MARKETING AND SALES STRATEGY DEVELOPMENT FOR NEW SEASONING PRODUCT (A CASE STUDY: PASS BUMBU SERBAGUNA)

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Abstract. PASS Bumbu Serbaguna is the latest portfolio from Kriya Mandiri Restu, a MSME producing food raw materials. PASS Bumbu Serbaguna is consists of a mixture of spices, which is used for enhancing the flavor of foods, such as rendang, gulai, fried rice, aceh noodles, satay, tongseng, or even middle eastern food. The potential B2B market of PASS Bumbu Serbaguna is relatively large but the company has limited resources. So, the company must create a strategy to sell the product to the most potential food merchant or called the beachhead market, to obtain an effective and efficient sales process. Therefore, this research is aimed to determine the beachhead market and marketing strategy that is proposed in accordance to the marketing mix. The steps follow the framework from Bill Aulet, on his book "Disciplined Entrepreneurship". The research started from analyzing market segmentation, building end-user profile and persona, and identifying the competitive position. The interview process and literature study will be conducted to obtain the data. The results are developed to be the strategy that are elaborated based on marketing mix. As a result, the micro- Padang food vendor is selected to be the beachhead market. Furthermore, the marketing strategies for PASS Bumbu Serbaguna are re-positioning the product for Padang cuisine, setting prices for certain purchase, developing promotion strategy using sales funnel, and targeting sales areas and outlet category for distribution strategy

Keywords: Spices, MSME, beachhead market, marketing mix

1. INTRODUCTION

Indonesia is the top three spice producer in the world (Global Business Guide, 2017). However, according to Global Business Guide (2017), most of the spices in Indonesian are sold in raw form and it is less value-added (Global Business Guide, 2017). Therefore, if it is further processed, it will add the value of spices. Seasoning products can improve the value of raw spices. Seasoning is a premixed spice and herbs that are usually used to add flavor in food. Seasoning and condiment industries are thriving and utterly potential. The growing middle-class family ad culinary may affect the demand of seasoning (Global Business Guide, 2017). Kriya Mandiri Restu is a small-medium enterprise that produces several premixed raw materials such as all-purpose flour and seasoning for some particular products. The company supplies to Food and Beverage sector and targets micro, small, and medium enterprises because the market is considerably potential. According to Iryanti (2017), 98% of non-agicultural business, including FnB sector is dominated by small and micro-enterprises (Iryanti, 2017),

The company recently has launched new product called PASS Bumbu Rempah Serbaguna, a multi-purpose seasoning for foods as Padang food, middle-east food, mie aceh, soup, curry, etc.

Figure 1.PASS Bumbu Rempah Serbaguna

Since this is a new product, penetrating the market will be challenging. Currently, the product competes with existing products that have been being recognized. It will be challenging for the company to rival those and to influence the market for substituting the existing raw material. Moreover, since it might be applicable for several menus, the company has wide market options that require a lot of time and cash to be penetrated. In contrast, the company has a limitation on resources. Hence, a specific market or selected market beachhead requires to be identified and penetrated by the company. According to Aulet (2017), dominating the beachhead market will help the company to enter the adjacent market (Aulet, 2017). This strategy will also help the

entrepreneurs to focus on competing the competitors.

The research follows the steps from Bill Aulet that are explained on his book named Disciplined Entrepreneurship. In this book Aulet (2017), defines 24 steps to be be successful in managing startup (Aulet, 2017). The data is obtained by interview process and literature study. The respondents are selected after narrowing some potential end-users. The selected end-users are consist of padangneese food merchants, middle-east food merchants, and Indonesian food merchants. Then, the author interview six people from micro, small, and medium food service to gain the data. After completing the data, the author formulates adoption strategies and creates implementation plan. As a result, the authors propose several strategies such as product repositioning, setting price for certain purchase, developing promotion strategy that will elaborated according to sales funnel, and setting the sales area and outlet category.

2. LITERATURE REVIEW
Market Segmentation
Aulet (2017) explains that market segmentation process is consists of three steps (Aulet, 2017). Firstly, it is started by brainstorming a wide array of market opportunities. After knowing the business idea, the entrepreneurs must identify potential industries that can be their market. Then, list who may get benefit in each industry from the idea. The entrepreneurs must focus on finding the end user not the customers.

Second step is narrowing the customers. After identifying numerous potential end users and the applications, the entrepreneurs must select smaller number of them. The selected end users will be recognized as primary lead users. The primary lead users will be observed by asking directly about their situation, pain points, opportunity, and other relevant market information. This step is called as primary market research. According to Aulet (2017), this step will help the entrepreneurs getting a better sense of which market opportunity is best. (Aulet, 2017). Additionally, it is aimed to understand the customer in all dimensions, such as rationally, emotionally, economically, socially, culturally and more (Aulet, 2017).

