

A SWOT Analysis on the Implementation of the Yoghurt Marketing Strategy: A Case Study in the Malang, Indonesia

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ABSTRACT: Milk as a farm product has a significant role in improving the quality of human resources through the intersection of protein and mineral needs. One of the dairy products is yogurt or probiotic fermented milk. Yoghurt is a processed milk food that is a valuable ingredient for the human body and contains high levels of protein, lactose, and lactic acid. This research is conducted to identify the company's internal and external environmental conditions and formulate business development strategies. The research methods are survey methods with data collection techniques through observation, interviews, and documentation. Research respondents are internal parties: the company leadership and the production section. Respondents from external parties are agents, consumers, competitors, and related agencies. Data analysis uses SWOT analysis. The results showed that the total average score of the IFE matrix was 2,353, and the EFE matrix was 2,587. An alternative formulation of S-O strategies by maintaining product quality and excellence to attract customers. W-O's strategy is to cooperate with investors to obtain investments. S-T strategy by doing marketing research. W-T strategy by promoting products that are more vigorous and effective.

Keywords: Marketing; Strategy; SWOT; Yoghurt

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INTRODUCTION

Milk is a commodity with development potential because all members of society require it. Milk as a farm product has a significant role in improving the quality of human resources through the intersection of protein and mineral needs. The large population of Indonesia and high public awareness of food nutrition and healthy lifestyles have led to a high increase in national milk consumption. Domestic (local) milk production is inadequate to meet domestic consumer demand, while from 2014 to 2018, it showed that domestic milk production increased. Nevertheless, the increase needs to be improved to meet domestic consumption. About 30 percent of domestic consumption can be met, while 70 percent is obtained by importing fresh, powdered, and other dairy products.

The national milk production from 2014 to 2018 fluctuated. In 2015, there was a decrease in domestic milk production of 2.52 percent. This is because the number of dairy populations of good quality is inaccessible. In 2016, national milk production increased dramatically with a growth of 15 percent, and this is because the government conducted a policy that cooperated with the Animal Husbandry Service to import dairy cows and provides soft credit for farmers with low-interest rates (Dirjennakkeswan, 2018).

The advances in technology affect people's tendencies in lifestyle and consumption patterns. Currently, consumers who consume milk prefer dairy products over fresh milk. This is because processed milk products are considered more practical and durable, have a choice of flavors consumers like, and have a limited range of marketing options than fresh milk because it is a perishable food and its price is relatively higher than processed milk. One of the dairy products is yogurt or probiotic fermented milk. Yogurt is a processed milk food that is a valuable ingredient for the human body and contains high levels of protein, lactose, and lactic acid. The advantages of yogurt include preventing diarrhea, nausea, and

heartburn, lowering cholesterol levels and high blood pressure, increasing stamina and immunity, preventing osteoporosis, cancer, and coronary heart disease, slimming down and eliminating bad breath, maintaining the health of pregnant and breastfeeding women; and providing sources of carbohydrates, proteins, fats, multivitamins, and other nutrients that are easily digestible.

The yogurt production development is increasing from year to year; this has a positive impact because a higher growth rate can indicate that there may be several factors that cause the growth of yoghurt products, including the increasing number of yoghurt producers, or it can also be said to be increasing the consumption of community yoghurt so that production increases. It promotes the emergence of various dairy products, technological advancement, and people's lifestyles. This condition encourages the number of producers of processed milk and the expansion of existing businesses, hence the high number of products on the market and the creation of increasingly fierce and competitive market competition.

Malang is one of the cities with many business units producing dairy products such as pasteurized milk and yoghurt. The majority of the marketing of yoghurt products is as a market follower, so in a competitive market, a company needs to have the ability to master marketing strategies. A marketing strategy is a comprehensive, integrated, and unified marketing plan that provides guidance on the activities that will be carried out to achieve a company's marketing goals. The ability to master marketing strategies will be strongly related to decision-makers ability to know their marketing environment and the use of the information collected to decide on the strategy of choice that the company will carry out. In choosing a marketing strategy, companies must optimize their strengths, minimize internal weaknesses, anticipate threats, and take advantage of today's opportunities (Mainata, 2018). By formulating marketing strategies, it can

increase production, increase sales turnover, expand market share, and ultimately increase profits. Based on the description above, the research is conducted to identify the internal and external environmental conditions of the company and formulate a business development strategy.

