

Marketing Strategy Analysis of Turmeric Tea Products (Case Study at Food Processing Center of Tarlac Agricultural University, Philippines)

Maria Erika Kristy¹, Budiarto², Dwi Aulia P³

^[1, 2, 3] Universitas Pembangunan Nasional Veteran Yogyakarta, Indonesia

Jl. SWK No.104, Ngropoh, Condongcatur, Kec. Depok,
Kabupaten Sleman, Daerah Istimewa Yogyakarta 55283

Abstract.

This study aims to (1) analyze external and internal factors related to the marketing of Turmeric Tea products, (2) find out the Food Processing Centers position in the market and the main strategies that can be applied by the Food Processing Center at Tarlac Agricultural University, Philippines in marketing its products, especially Turmeric Tea products. The technique for determining the source is non-probability sampling. Key persons in this study are employees and stakeholders related to the Turmeric Tea products. The research method used a case study. Data sources used are primary and secondary data. Data collection techniques are using observation, interviews, documentation, recording, and questionnaires. Data analysis technique is using the IFE matrix and the EFE matrix. The results of the analysis of the IFE (Internal Factor Evaluation) matrix obtained values 2,480 which showed that the company has internal conditions below average. Analysis of the EFE (External Factor) obtained a value of 2,575 which indicates that the company has a moderate ability (on average) in responding to opportunities owned and overcome the threats faced. The combination of IFE and EFE values can be seen that the company's position is in cell V in the IE (Internal External) matrix, which is the position maintain and maintain (hold and maintain). Strategies that can be applied by companies were market penetration and product development.

Keywords: Marketing Strategy, SWOT, Turmeric Tea

1. Introduction

Tarlac Agricultural University is one of the state universities in the province of Tarlac, Philippines. Tarlac Agricultural University is mandated to provide professional, technical, and instructions for specific purposes and to promote research and extension services progressive leadership in agriculture, agricultural education, home technology, and other related fields. Its main campus is located in Malacampa, Camiling, Tarlac, Philippines. Tarlac Agricultural University offers a Bachelor of Science in Food Technology. By offering a degree program, Tarlac Agricultural University think to establish pilot scale food processing facility that will produce technology in processing agricultural products. The Food Processing Center is a business entity of Tarlac Agricultural University, Philippines. Thus, Processing and Testing Laboratory conceptualized. The facility was established through funding

from the Provincial Government of Tarlac, Philippines in April 2006. Management submitted to Tarlac facilities Agricultural University, and managed directly by DFST (Department of Food Science and Technology), College of Agriculture and Forestry. In 2012, Tarlac Agricultural University developing a proposal to establish a Joint Service Facility about Toll Packaging and processing together with DTI (Department of Trade and Industry). Tarlac Agricultural University will provide the infrastructure, while DTI (Department of Trade and Industry) will finance the equipment. Then in 2014, a new building was constructed for the facility. After completion in November 2015, and pending the toll packaging equipment, this being the new Food Processing Center that is managed by DFST (Department of Food Science and Technology). Until 2019, the facility has been processing a wide range of food products, as part of the production function. The resulting product is *Uberind* Candy, Turmeric Tea, Maja Blanca, Candy Tamarind, Turmeric Tea, Chili Garlic Sauce, *Uberind* Candy, Embutido, Tamarind Candy, Creamy *Polvoron*, Peanut Oatmeal Cookies, Nutri Tea, and Chocolate Brownies.

Based on data obtained from the accomplishment Report of the Cash Advance (Food Processing Center, Tarlac Agricultural University), it is known that there are two tea-based beverage product produced by Food Processing Center, the Nutri Tea and Turmeric Tea. Tea Nutri products contributed the most to the revenue, while the products Turmeric Tea contribute the least to the revenue. This indicated a very significant differences between the two products. Both of these products have in common, which is made from tea. Beverage products Nutri Tea and Turmeric Tea are special because it tastes good and also healthy. Nutri Tea beverage products characterized as a refreshing drink that is made from tea, lemongrass (citronella), and rushes. Products Nutri Tea is a beverage product that is different than the other refreshment products in general, because the Nutri Tea has a distinctive flavor. Similarly, Turmeric Tea products that contains turmeric which is believed provides efficacy in the body cause it contain antioxidants, reduce the risk of heart disease, and even believed to cure cancer.

With the advantages possessed by the Turmeric Tea products they can attract consumers to consume. So, the Food Processing Center must have an effective and efficient strategy in marketing their products. Thus, the Tea Turmeric products can be sold more so that manufacturers can obtain the maximum profit.