Beachead Market Selection
Beachead market strategy is a strategy to compete the competitors, by dominating small market as a an effort to expand the wider market. This term is used in military operation (Aulet, 2017). Selecting a beachhead market can make the company easily

having a strong position in the market that will be contributed to generate positive cash flow. To determine the beachhead, Aulet explains that the entrepreneurs may refer to the same questions as narrowing the market segmentation.

Build End User Profile and Customer Persona
End-users will be various and the entrepreneur needs to narrow down the characteristics and needs of them for being more focused. The characteristic may define according to geography, demography, psychography, and the story. Next step is describing a persona. According to Aulet (2017), a persona is a person who best represents the primary customer for the beachhead market (Aulet, 2017).

Competitive Position
The entrepreneurs may analyze the competitors using competitive frame of reference to guide the positioning that is consist of four key factors such as product quality, product availability, customer awareness, and sales channel (Kotler & Amstrong, 2016). In addition, the product positioning may be analyzed by using perceptual mapping. the attributes will be consisted of two frames of references set by its Point-of–Differences and Points-of-Parity. Points-of- Differences (PoD) is the attributes or benefits tha consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand (Kotler & Amstrong, 2016). While, Points-of-Parity is attribute or benefit associations that are not necessarily unique to the brand but may in fact be shared with other brands (Kothler and Keller,2016).

Marketing Mix and Sales Funnel
Marketing mix is a tool that was defined by McCarthy (Kotler & Amstrong, 2016). It explains how marketing activities must include the strategy for product, price, place, and promotion or these are recognized as the Four P's. Then, the promotion strategy may be elaborated according to sales funnel. Sales funnel *is* basically the process when the potential customers find out about the product and the company for the first time until finally they purchase the product (Grublješičand & Čampa , 2016). The stage of sales funnel is divided to be three stages which are pre-activation, activation, and post-activation. Pre-activation is the phase when the customers are unaware of our brand, then they finally know and have an intention to purchase. Next, activation is the step when the customers finally purchase the products. Lastly, Post-activation is a step when the customers get satisfied with our product, repeat the order, and even suggest to their community.

3. METHODOLOGY

The research will be begun by stating the problem, then it is derived to research objectives and questions. To reach the objectives and answer the research questions, the author follows the framework from Bill Aulet. The analysis will be conducted through several steps, such as market segmentation, selecting the beachhead market, building end-user profile and persona, and analyzing competitive position. Lastly, the marketing strategy is defined and elaborated according to marketing mix. Data will be collected through in-depth interview, news articles, websites, industry report, journals, and books.

The respondent's profiles are subjected particularly to the food services which are potential customers of multi-purpose seasoning. Then those are the merchants who are categorized as MSME since the company aspires to be a reliable supplier for small-medium food business. The respondents are determined after market segmentation and they are selected as primary lead users.
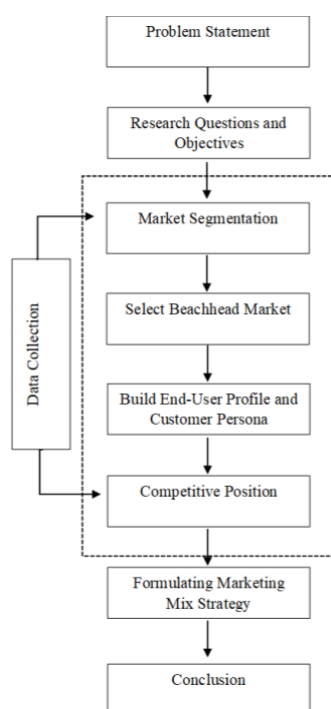

Figure 2. Research Framework

4. RESULT

Market Segmentation

The research started by identifying overall seasoning markets in Indonesia, the end-users, and product applications. For B2B market, seasoning is usually used by food service such as restaurant, café, street food vendors, cattery, and hotel. Iryanti (2017) reported that food business in Indonesia is dominated by small, micro, and medium

enterprises (MSME) (Iryanti, 2017). Therefore, the market segment is determined according to food services which are categorized as MSME. After that, the food services are defined according the cuisines which potentially use PASS Bumbu Serbaguna. Generally, the market was segmented according to the merchants and the foods, such as Padang food merchants, middle-east food merchants, multi-cuisine food merchants, Indonesian goat fried rice merchants, mie aceh merchants, tongseng merchants, and martabak mesir merchants. As the company is still small, the distribution area covers JABODETABEK only. Therefore, overall market segmentation of PASS Bumbu Serbaguna is illustrated as the table below.