MATERIALS AND METHODS

The research was conducted at Universitas Brawijaya and Malang. The determination of the location of the study was done purposefully with the consideration that Brawijaya University is one of the universities with the largest number of students in Indonesia, and Malang is one of the cities in East Java with a large population of 843,810 people. The data collection was carried out in May–June 2021.

The intake of respondents in this study was done intentionally (purposive). Respondents selected from internal parties are the company's leadership and the production section. Respondents from external parties are agents, consumers, competitors, and related agencies.

Data collection techniques include observation, interviews, and documentation. Research data consists of primary and secondary sources. Primary data is processed research data, while secondary data is derived from the district animal husbandry office, BPS, and other research-related literature. The data analyzed consists of the internal environment, including financial factors, human resources, services, and product prices.

At the same time, data from the external environment includes the physical environment, competitors, consumers, sociocultural contexts, and government roles. IFE (internal factor evaluation) and EFE (external factor evaluation) were used to analyze internal and external factors influencing yoghurt marketing strategies. After identifying internal and external factors, the strategic position is analyzed using the IE matrix (internal external). Once strategic positions are identified, several

alternative strategies can be developed using the swot matrix (strengths, weaknesses, opportunities, and threats). One priority strategy can be selected from several alternative strategies using the QSPM matrix (quantitative strategy planning matrix).

SWOT analysis identifies various factors as a stimulus to formulate a marketing strategy for the company. This analysis is based on logic that can maximize strengths and opportunities while minimizing weaknesses and threats (Aini, 2016). Rangkuti (2008) summarizes the decision-making process related to strategic decisions, which are always related to business development, goals, strategies, and company policies. Strategic planning (strategic analysis) must analyze the factors of the company's strategy (strengths, weaknesses, opportunities, and threats) in current conditions.

RESULTS AND DISCUSSIONS

Matric Internal Factor Evaluation

This internal environmental analysis was conducted by identifying the company's internal factors to determine the company's strengths and weaknesses. After being identified, it is continued by providing weighting and rating. Weighting was performed using the paired comparison method on internal key factors. Hence, weight is obtained for each factor. Ratings were given to show whether these factors are a big or small force for the company. The results of the weighting and rating of the internal factors of yoghurt marketing can be seen in Table 1.

Based on respondent assessments of internal key factors in the company, the total IFE average score was 2,353. It means that the business's strategic position is average in terms of utilizing the strengths it has to deal with the company's internal weaknesses. From Table 1, a major strength owned by the company is good product quality, with the highest score of 0.295. The quality of the products produced by categorizing them as good is supported by the availability of

information on the product's nutritional value, in addition to the products produced processed with raw materials sourced from the farm, ensuring the quality of raw materials. In addition to the main strengths possessed by the company, there are also major weaknesses. The main disadvantage of the company is the need for product diversification and unattractive packaging,

with a score of 0.195. Products produced by the company are limited to yoghurt with four flavors packaged in stick packaging. They only have a brand on the pack packaging; other information about the production date and place of production is not listed on the packaging. In addition, yoghurt products packaged in 150-ml plastic bottles reveal the brand of yoghurt.

Table 1. Matrik IFE

Internal Strategy Factors	Weight	Rating	Score
Strength			
Good product quality and information about the nutritional content product	0,118	2,500	0,295
Professional production workforce	0,089	3,000	0,266
The relationship between manager and employee is well managed	0,065	3,250	0,212
The workforce comes from the corporate environment	0,067	3,250	0,218
Delivery Service Programme	0,080	3,500	0,278
The product's selling price is relatively lower compared to other yoghurt products.	0,083	3,250	0,270
Weakness			
The lack of product diversification and packaging is not pull	0,098	2,000	0,195
Limited capital	0,108	1,750	0,189
Accounting and bookkeeping systems are not good	0,109	1,250	0,136
Locations and production sites are less strategic	0,080	2,250	0,179
Promotional activities are ineffective	0,105	1,000	0,105
Total	1,000		2,353

Matric External Factor Evaluation

EFE matrix analysis is the result of identifying external factors in the form of opportunities and threats that affect weighting based on the importance of such external factors to the company using the "pair comparison" method. Ratings are given to show whether these factors are a big or small opportunity for the company. The results of the weighting and rating of external factors can be seen in Table 2.

