observations, and documentation studies. The location of this research was conducted at UD. HP Putra which is located on Jl. Raya Demak - Welahan, Sedo, Demak Regency, Central Java.

RESULTS AND DISCUSSION

UD. HP Putra is a trading business in the form of a rice mill located on Demak Regency, Central Java. This business was established in 2002. The main products offered are premium quality and medium quality rice which have been marketed in various regions in Indonesia. UD. HP Putra has grown from a small-scale rice mill to a medium-sized rice producer. The marketing strategy is carried out by UD. HP Putra in running its business and competing with other business competitors.

Marketing Strategy Analysis

In marketing, it is necessary to use the marketing target process, this is done to select the target market. One of the keys to business success in carrying out marketing activities is to apply three

variables in carrying out its marketing strategy, the three variables are known as Segmenting, Targeting and Positioning or commonly abbreviated as STP [6].

Marketing Target

1. Segmenting

Segmenting is an action carried out through the process of grouping a broad and heterogeneous market into certain groups or segments that have needs, desires, behaviors, and reactions to certain marketing.

From the interviews that have been conducted, it is known that UD. HP Putra has conducted market segmentation based on geography and demographics. UD. HP Putra geographically, they focus on the surrounding market to outside Java, while demographically, UD. HP Putra is more targeted at middle class consumers from the ages of 18-60 years, both men and women.

2. Targeting

Targeting is a marketing activity carried out to determine the target market where the product will be marketed. Based on the segmentation that has been carried out, UD. HP Putra has targeted middle to upper-middle class consumers. Such as households, especially middle-class housewives who prioritize the quality of rice and culinary businesses such as middle-class restaurants and catering.

3. Positioning

Positioning is a marketing strategy to show consumers the position of the product and provide information about its advantages compared to other competing companies. In its positioning, UD. HP Putra positions itself as a rice production company that maintains the quality, comfort and satisfaction of its consumers.

UD. HP Putra is quite good at determining targets and positioning itself in marketing. Apart from the three variables, in marketing it is also necessary to pay attention to other very important aspects, namely the 7P marketing mix. The marketing mix is a collection of several variables that have been used by companies to be able to satisfy and influence consumer responses with a combination of these variables [7]. Meanwhile, the 7P marketing mix is an evolution of the previous concept, namely the more conventional 4P (Product, Price, Place, Promotion), but with the addition of three additional components that focus more on the service aspect, namely (People, Process, Physical Evidence) [8]. The application of the variables by UD. HP Putra includes the following:

Marketing Mix 7P

1. Product

Products are everything that sellers offer to buyers to satisfy the needs and desires of consumers or buyers. Products offered by UD. HP Putra includes rice, husks, bran, and is now starting to expand into grain products such as green beans. Its main products are rice with medium and premium quality. For green bean products, UD. HP Putra has just started trying this business little by little only when the green bean harvest season arrives.

2. Price

Price is the only element of the marketing mix that generates income. Price is an important factor in marketing. This is because some consumers often look at the price of a product first and then look at the quality of the product. So, the pricing must be adjusted to the quality of the existing product properly.

UD. HP Putra categorizes its products into two categories, including the first, premium quality rice which is priced at 12,500 per kilogram. And the second, medium quality rice which is priced at 12,200 per kilogram. This pricing is also adjusted to the sales location. For example, for areas outside Java such as Kalimantan, the price of premium rice ranges from 12,700-12,800 per kilogram, then for medium quality rice, it is priced at 12,300 per kilogram. In addition, in determining the selling price of its products, UD. HP Putra is based on the price of raw materials and the production process.

3. Place

The location or place referred to here is related to the location and distribution patterns used to market its products. A strategic location is an added value that provides benefits in marketing products, this is because with a strategic location it will make it easier for consumers to come directly to the production location, and make it easier to access various distribution locations. Likewise, the company can also easily reach its consumers.

In implementing this strategy, UD. HP Putra has chosen a very strategic location, namely, right on the edge of the highway, precisely on Jl Raya Demak - Welahan. This strategic location makes it very easy to distribute its products both within and outside the Demak district.

4. Promotion

Promotion is an activity carried out to introduce products to be sold to targets and potential consumers to buy the products offered. Based on the results of research and interviews conducted, in its promotion UD. HP Putra applies a personal selling strategy or what we commonly know as a word-of-mouth marketing strategy. UD HP Putra offers its products directly to target potential buyers by word of mouth, this is done to invite customers to buy the products sold. In addition to this strategy, UD. HP Putra is also often asked to fill Bazaar activities carried out by certain parties such as the bazaar held by Aneka Jaya last year, the Company was asked to fill the bazaar using the brand from UD. HP Putra.