Table 1. Market Segment of PASS Bumbu Serbaguna

Geography	JABODETABEK Area
Scale of Business	Micro to medium enterprises
Type of Dishes	Padangnese cuisine Middle-east cuisine Multi-cuisine Indonesian goat fried rice Mie aceh Tongseng Martabak mesir

After that, potential merchants were selected to be evaluated for primary market research. After considering all of the segments refering to Aulet guideline, the three primary lead user group were selected to be explored deeper in the next step. Padang food merchants, middle-east merchants, and multi-cuisine food were selected as primary lead user meaning they are considered as the most potential vendors. These merchants were categorized as MSME and were located in JABODETABEK areas. Six owners represented each category and they were interviewed to understand their product preferences and process on choosing a brand. This step is called primary market research. The interview summary is classified according to marketing mix, the Four P's as below

Table 2. Interview Summary Classified According to Marketing Mix

Product
1. Padangnese Food Merchants

The merchants usually use branded seasoning. Their demand range is around 250 g - 5 Kg per month. Small and medium size of packaging are relatively convenient for them. They select the product based on its flavor intensity.

2. **Middle-East Food Merchants**
   The merchants usually proceed the seasoning by themselves in order to create authentic recipe. They purchase spices per pieces.

3. **Multi-Cuisine Food Merchants**
   The merchants tend to produce the seasoning by themselves based on their original recipe. They purchase spices per pieces.

Price
1. **Padangnese Food Merchants**
   22.000 - 30.000 IDR
2. **Middle-East Food Merchants**
   Depends on the spices
3. **Multi-Cuisine Food Merchants**
   Depends on the spices.

Promotion
1. **Padangnese Food Merchants**
   Vendor promotion
2. **Middle-East Food Merchants**
   Sales door-to-door
3. **Multi-Cuisine Food Merchants**
   Vendor Promotion and Sales door-to-door

Place
1. **Padangnese Food Merchants**
   Traditional Market
2. **Middle-East Food Merchants**
   Spice distributor
3. **Multi-Cuisine Food Merchants**
   Spice distributor, whole seller, and traditional market

The author observed that scale of business affected to the owner preferences towards seasoning application. Small and medium business owners tend to formulate the seasoning based on their original recipes in order to retain the product uniqueness. In contrast to micro enterprises owners, they are willing to use branded seasoning to make their work easier.

Select Beachhead Market
To determine the beachhead, Aulet explains that the entrepreneurs may refer to the same questions as narrowing the market segmentation. Based on primary market research, micro enterprises are considerably easier to be penetrated than small and medium merchants. In this phase, the merchants were specifically evaluated based on the type of dishes. The score was put on each indicator

according to Aulet guideline and was explained on the table below. The result showed that Padang Food Merchants were the most potential beachhead. They use branded seasoning and more accessible than others. This segment represents the market that the company wants to capture.

Table 3. Beachhead Market Selection

Market Segments	Padang Food Merchants	Middle-east Food Merchants	Multi-cuisine Food Merchants
Economically Attractive	Medium	High	High
Accessible to your sales force	High	High	Medium
Strong value proposition	High	Medium	Low
Complete product	High	Medium	Low
Competition	High	High	High
Strategic Value	High	High	High
Personal alignment	High	Medium	Medium
Score	23	18	15
Ranking	1	2	3

Scoring: (3) High, (2) Medium, (1) Low

Build End-User Profile and Customer Persona
The author created the end user profile as mentioned on the table below according to Aulet. (Aulet, 2017) provides several questions to help the entrepreneurs defining the end user profile

Table 4. End User Profile

Geographic	JABODETABEK area
Demographic	a. Padangnese food merchant owners with Minang ethnicity. b. Categorized as a micro business.
Psychographic	a. Selling padangnese foods, for example Padangnese restaurants. b. They are good in cooking and selling. c. They are very proud to be minangnese d. They are concern with the product

	quality e. Product taste is utterly important, so they do not mind to purchace higher price of ingredients.
History	They originally come from West Sumatera. They move to some particular urban and sub-urban area in Java. They have a background in managing padangnese restaurant.
Context	They use the product because they want to enhance the quality of rendang and curry served. They actually understand how to manage it. However, it adds more process and takes time. They usually work multi-task so they maintain effectiveness. They prefer to shop at a traditional market and maintain a relationship with the vendors. They buy the product through seasoning vendors. They are not digital-savvy and have less trust in online shopping. They give priority to product quality, instead of price.

