



Marketing Communication Strategy Of Riyan Farm Hydroponic Vegetable (Case Of Riyan Farm Smes, Serang City)

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Abstract

Riyan Farm is one of agricultural business that uses hydroponic method to grow vegetables in Serang City. However, many people of Serang City and the county around are still not knowing Riyan Farm's hydroponic product which results in decreased sales. This requires Riyan Farm to determind the right marketing communication strategy. This study lasted for 7 months with several considerations. The research took place on RSS Pemda Housing Block D1 Banjarsari District Cipocok Jaya Serang City Banten. This research uses a benchmarking approach against other business that have similar products and have been successful in the market. Benchmarking method performed by collecting information from other Farm's product through in-depth interviews and observation and other data that have reliable information as books and literature. The analysis tools used are Gap analysis, IFE matrix, EFE matrix and SWOT matrix. The Gap analysis based on marketing communication mix results in 7 recommendation of communication strategy. In order to create the applicative strategy that suits company's environment, those 7 recommendations should be combined with the result of SWOT Analysis. The last of result shows 5 market communication alternative strategy.

Keywords: Hydroponic vegetable, Marketing communication, Marketing communication mix

1. Introduction

Vegetables are commodities with bright prospects because they are needed daily, and demand tends to increase. Therefore, it is necessary to efforts to improve commodity marketing on an ongoing basis to obtain more efficient results. Based on data from the Central Statistics Agency (2019), where vegetable production in Indonesia in 2019 reached 13.4 million tons, or an increase of 2.67%. Banten Province is one of the vegetable-producing areas in Indonesia which has a fairly high production potential. During a period of two years, namely from 2017 to 2018, the number of production and productivity levels of vegetable crops in Banten Province. Vegetable production in 2018 was 4,026 quintals or an increase of 6.63% from the previous year. As for the level of productivity, there was a much more significant increase of 112.04 Quintal/Hectare, or 15.98%. MSME Riyan Farm one of the agricultural businesses in Serang City which was established in 2016 has been running Hydroponic Vegetable Cultivation and Conventional has produced various types of Vegetables. Types of vegetables that have been cultivated are seasonal vegetables that are easy to grow in areas with hot weather. The hydroponic system has produced pakcoy and lettuce. Vegetables produced by conventional cultivation systems are Cucumber and Paria.

Riyan Farm's current consistency in vegetable production is not matched by stable sales. Riyan Farm's hydroponic vegetable harvest capacity per month is 400 Kg. As shown in Table 1 of Riyan Farm's hydroponic vegetable production and prices.

Table 1. Riyan Farm's Hydroponic Vegetable Production and Price

Vegetables Hydroponics	Hydroponic Vegetable Prices Per Kilogram (IDR)		
	October	November	December
Pakcoy	22,000	19,000	19,000
Caisim	27,000	23,000	22,000

Source: Riyan Farm Data in 2020

In the period from October to December, there are price fluctuations in hydroponic vegetables. The business owner said that the lack of demand for hydroponic vegetable products was the cause of the overall decline in the price of Riyan Farm's MSME products. This is because hydroponic vegetable products are a source of daily income and operational costs for conventional gardens.

The strategy that has been applied by the owner to minimize the percentage decrease in profit from hydroponic vegetable sales is to use promotion and sales of vegetables through online media such as WhatsApp, Facebook and others, which have been carried out to target final consumers and retailers. However, the owner still has not felt an increase in profits from promotions and orders for hydroponic vegetables through online. In addition, information on Riyan Farm's hydroponic vegetable products is still not widely disseminated to the public. Related to this, there needs to be similar MSMEs that act as comparisons in formulating marketing communication strategies. The comparison MSME assumption is seen based on the strength of product information in the marketing area. One of the Hydroponic SMEs that can be used as a comparison and established earlier than 2010 is PT. Jirifarm Hydroponics which has been cultivating hydroponic vegetables including pakcoy and lettuce. PT. Jirifarm is located in Curug Kulon Square, Tangerang Regency, Banten with a production capacity of 100 kg of hydroponic vegetables per day.

Based on the background described above, this researcher discusses the marketing communication strategy used in Riyan Farm's Hydroponic Vegetable products to compete with similar products in terms of delivering product information to consumers. From the results of the study, it is hoped that it can be a reference in marketing Riyan Farm's Hydroponic Vegetable products which is even more effective, and obtain an alternative marketing communication strategy for Hydroponic Vegetable products that can be recommended to Riyan Farm's MSMEs.

