

Marketing Strategy Development Model of Increasing Sales Volume of Dangke Cracker: Enrekang Regency Food Specialty

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Abstract. The Dangke product is a milk product like cheese, processed by people of Enrekang Regency. The product has started since 2009 and developed the Dangke products of crackers which are crunchy and tasty. The marketing area of Dangke's cracker is still limited to local consumption and to a number of exports, unless someone is traveling outside the area, then serves Enrekang Regency food specialty as souvenirs. The aim of this research is to produce and implement a marketing strategy model of Dangke Cracker in expanding marketing area and increasing sales volume of Dangke Cracker and producers from Enrekang Regency. The research was conducted about one year or ten months in Enrekang Regency as a center for dairy cattle breeding and Dangke Cracker manufacturing centers, and marketing areas in nine districts/municipalities in South Sulawesi Province, their communities as a target consumers and retailers and dealers. This research used a diagrammatic model as a development framework and SWOT matrix as a design analysis of marketing strategy of Dangke Cracker, and financial analysis on produced income.

Keywords: Dangke, Crackers, Enrekang, Food Specialty, Marketing

INTRODUCTION

One of the sub-sectors that received special attention from the Local Government Unit of Enrekang Regency is the Livestock sub-sector, with superior commodities in the form of dairy cow milk and processed products that are community-based and market-oriented. The description of livestock potential: Milk Cow population in 2009 was 1,508 with milk production of 1,314,720 liters. It can be seen in Appendix 1 and 2 (BPS Enrekang Regency, 2010). In 2011, the dairy cattle (Milk Cow) has a population of 1,443 tails with milk production as much as 4,613 liters every day. The Dangke product is a dairy product like cheese, processed by the people of Enrekang Regency. The livestock and Fishery Service Office of

Enrekang Regency began to develop dairy cow's milk in 2009 (also called 'Deppa Dangke') which is crunchy and tasty. Head of P2HP Field, Junwar explained, "Market response is positive and more profitable for producers because DC can last longer and the price can be more than doubled the price of Dangke [1], [2]".

The marketing area of Dangke Cracker is called DC is still limited. Marketing of DC in Enrekang Regency is for local consumption and still a little out of the region unless someone is traveling outside the area, then used as souvenir specialty food of Enrekang Regency. The limited marketing area of DC is due to a lack of direct promotion on mass media and distribution to other regions. From the preliminary survey, we can see the potential of dairy milk production, the availability of raw materials in Dangke, the marketing prospects of DC, and the constraints/disadvantages of the DC marketing concerns. This research necessarily helps producers of DC in increasing the turnover/sales volume of DC, which in turn the sales can increase DC producers' income in Enrekang Regency [3], [4]-[5].

Enrekang Regency has Dangke product specialty foods processed from dairy cow milk which is heated by low heat to boiling. Then, the boiled milk is added papaya sap (enzyme papain) and clumped together, in which the process can print clot in coconut shell (hollow) while being pressed so that the liquid is separated. The Dangke product other than consumed directly, it serves as the main raw materials for the manufacture of DC [6], [7].

The study is focused on how to design a marketing strategy development model of Enrekang District cracker food specialties that can be implemented in expanding marketing area and increasing sales volume of DC.

METHOD

Diagrammatically, the framework of the model development of DC marketing strategy in this study can be seen in Figure 1. Based on the description of the background and the formulation of the problem, the actions that need to be immediately cultivated are: 1) increasing the sales volume of DC along with the

increase capacity/volume of production; 2) conducting promotion activities of DC; and 3) distributing/distributing DC to other areas. These three actions are related to the marketing strategies.

A packaging and marketing unit of Agribusiness of Dangke Cracker focus on packing processes, such as labelling DC products from producers, distribute and market the products to traders or distributors and consumers.

Specifically, the first step in the implementation of marketing strategies, the Unit have just followed a gradual application of the strategies, which are applied to each agroindustry/producer of other DC, so that in the future they can advance packaging unit and marketing functions especially when demands have increased in the marketing area and reached regional and national scales.

In relation to the study on the functions and performances of this model, the environment/parties outside the model system are expected to play a significant role undertaking government institutions, financial institutions, community/social culture, technological environment and other parties. Particularly on the part of the local government is much needed support: technical consultation, cooperation, administrative/licensing, marketing promotion, transportation, etc. Internally the model must also have mutual coordination and cooperation among other manufacturers and marketing units. For example, the most important is the uniformity of recipes and the process of building DC and pricing it as well as optimizing the role of producers' associations of milk and its dairy products, if necessary.

The research was conducted in Enrekang Regency as a center for dairy farming and DC production centers, and marketing locations in 20 districts/cities in South Sulawesi Province as the target consumers and target agents/brokers. The DC agribusiness unit as a packaging and marketing unit is located in Enrekang Regency and in Parepare City. The study was conducted from March to December 2014.

Data were collected in this research are 1) direct observation (conducted by observation); 2) interviews (as a process to obtain information by direct question-answer with producers, distributors, consumers, and related parties); 3) surveys (especially data relating to the implementation of the marketing strategies, the consumer responses, the framework, the degree of consistency).

RESULTS

The design analysis of marketing strategies of DC started from the result of external key factor analysis; see Table 1 and Table 2.

In this study, all the strategies generated from the SWOT matrix need to be implemented as they become 'Marketing Mix' strategies including: product strategy, pricing strategy, promotion strategy, and distribution strategy. The four strategies can be implemented simultaneously to expand the marketing area and

increase the sales volume of DC from producers in Enrekang Regency.