After building the end-user profile, the next step was describing a persona. In this case, Mr Bukhari, the owner RM Kapau and one of the respondents representing Padang food merchant, was selected to be the example of customer persona. Persona identification is explained below:

Figure 3. Mr. Bukhari as the Persona

1. **Name, age, and Occupation**: Bukhari (45 years old), the owner of RM Kapau
2. **Address:** Jalan Raya Bojongsari-Ciputat. Depok.
3. **Ethnicity** : Minang
4. **Monthly Business Revenue:** Avg. 45 Million IDR
5. **Business Experience**: Mr. Bukhari established the business in 2005. He used to work at padangnese restaurant in Jakarta for preparing the foods. He saved the money for creating his own restaurant. After generating sufficient capital, he bravely opened the restaurant at Bojongsari, Depok. He managed the restaurant with his wife.
6. **Personal:** Mr. Bukhari lives in Depok with his family. He has one son who is in high school. He is hardworking and very persistent. He opened the Padangnese restaurant at his house and has been managing it with his wife. The restaurant has been running for around 15 years. He often faces a fluctuating situation. Yet, he was successful to overcome it. He said that the key is resilience and strict to cashflow. In addition, his son sometimes help him to serve the customers. He wants his child can manage the business one day. Furthermore, he has the strong cooking skill and he loves to do trial and error to make good food. He is very concerned about material quality. He ensures that all the raw materials suit what he wants. He buys his own needs by himself including buying the store needs. He does not mind to go to traditional market because he can see the material directly. He is reluctant to shop online because he feels inconvenient to buy something without seeing the real product. Besides that, he prefers conventional transactions because he thinks the process is more convenient. For example, he once rejected the offering from the online payment gateway. He thinks that the platform makes him difficult. He prefers to do a transaction in cash. He loves to maintain relationships with vendors and interacts with other Padangnese restaurant owners. They usually barter information regarding food processing or share their problems.
7. **Story:** Serving nice and affordable foods is his commitment. Hence, Mr. Bukhari fully

dedicates himself for the whole food processing. He uses Cap Udang to enhance the rendang, cincang, and other gulai flavor. He used to prepare the seasoning by himself. Then, he tought that the process took his time a lot. He was finally unwilling to do it anymore. After that, he looked for the alternative seasoning at the traditional market. He was recommended some brands by the vendors. He then picked the one with the strongest aroma. When the author gave PASS Bumbu Serbaguna sample, he said this product has a strong aroma and was interested to try. After few days, he applied to rendang and gulai. He said that PASS Bumbu Serbaguna gave the stronger flavor to the foods than Cap Udang. However, it obtained less dark for rendang. In overall, he is interested to purchase PASS Bumbu Serbaguna.

8.   **Priority:** His current priority is growing his business so that he is able to make a better legacy for his family. Lately, he has been trying to sell his product online and focus on serving daily or occasionally cattery service.

Competitive Position

The most prominent brands as Cap Udang, Bumbu Masak Minang Asli Serbaguna, Sari Minang, and Bumbu Pemasak Kambing Selamat Majid Hamid are direct competitors of PASS bumbu Rempah Serbaguna The competition was evaluated competitive frame of reference to guide the positioning. The company will be analyzed according to four key factors which are product quality, product availability, customer awareness, and sales channel (Kotler & Amstrong, 2016). The data is gained from end user interview, online review, and other information from the internet.

Table 5. End User Profile

Company	Product Quality	Product Availability	Customer Awareness	Sales Channel
PT.Abro Prima Makmur	G	E	E	E
UD.Serba Guna Abadi	G	G	E	G
Fajar ST Kayo	P	E	G	G
Toko Selamat Majid Hamid	P	G	G	G

Notes : E = Excellent, G = Good, F= Fair, P = Poor

Based on the customer's point of view, the products produced by PT. Abro Prima Makmur and UD. Serba Guna Abadi are the most demanded. Cap Udang and Bumbu Masak Asli Minang Serbaguna are highly prominent. Those products have good quality and are widely spreaded mainly to traditional market.