Based on the results of the calculations using the EFE matrix in Table 2, the average number of scores for external key factors is 2,587, which shows that the company can respond to external factors by utilizing existing opportunities to overcome threats. The biggest opportunity owned by the company is a still wide market share with a

total score of 0.39. The market opportunity is still widespread due to the growth in population and changes in people's lifestyles in terms of consuming dairy products and their derivatives. Yoghurt is a dairy product with a considerable opportunity to be marketed. In addition to the opportunities that the company has, there are also threats.

The biggest threat for the company is the issue of yoghurt products, with a score of 0.168. It is because some well-known yoghurt products produced by leading companies and imported products are indicated to contain melamine, to damage consumers' health. Indirectly, the issue can worsen the image of yoghurt products in the eyes of consumers, while promotions carried out by the company could be more effective.

Table 2. EFE Matrix

External Strategy Factors	Weight	Rating	Score
Opportunity			
The market share of yoghurt is widely open	0,117	3,250	0,379
Changes in people's lifestyles more healthy	0,101	3,500	0,355
Government policy on dairy products and their derivatives	0,079	3,000	0,238
A positive response from the social environment outside company	0,100	3,000	0,321
Consumer loyalty	0,114	3,250	0,370
Decrease in fuel prices	0,099	3,250	0,320
Threat			
Competitive yoghurt industry	0,108	1,250	0,135
Global economic crisis	0,086	1,750	0,151
Issue of melamine yoghurt products	0,096	1,750	0,168
The increased price of raw materials manufacture yoghurt	0,100	1,500	0,150
Total	1,000		2,587

Table 3. Matric SWOT Marketing

	Strengths	Weaknesses
	<ol style="list-style-type: none"> 1. The product has good quality and has nutritional value information 2. Professional production workforce. 3. The relationship between manager and employee is well managed. 4. The workforce comes from the surrounding environment. 5. <i>Delivery Service Programme</i> 6. The selling price is relatively lower when compared to other yoghurt products. 	<ol style="list-style-type: none"> 1. Lack of product diversification and unattractive packaging. 2. Limited capital. 3. Accounting and bookkeeping systems are not good. 4. Location and production locations are not strategic. 5. Promotional activities are ineffective.
Opportunities	S-O Strategy	W-O Strategy
<ol style="list-style-type: none"> 1. Yoghurt's market share is widely open. 2. People change to healthier lifestyles. 3. Government policy on dairy products and their derivatives. 4. Positive response from the social environment outside the company. 5. Consumer loyalty. 6. Decrease in fuel prices. 	<ol style="list-style-type: none"> 1. Maintain product quality to attract customers (S_{1,2,3,4} and O_{1,2,3,4,5}) 	<ol style="list-style-type: none"> 1. Conducting cooperation with investors for capital gains (W_{1,2,,5} and O_{1,2, ,5}) 2. Add distribution networks through cooperation with new agencies (W_{1,2,3,4,5} and O_{1,2,3,4,5,6})
Threats	S-T Strategy	W-T Strategy
<ol style="list-style-type: none"> 1. Competitive yoghurt industry competition. 2. Global economic crisis. 3. Issue of melamine yoghurt products. 4. Increased price of raw materials for making yoghurt. 	<ol style="list-style-type: none"> 1. Conduct marketing research (S₄ and T_{1,2,3,4}). 2. Maintaining the sale price of cheap products (S_{1,2,3,4,5} and T_{1,2,3,4}). 	<ol style="list-style-type: none"> 1. Promote more vigorous and effective products (W_{1,2,3,5} and T_{1,3}).

SWOT Matric Analysis

Various alternative strategies can be formulated based on the SWOT matrix analysis model. The advantage of using this model is that it is easy to facilitate strategies based on external and internal factors. The main strategies that can be suggested are of four types: SO, ST, WO, and WT strategies. This analysis uses data obtained from the EFE and IFE matrices above. The results of the SWOT matrix analysis can be seen in Table 3.