Formulate a clear strategy can be estimated by concerning the changing environment accurately and concerning aspects of internal and external aspects. In formulating a strategy. It is necessary to know the strengths and weaknesses in order to help identify the company and take advantage of existing opportunities and prevent or deal with threats that may come. Marketing is a dynamic act of applying the principles of excellence and innovation, because it is based on internal and external environments are changing. As such, be aware on external factors and internal factors relating to the marketing of the Turmeric products so that it can be seen an opportunity and a threat to the products.

Indeed, company aims to be to survive and develop, with improving sales through proper and accrate marketing strategy. In formulating a strategy, it is necessary to know the strengths and weaknesses in order to help identify yourself and take advantage of existing opportunities and prevent or deal with threats that may come.

In connection with these problems, this study focuses on the problems of marketing strategy that has been implemented by the Food Processing Center in Tarlac Agricultural University, Philippines in marketing their products. Analysis of the marketing strategy is expected to help the Food Processing Center in determining

the marketing strategy for the next period. These can be done by increasing sales and achieving the efficiency and effectiveness of the Food Processing Center in an effort to meet public demand and achieve the maximum profit.

Based on this background, the researcher was interested in the topic of marketing strategy of Turmeric Tea Products in Food Processing Center of Tarlac Agricultural University, Malacampa, Camiling, Tarlac, Philippines. This study focuses on the problems of marketing strategy that has been implemented by the Food Processing Center in Tarlac Agricultural University, Philippines in marketing their products to consumers. Analysis of the marketing strategy is expected to help the Food Processing Center in determining the marketing strategy for the next period so it can increase the sales and achieved the efficiency and effectiveness of the Food Processing Center in meeting public demand and in achieving the maximum profit.

2. Methods

The basic method of research used in this research was descriptive method. According to Sugiyono (2005), the descriptive method is a method used to describe or analyze the results of the study but not used for make more conclusions. Descriptive research is not used to test specific hypotheses but only to describe the variables, symptoms, and the circumstances existing in the field. The characteristic of this research is comparative, which in this study was not conducted an experiment (the experiment) on the object, but only determine the right strategy for the company in the face of competition.

The method used in this research was case study. According to Bogdan and Bikien in (Asep, 2013) is a case study in detail the testing against the background of a subject or a person or document storage or a particular event. The case study of this research is a phenomenon that occurs in the Food Processing Center at the Agricultural University of Tarlac, Philippines which is a business entity that owned by Agricultural University of Tarlac. In 2016, the Food Processing Center begins operations, so the Food Processing Center has not been sufficiently recognized by consumers. Moreover Food Processing Center still used simple production machines, while competitors use more advanced with a larger capacity. Locations were selected purposively namely in the Food Processing Center at the Agricultural University of Tarlac, Philippines by considering that it is a business entity newly established by the university and not known by many consumers. Food Processing Center determine the price with cheaper products because of the use of simple packaging. Packaging used Food Processing Center is also environmentally friendly. Types and sources of data supported by quantitative data and qualitative data obtained from within the company and the outside in the form of primary data and secondary data. Resource determination technique used in this study was a non-probability sampling that means that not all elements of the population has an equal chance to be selected as an example. Type of non-probability sampling is purposive sampling, which is a retrieval techniques based on certain criteria. The data type are primary data and secondary data. The primary data obtained directly from the source and conducting studies directly to the company, by interviews, by the relevant authorities. The secondary data were obtained indirectly and sourced from literature, documents, and references relating to the Food Processing Center at the Tarlac Agricultural University, Philippines, include: company history, vision and mission of the company, organizational structure, the production data, product sales data, storage costs, and preparation costs.

2.1 Methods of Collecting Data

Data collection methods are carried out in several ways, including observation, interview, documentation, recording, and questionnaires.

a. Data Analysis Technique

To approach the research objectives, namely analyzing external and internal factors associated with the marketing of Turmeric Tea products, the data analysis technique use the IFE matrix and the EFE matrix.

3. Results And Discussions

The IFE matrix is one tool in the formulation of strategies that is useful for summarizing and evaluating the strengths and weaknesses of companies from various functional fields. In addition, the IFE Matrix also serves to recognize and evaluate the relationship between internal strategic factors that exist in the company. The IFE matrix is prepared after weighting and rating each internal variable including strengths and weaknesses. Results of the IFE matrix calculation can be seen that the main strength of the company was organic products with a good quality with a score amount to 0.356. For the major weakness was the limitation of raw materials products, this factor has a score value the largest was 0.136. The total value of the IFE matrix score was 2,480, which showed that The Food Processing Center of Tarlac Agricultural University has below average internal conditions.