After that, the brand positioning was compared using perceptual mapping. the attributes will be consisted of two frames of references set by its flavour and price. The data was gained from the interview and e-commerce.
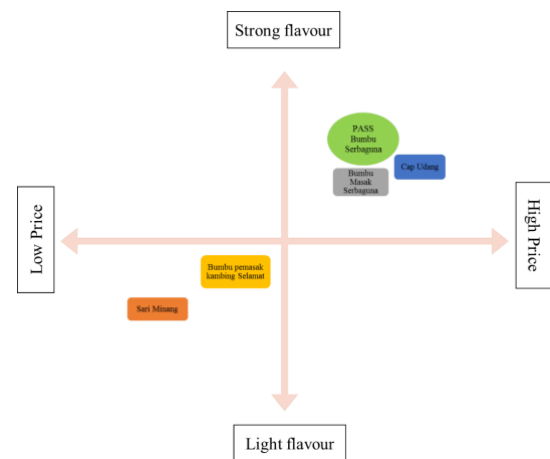

Figure 4. Percetual Mapping of PASS Bumbu Serbaguna

Based on this map, PASS Bumbu Serbaguna has big potential to beat the existing products particularly Cap Udang and Bumbu Masak Minang Serbaguna. Those existing products have gained trust from the customers and widely spread in Indonesia. However, the customers are still lack of brand awareness, especially for Padang food merchant owners.

Product Development Strategy

Based on the competitor analysis, Cap Udang and Bumbu Masak Minang Serbaguna are the main competitors of PASS Bumbu Serbaguna considering those flavor intensity and price. Cap udang positions its brand as a seasoning for goat or mutton menu. Meanwhile, Bumbu Masak Minang Serbaguna offers its competitive advantage as the multi-purpose seasoning for Padangnese foods.

PASS Bumbu Serbaguna obtains strongest flavor comparing those brands, when it applies to the padang foods. It is the competitive advantage of the product. Hence, this product still will be be re-positioned specifically for padang foods. So, the packaging will show more about minang cultural wisdom or padang foods. In addition, it will be sold

in 250 g and it will use transparant-metalized standing pouch. This packaging is more convenient because it has a zip-lock and it will secure the product from sunlight exposure.

Figure 5. New Packaging Design of PASS Bumbu Serbaguna Compared to Competitors

Pricing Strategy

The price of PASS Bumbu Serbaguna for merchants is 22.500 IDR and it is slightly higher than Bumbu Masak Minang Serbaguna which costs 22.000 IDR. However, it provides better quality than Bumbu Masak Minang Serbaguna as the Head-to-head competitors. The price is still acceptable in the market because it is still in the range of price points. Meanwhile the price will be 18.000 IDR with minimum purchase 1 box (@ 50 pcs)

Promotion Strategy

The promotion strategy is determined according to sales funnel. Sales funnel is divides to be three stages. Such as pre-activation, activation, and post-activation.

Pre-activation is the first step of selling. The activities consist of doing cold call to padang restaurants, providing samples, and offering the discounts if necessary. The second step is activation. The strategy is tailored when the customers have finally had intention to buy the product. The company provides sales support and food delivery as activation strategy. Lastly, post-activation is a step after the purchase. The company needs to determine the strategy in order to retain the customer. Therefore, the strategy offered during this step is by providing free product or discount for certain quantity ordered.

Distribution Strategy

Product will be sold in JABODETABEK areas and distributed directly to padang food merchants and seasoning vendors. According to the research, the owner of merchants usually knows the brands and buy the seasoning at the seasoning vendors. So, seasoning vendors will be second priority of market after Padang food restaurants.

Additionally, the outlet category needs to be determined to support sales activitiy. It is divided to be three types which are categorized according to the outlet's demand. This process is aimed to determine sales activity. Sales staff may plan their activities and daily target by understanding the outlet types. The outlet's categorization is explained below.

Table 6. Outlet Categorization

Type of Outlets	Characteristic	Sales Activity
Type A	This is the outlet with high demand The demand is more than 1 box or 50 pcs per month and the owner usually purchases the product every week.	Sales staff visit this customer every week to deliver the product and give sales support at once.
Type B	This is the outlet with medium demand. The demand is around 10-50 pcs per month and the owner usually purchase the product twice a month.	Sales staff visit this customer every two weeks to deliver the product and give sales support at once.
Type C	This is the outlet with low demand. The demand is less than 10 pcs per month and the owner usually purchase the product once a month.	Sales staff visit this customer once a month to deliver the product and give sales support at the same time.

5. CONCLUSION

After finishing the whole proces, it can be concluded that the most appropriate beachhead market for PASS Bumbu Serbaguna is Padang food merchants which are categorized as micro enterprise. They represent the market that the company wants to capture. To penetrate the market, some strategies are proposed such as re-positioning the brand for Padang food, developing promotion strategy according to sales funnel, setting price for certain number of purchase, and defining distribution areas and outlet category to support the sales activity.

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