Table 1: External Factor Keys

Opportunities	Threats
High consumer interest, especially those who already know the product	Competitor cheese crackers similar to DC
There is no yet another Dangke product as a center in Indonesia	The price of alternative crackers (Cassava, Potatoes, etc.) is cheaper
Government support	There are still many consumers who do not know this product.
Wide market opportunities	There is a change of taste/aroma (product damage) marketed by agents / retailers

Table 2: Internal Factor Keys

Strengths	Weaknesses
A raw material is available	High production cost, the selling price tends to be expensive
High Quality Nutritious Products (milk)	Less intensive promotion
The taste of the product is very distinctive	Distribution cost of expensive products
Maintaining products	Less extensive marketing area

The real threat is that a small part of the product is damaged by a change in taste/odor; the possible void product is when the agent does not use gloves and masks at the time of packaging as to the microbe contamination. There are also defective products such as leaking packs because of being bitten by ants, especially when the agent does not save the products properly e.g. putting on a dusty place. It should also be avoided by candidate agents who do not have roomy spaces/cabinets/shelves. Otherwise, when a good candidate agent has a cupboard/storefront or a shelf/basket of snacks, the products show an 'eye-catching' and easily invite more potential customers.

Based on pricing strategies, there are different selling prices on each distribution trip. For the first trip in Parepare City, Sidrap Regency, and Pinrang Regency, the selling price to agents is IDR 11.500/pack for large DC packages (140 gram) and IDR 5.500/pack for small DC packages (70 gram). For the second trip in Tator Regency and North Tator, the selling price to the agent is IDR 10.000/pack for large DC packages (120 gram) and IDR 5.000/pack for small DC packages (60 gram). For the third and fourth trips, each includes two districts/cities, namely: Barru Regency, Pangkep Regency and Maros Regency as well as Makassar City, the selling price to agent is IDR 8.000/pack for large DC packages (100 gram) and IDR 4.000/pack for small DC packages (50 gram). For the last selling price, it is intended that the agent can sell to consumers at IDR 10,000/pack and IDR

5,000 /pack, in which the consumer price is the same value as a direct purchase of the DC manufacturer in Enrekang Regency.

Calculating the income of DC producers, total revenue is based on the sales of DC in 8 regencies and 2 cities those are Parepare, Sidrap, Pinrang, Tator, North Tator, Barru, Pangkep, Maros, and Makassar.

The total sales of DC is IDR 5.908.000, excluding DC sold directly by their own producers at their own kiosks/shops at the Women Farmer/Livestock Group location in Enrekang. One of the objectives of this research is to help the producers of DC to: 1) expand the marketing area of DC to other areas; and 2) increase the sales volume of DC in Enrekang Regency. All the sales of DC are IDR 5.908.000, submitted to the related producer. While the remaining product is notified or informed to the producer, a number of compensated DC product remain exist.

Unsold and still good products are planned to be donated to the needs, for example: orphanages, students conducting leadership training events, friends, and family, and partly consumed by the research team. The results of sales from the nine districts/cities showed that the results of sales in Tator Regency give the highest contribution of IDR 1.155.000 or percentage 19,55% with 6 agents/retailers reached total sales 91 packs of large DC packages and 49 packs of DC small packages. This achievement is estimated to have a connection to a tourist area with dry seasons, so that DC serves as a snack when relaxing.

The overall number of DC distributed to 41 agents is 805 packs of large DC packages and 370 packs of small DC packages. The number of products sold is 473 packs of large DC packages with the percentage of 58,76% and 265 packs of small DC packages with the percentage of 71,62%. These results indicate the tendency of small DC packages to be sold faster, as well as most of the agents/retailers suggest that packaging be further reduced so that the product can be sold at low prices up to the range of IDR 2.000 – IDR 3.000 in order to reach the children's consumers. This is what the Strategy WT in SWOT matrix analysis.

There are four agents that quickly sell all products, such as in Tator (2 agents), Tator North (1 agent), and Maros (1 agent). There are also four special agents for small DC packages: Pinrang (1 agent), Tator (1 agent), and Tator North (2 agents). The sales system of DC product on the introductory stages is 'Consignment System', which is only the goods sold by the agents/retailers. For those who become candidate agents are more receptive or 'decided' to sell DC products because of minimum risks for agents/retailers.

In this study, the length of the sale is relatively two months with the consideration of distance and time. Therefore, the number of products can be more entrusted. Surely the ideal length of sales is within 1-2 weeks, or only when there is a phone call requesting DC product from the dealer/retailer. The sales length may have a risk of transportation costs, accordingly.

CONCLUSION

Based on the results of the research by using the design analysis of marketing strategy of DC, this research can be concluded as follows:

1. Innovation that has been produced is a 'model marketing strategy of DC which follows and refers to 'Diagrammatic Model' which is contained in the framework of developing the marketing strategy of DC.
2. The marketing strategies of implemented DC become Marketing mix, which includes: product strategy, pricing strategy, promotion strategy, and distribution strategy, which have been implemented simultaneously and have succeeded in expanding marketing area and increasing sales volume of DC from producers in Enrekang Regency.
3. For marketing of DC in the next stage, it is advisable to use small size packaging, for example the contents of 10-20 grams, so it can be sold at the price of IDR 1,000 – IDR 3,000. Many agents advise that small packaging reach children consumers, or adult consumers who initially just want to try their flavor, especially inviting more consumers.
4. We recommend that manufacturers continue to ship products to agents/retailers to maintain marketing strategies of DC.

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