2. Materials and Methods

2.1. Type, Location, and Time of Research

This type of research is descriptive quantitative research because it aims to make a description of facts and data in the field as well as the relationship between the phenomena studied. The research method used is a case study (case study). The location of this research was conducted in two places. First, Riyan Farm, which is located in the Regional Government RSS Complex Block D1 03/08 Banjarsari, Cipocok Jaya District, Serang City, Banten. The second location is PT. Jirifarm Hydroponics which is located on Jl. Square 1 No. 58. RT.04/ RW.02 Curug Kulon, Tangerang Regency, Banten. The time needed to carry out the research as a whole is 7 months. The research started from March 2021 to September 2021.

2.2. Data Collection and Analysis Method

a. Data collection technique

There are two types of data to be collected in this study, namely primary data and secondary data. The data collection techniques that will be carried out by researchers are interviews, questionnaires and documentation as supporting data. The interview aims to collect data on the marketing communication mix strategy while the questionnaire is for SWOT data.

b. Respondent Criteria

Respondents in this study deliberately with certain criteria, among others:

- 1) Knowing the marketing activities of hydroponic vegetables.
- 2) Directly involved in the implementation or decision-making of marketing strategies.

c. Variable Operations

The operational variables used in this research are:

- 1) Marketing Communication Strategy
- 2) Marketing Communication Mix
- 3) Hydroponic Vegetables

d. Data Processing and Analysis Techniques

• Benchmarking

According to Harrington H.J. (1991) Benchmarking is a method of continuous measurement of products, services and organizational procedures for carrying out a process against the best competitors (organizations) to obtain new ideas and methods in implementing them in order to obtain the best results from the best.

• GAP analysis

This analysis identifies what actions are needed to reduce the gap or achieve the expected performance in the future. The strategy was analyzed based on the attributes of the marketing communication mix in order to obtain a strategic gap between the two businesses.

• IFE and EFE Matrix

A list of strengths, weaknesses, opportunities and threats is then made in the form of an EFE (External Factor Evaluation) and IFE (Internal Factor Evaluation) matrix. The IFE matrix is used to analyze internal factors, namely

the company's weaknesses and strengths. While the EFE matrix is used to analyze the company's external factors, namely opportunities and threats.

- SWOT Matrix

According to David (2012), the SWOT matrix is a tool used to compile the company's strategic factors. The SWOT matrix analyzes internal and external factors related to the company's condition. The SWOT matrix is used as a benchmark for determining alternative marketing communication strategies.

3. Results and Discussion

3.1. Overview of Research Site

a. Riyan Farm's MSME Profile

MSME Riyan Farm was originally an MSME that produces hydroponic vegetables in Serang City, in the RSS Regional Government Housing Complex Block D1 03/08 Banjarsari, Cipocok Jaya District, Serang City, Banten. This MSME was established on January 24, 2017 and did not have employees at that time. The owner of this MSME is Mr. Riyan Syarif Hidayatullah. This UMKM was founded because the owner believed in the financial potential of hydroponic vegetable cultivation.

MSME Riyan Farm in March 2021 produced hydroponic vegetables with a total of more than 5,500 planting holes. The types of vegetables produced today are lettuce and pakcoy. At the time the research took place in March 2021, Riyan Farm had a total of 6 employees and two hydroponic vegetable production areas. Four people work in vegetable production and the rest work in marketing. The location of the hydroponic land is in the Regional Government RSS complex and Curug District, Serang Regency. Each field has a different planting and harvesting schedule so that the product is always available.

b. Profile of Jirifarm's Comparative SMEs

PT. Jirifarm Hydroponics is a company engaged in agriculture since 2010. Jirifarm Hydroponics is located on Jl. Square 1 No. 58. RT.04/ RW.02 Curug Kulon, Tangerang Regency, Banten. The products offered are hydroponically grown vegetables such as lettuce, pakcoy, and caisim. Jirifarm's initial idea arose because there were very good opportunities in Indonesia, especially in the cities of Tangerang and Jakarta, which are big cities for urban farming development. PT. Jirifarm provides various needs for hydroponic cultivated vegetables, urban farming equipment as well as agricultural and consulting services. Jirifarm's vegetable products are sold in 200-gram to 500-gram plastic packaging and have been marketed in several Jakarta supermarkets and online marketplaces. By March 2021, Jirifarm had more than 15,000 hydroponic vegetable planting holes with a total of 15 permanent employees.