In addition, in promoting products to increase sales online following the development of internet media today, UD. HP Putra takes advantage of it by registering its business information on the web such as "Semuabisa.com" which shares information related to its business and contacts, also uses Google Maps to inform its location and contact information for ordering. However, for online ordering technology for shopping applications such as Shopee, Tokopedia, etc., UD. HP Putra has not yet had the desire to utilize this technology. This is because sales are carried out on a large scale so they feel risky and afraid of fraud.

5. People

Human Resources (HR) is a factor that determines the productivity of a business. UD. HP Putra has employees who have knowledge and expertise in their respective fields, both from production to

distribution. In its supervision, training, and improvement the quality of its employees themselves will be guided by a "foreman". The reason for providing this employee training is to provide good service and quality and provide useful information to increase customer trust.

6. Process

The process referred to here refers to a series of processes or activities carried out in delivering products to customers or consumers. This involves the procedures for ordering, shipping, and handling customer complaints. From the observations made, it is known that UD. HP Putra has provided efficient purchasing services and in its delivery is very good, for example, the products ordered are attempted to be sent as soon as possible and in good condition according to consumer wishes. In shipping the goods, they also use a trusted expedition. The expeditions used by UD. HP Putra includes evergreen containers and Meratus containers for areas such as NTT, Kalimantan, and Lampung. As well as expeditions with their own fleet for areas that are within reach.

7. Physical Evidence

Physical appearance is related to the physical elements that support products or services, this includes aspects such as store layout, product arrangement and product packaging. Regarding product packaging, UD. HP Putra provides 2 different packages for each quality of rice. Premium quality rice has packaging with the product name (brand) "HP. PUTRA", for medium quality rice is given the product name (brand) "HP" for the quality of the type of sack or packaging is the same, only different in the product name. The packaging of the product also varies according to the needs of the buyer, there are 5kg, 10kg, 25kg, up to 50kg.

Constraints in marketing activities and strategies to overcome them by UD. HP Putra

In running a business, it often experiences problems in the production and marketing of its products [9]. The problems experienced by UD HP Putra are such as maintaining the quality of its products. Even though it has used high-tech machines that have good quality, UD. HP Putra sometimes still experiences difficulties in maintaining the quality of the rice it produces. In this case, UD. HP Putra is always selective in buying rice from farmers who have been trusted and always ensures that it checks its production machines every few months to try to maintain the quality of the existing products.

In addition to the problem of product quality, UD. HP Putra also experiences challenges in adjusting to market prices, from the results of interviews that have been conducted it is known that market prices in areas such as Jakarta are sometimes not in accordance with the predetermined price, so UD. HP Putra has experienced losses in its sales. To overcome this problem so that it does not happen again, UD. HP Putra conducts market research in advance on the locations to be targeted to understand the prices of similar products and reconsider its market segmentation to be able to help adjust prices better.

In the distribution process, UD. HP Putra also often experiences obstacles. In the delivery of its products until they reach the hands of consumers, obstacles are experienced such as declining product quality, this can occur in the process of shipping products between regions due to unexpected events. For example, when it rains, the tarpaulin to cover the rice in the truck can be uncovered, so that the rice sometimes gets wet, this can reduce the quality of the product. In overcoming problems that arise

due to unexpected events such as this. UD. HP Putra provides a replacement for products that are damaged during the shipping process. This is done to maintain the quality of existing products, as well as maintain consumer trust. UD. HP Putra strives for consumer satisfaction so that later consumers do not feel disappointed with the services and products provided.

CONCLUSION

In running its business, UD. HP Putra has implemented a strategy quite well. Such as in terms of the implementation of STP (Segmentation, Targeting, and Positioning) has been quite optimal. In addition, in its marketing mix it has been done quite well, seen from the price aspect, UD. HP Putra has provided a price benchmark that has been adjusted to the quality of the product and its market price, the rice products sold are also categorized into two choices depending on their quality, namely premium rice and medium rice which have packaging with different names adjusted to their quality, besides that its location which is right on the edge of the highway is also very strategic.

In promoting its products, UD. HP Putra has promoted its products in various ways, starting from word of mouth, participating in bazaars, to trying to utilize social media technology. The process of sending goods to consumers is always ensured of efficiency and quality. Shipping of goods also uses a trusted expedition. In addition, in marketing its products, UD. HP Putra often experiences obstacles. However, UD. HP Putra tries to find solutions to existing problems and tries to improve the quality of its products and services. This makes UD. HP Putra is increasingly advanced until now UD. HP Putra has marketed its products to various regions in Indonesia, even to Papua.

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