The alternative strategy formulations that companies can consider in marketing Dafa yoghurt products based on the SWOT matrix are as follows.:

S-O Strategy

The S-O strategy uses a company's internal strengths to exploit external opportunities. Alternative strategies that can be done are to maintain the quality and excellence of the product to attract customers. The yoghurt produced must meet consumers' desire and satisfaction by maintaining quality while still producing quality products to increase consumer loyalty. The resulting yoghurt product has the advantage that milk is used as the main ingredient in making yoghurt products, 75 percent of which is from the farm itself, hence, the quality of the product can be guaranteed, and the purpose of product production with the image as a health drink is still achieved. The advantages of these products can be used to attract potential customers and make loyal customers consume yoghurt.

The quality of good products must continue to be improved by continuing to innovate products through improving quality and usability. There are existing product sizes such as 35 ml, 70 ml, and 150 ml, but there needs to be diversification in product sizes such as 250 ml. In addition, labeling with a production code and expiration date is one factor that needs to be considered. Guarantees on product quality can increase consumer satisfaction, so consumer service such as advice boxes need to be provided.

With this strategy, offering potential buyers a wide range of products is more important. This strategy emphasizes that customers have their tastes and can always change. Therefore, customers need variety and change, so the company must be able to meet these variations (Tjiptono 1997). This concept shows that the company makes innovations that produce and develop products with different characteristics following what the market wants. In this case, innovations to produce flavor variations and sizes of Dafa Yoghurt must be done while maintaining good quality and taste and being approved by consumers.

W-O Strategy

This strategy aims to correct weaknesses by taking advantage of external opportunities. The company, among other things, can cooperate with investors to obtain investments. In addition, the company must fix the accounting system so that errors in bookkeeping that have been recorded simply through books and invoices without a perfect design make it difficult for investors to analyze finances. Accounting system improvements can be made using a computer, so they are more systematic. Adding a distribution network is also a strategy to increase the product's reach. This strategy can be implemented by looking for new agents outside the existing marketing area. The area that serves as a marketing and market expansion destination is a region with a strategic location.

The addition of a distribution network should be followed by determining appropriate segmentation, such as segmentation based on psychographics, demographics, geography, or behavior; hence, the products offered are on target. In distributing, companies can also recognize product placement positions that are as attractive as possible and quickly reached and seen by consumers. Consumers tend to buy yoghurt products because of their influence, which can arise at any time in the shopping place. In order to support that consumer buying decision, companies need to provide several incentives to offer to

distributors; hence, they are willing to give space or a particular place and advertise the yoghurt product.

S-T Strategy

This strategy aims to avoid or lessen the effects of outside threats by using forces already inside the country. Alternative strategies can be done through marketing research. This strategy can be implemented by utilizing the company's programs to introduce its products to consumers or by mandating the use of the Internet to evaluate consumer desires. In addition, marketing research using research institutions needs to collect more accurate data. The product selling price that is relatively cheaper compared to competitors that the company has used needs to be maintained to attract consumers. A product selling lower or the same as its competitors will give new consumers more options when deciding which product to buy.

W-T Strategy

A W-T strategy seeks to minimize weaknesses and avoid outside threats. The alternative strategies can be done by promoting products that are more aggressive and effective Promotional activities carried out are limited to participating in bazaars and trade shows held and followed by the City and District Industrial and Trade Office, and promotions by making pamphlets distributed in every school and maintaining notice boards around Malang. In addition, promotions that can be done include providing brochures that are interesting and distributed at the place of sale or when the exhibition takes place, utilizing internet technology (e-commerce), and making arrangements in supermarket outlets. This can be done by offering several incentives to customers to provide a particular space or place, hence the position of product placement. It can be exciting and easy for consumers to see. In addition, promotion can also be maximized through personal selling with the word mount method at a relatively lower cost and by cooperating with several cafes and restaurants.

CONCLUSION

IFE analysis results show that companies have a stable internal position, with the most influential strength factor being good product quality. In contrast, the downside factor is a need for more product diversification and less attractive packaging. The EFE market analysis of the external environment reveals opportunities that affect marketing, such as a broad market share. At the same time, the threat faced is the issue of yoghurt products containing melamine. Swot matrix analysis results show marketing strategies: maintaining product quality to attract customers, collaborating with investors for capital acquisition; adding distribution networks through cooperation with new agents, conducting marketing research; maintaining low selling prices; and promoting products more vociferously and effectively.

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