3.2. IFE Matrix Analysis Results

Table 2. IFE Matrix Analysis Results

Number	Strength	Score
1	Have PSAT certificate and Quality Assurance	0.367
2	Availability of products at any time	0.299
3	Homemade vegetable fertilizer	0.197
4	Clean and dry packaging	0.241
5	Ordering products is easy and friendly	0.221
6	Product freshness is maintained	0.260
7	Fast product delivery	0.255
8	Have own trademark	0.239
Number	Weakness	
1	Damage prone packaging	0.072
2	Management role is not appropriate	0.122
3	Limited marketing human resources	0.108
4	Not a strategic place of business	0.093
5	Limited marketing area	0.091
6	Minimum capital	0.080
7	Don't have your own land	0.067
Total		2.711

It can be seen that the results of the calculations in Table 2 using the IFE matrix obtained a total score of 2.711 SMEs owned by Riyan Farm. The total weight score is above 2.5 which indicates that Riyan Farm's MSMEs have strong internal potential.

3.3. EFE Matrix Analysis Results

Table 3. EFE Matrix Analysis Results

Number	Opportunity	Skor
1	Rising prices of conventional vegetables	0.351
2	A limited number of products on the market	0.298
3	Public interest in clean and hygienic vegetables	0.376
4	More and more promotional media	0.383
5	Technological development	0.371
Number	Threat	
1	Cheaper prices for other similar products	0.108
2	Unpredictable weather	0.071
3	The high price of factors of production	0.140
4	Reduced vegetable supply restaurants	0.190
5	Changes in people's social behavior	0.143
Total		2.431

It can be seen that the results of calculations in Table 3 using the EFE matrix obtained a total score of 2.431 owned by MSME Riyan Farm. The total weight score is below 2.5 which indicates that Riyan Farm's MSMEs have not been able to respond to external factors, namely the opportunities that exist to reduce threats.

3.4. SWOT Matrix

Table 4. SWOT Matrix

<p>SO Strategy</p> <ol style="list-style-type: none"> Utilizing information media technology to introduce products and attract potential consumers. Build a market network by the selling value of the product. 	<p>WO Strategy</p> <ol style="list-style-type: none"> Optimizing functional packaging design. Provide a separate marketing place.
<p>S-T Strategi Strategy</p> <ol style="list-style-type: none"> Making production innovations. Introducing the product to certain communities. 	<p>W-T Strategi Strategy</p> <ol style="list-style-type: none"> Designing effective marketing needs Cooperating (partnering) with other farmers

3.5. Riyan Farm's Alternative Marketing Communication Strategy

Based on the results of the GAP and SWOT analysis, four alternative strategies can be obtained:

- **Updating Packaging Strategy**
The new packaging strategy can be implemented by improving the functional and informative aspects. This packaging strategy is proposed based on the SO strategy in utilizing information media technology to introduce products and the WO strategy, namely maximizing functional packaging design.
- **Exposing Targeted Existence**
Riyan Farm as a UMKM provider of hydroponic vegetables must show its existence to the consumer audience.
- **Updating the online vegetable selling method**
Sales of vegetables online through WhatsApp media, which were previously carried out by Riyan Farm's MSMEs, can be improved from an operational perspective. Orders via WhatsApp media can be increased by promoting vegetables on social media and using the riyanfarm.com website as an online vegetable catalog.

- Establish a separate Marketplace for smallholder-based SMEs. Supermarkets that specifically sell vegetables and fruits do not yet exist in the Serang and Cilegon cities. So, the recommendation to establish a business outlet in a supermarket will be difficult to implement literally. The solution is to initiate their own Sales Center (Marketplace) specifically for vegetables and fruits in the Serang City area.

4. Conclusion

Based on the results of research that have been carried out regarding "Hydroponic Vegetable Marketing Communication Strategy (A Case in Riyan Farm Small and Medium Enterprises, Serang, Banten)" obtained alternative strategies that can be applied by Riyan Farm SMEs, which are as follows:

- a) The results of the identification of the marketing communication mix obtained 7 (seven) recommendations for marketing communication strategies, namely 1) Placing advertisements through x-banners, and product packaging designs. 2) Sales promotion through exhibitions and online store promotion codes. 3) Holding exhibitions and bazaars as a form of event and experience. 4) Public relations and publicity through education on youtube channels, and publication of hydroponic guidebooks. 5) Direct marketing from supermarket outlets and bazaar stands. 6) Interactive marketing through online Catalogs. 7) Sales personnel at supermarket outlets and bazaar stands.
- b) Based on the analysis of internal and external factors of Riyan Farm's MSMEs as well as gap analysis, the alternative marketing communication strategies that can be carried out by Riyan Farm's MSMEs are 1). Updating Packaging Strategy. 2). Exposing existence right on target market, 3). Updating the method of selling vegetables online. 4). Establish a separate Marketplace from SMEs based on farmer partners.

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