Table 1: IFE (Internal Factor Evaluation) Matrix

Internal Factors	Score 1	Score 2	Score 3	Score 4	Score 5	Score 6	Total
Strength							
1. The strategic location	0,380	0,292	0,354	0,300	0,220	0,344	0,322
2. Good relations with customers	0,292	0,292	0,246	0,273	0,380	0,342	0,293
3. Satisfactory at the customer service	0,344	0,364	0,342	0,300	0,380	0,436	0,352
4. Organic products with the good quality	0,380	0,380	0,327	0,285	0,400	0,420	0,356
5. The comprehensive of cash advance report	0,300	0,327	0,219	0,327	0,246	0,231	0,282
6. Capital belonging to TAU	0,273	0,273	0,369	0,420	0,177	0,150	0,300
Weakness							
1. The simple production machine	0,059	0,091	0,091	0,146	0,100	0,095	0,097
2. The distribution has not yet widespread	0,086	0,082	0,128	0,136	0,100	0,105	0,107
3. The simple packaging	0,109	0,190	0,077	0,095	0,105	0,105	0,115
4. The limited of promotional activities	0,095	0,095	0,190	0,086	0,091	0,182	0,121
5. The raw materials products is limited	0,218	0,105	0,190	0,077	0,118	0,064	0,136
Total							2,480

The External Factor Evaluation (EFE) matrix results from weighting and rating based on external factors considered by the company owner as well as research conducted on the company. Based on the results of the EFE matrix analysis obtained the main opportunity for the company is people's confidence in efficacy healthy beverages that have value the biggest score is 0.343, while the main threat is same products from another company with a score of 0.310. The total value of the EFE matrix score is 2,575, this shows that the company has moderate ability (average) in responding to opportunities that exist and overcome the threats.

Table 2: EFE (External Factor Evaluation) Matrix

External Factors	Score 1	Score 2	Score 3	Score 4	Score 5	Score 6	Total
Opportunity							
1. Climate changes that influence health	0,375	0,168	0,501	0,333	0,166	0,228	0,315
2. People's awareness to apply healthy lifestyle	0,375	0,312	0,459	0,278	0,250	0,278	0,338
3. People's confidence in efficacy healthy beverages	0,249	0,360	0,417	0,354	0,354	0,312	0,343
4. Ginger and tea beneficial for health and as medicine	0,249	0,360	0,417	0,354	0,354	0,312	0,279
5. The chances of export markets	0,194	0,236	0,228	0,250	0,112	0,207	0,214
Threats							
6. Same products from another company	0,250	0,438	0,236	0,312	0,250	0,375	0,310
7. The entry of the product from abroad	0,354	0,375	0,208	0,194	0,222	0,194	0,268
8. Expensive cost research to develop products	0,291	0,222	0,249	0,152	0,178	0,264	0,237
9. The buy society still low	0,375	0,375	0,138	0,222	0,236	0,278	0,173
Total							2,575

Based on the results of an analysis conducted at the Food Processing Center in its efforts to market Turmeric Tea products, the total value of the IFE matrix score is 2,480 while the EFE matrix is 2,575, placing the company in the position of cell V in the IE matrix. This position is called Hold and Maintain and maintain), and the right strategy used in this position is the market penetration strategy and product development strategy.

Analysis of the company's internal environment can formulate several strengths that companies have, like the strategic location, good relations with customers, satisfactory at the customer service, organic products with the good quality, the comprehensive of cash advance report, and capital belonging to TAU. For the weaknesses owned by Food Processing Center of TAU such as the simple production machine, the distribution has not yet widespread, the simple packaging, the limited of promotional activities, and the raw materials products is limited. Based on an analysis of the external environment towards the company, opportunities that can be exploited companies like climate change that influence health, people's awareness to

apply healthy lifestyle, people's confidence in efficacy healthy beverages, ginger and tea are beneficial for health and as medicine, the chances of export markets while threats that must be anticipated by the company is same products from another company, the entry of the product from abroad, expensive cost research to develop products, and the purchasing power of the community is still low.

4. Conclusions

From the results of research can be concluded as follows:

1. The company has internal conditions below average. Analysis of the EFE (External Factor) obtained a value of 2.575 indicated that the company has a moderate ability (on average) in responding their opportunities and in overcoming the threats.
2. The combination of IFE and EFE values can be seen that the company's position is in cell V in the IE (Internal External) matrix, which is the 'hold and maintain' position. Strategies that can be applied by companies is market penetration and product development.

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