

#### FORMULATION OF MARKETING STRATEGY FOR PUPUK TRIKO SP PLUS (CASE STUDY OF SUNGEI PUTIH RESEARCH UNIT) IN GALANG DISTRICT, DELI SERDANG DISTRICT

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#### Abstract

This research was conducted to identify internal and external environmental factors, formulate alternative strategies, and establish the main priorities of the Triko SP Plus fertilizer marketing strategy. The analytical method used is SWOT analysis and QSPM. The results of this study are the SO strategy of utilizing strategic production locations and the development of digital technology to expand the scope of marketing fertilizers at affordable prices and products that have proven effective. The WO strategy utilizes the development of digital technology to cooperate with the government at every related event to promote fertilizer and gain a wider range of market access. ST's strategy is to increase capital investment in the context of product development by utilizing research experts so that products do not easily compete with competitors from outside the region or competitors with better quality. The WT Strategy informs about product superiority. It establishes cooperative relationships to minimize the threat of competitors from outside the region and competitors with better product quality so that companies produce more products due to consumer demand that remains even increasing.

Keywords: Fertilizer, SWOT Analysis, QSPM, Strategic Priorities

#### **INTRODUCTION**

Fertilizer is a compound containing nutrients given to plants in certain doses. The part that does not contain these nutrients will reduce the nutrient levels in the fertilizer (Soil Research Institute, 2022). One company that produces bio-fungicide fertilizers is the Sungei Putih Research Unit. The Sungei Putih Research Unit is a work unit engaged in rubber research and development. Its formation began in 1981 and has changed its name several times in line with the reorganization of research institutions. In further research activities, the Sungei Putih Research Unit carries out technological assembly and formulation of various products that are beneficial for rubber plantation businesses, including fertilizer recommendations, disease control recommendations, tapping recommendations, superior clones, ground cover planting materials, bio fungicides, slow-release fertilizers, canopy management equipment, tapping equipment, latex stimulants, harvest protection equipment, latex bulking agents, and mobile sawmill machines (Rubber research center, 2022).

The Triko SP Plus fertilizer can be categorized as a bio fungicide fertilizer. The results of research in the laboratory show that biofungida can suppress the development of the fungus R. microbus, which causes white root fungus disease in rubber plants, with an average inhibition of 57.62%. Testing in the greenhouse with a combination of 100 g biofunctional treatment and 200 g biofertilizer effectively reduced the intensity of white root fungus attacks by 5.56%. It increased plant growth, as seen from root growth, plant height and dry biomass, which was better than the other treatment. TBM bio fungicide testing showed a reduction in the intensity of disease attacks by 18.33% to 23.33%, which was not significantly different from the comparative chemical fungicide, and the 20 g/tree fungicide treatment had the highest reduction in the intensity of white root fungus attacks compared to other fungicide treatments. The three tests showed that this bio fungicide effectively controlled white root fungus disease (Kusdiana et al. 2015).



Using Triko SP Plus fertilizer can eliminate our dependence on chemicals. The important thing to know is that currently, a lot of our land is affected by the side effects of excessive use of chemical fertilizers. Apart from that, billions of microorganisms die due to the use of pesticides (poisons). We should respond to such conditions wisely, making it a habit to use organic fertilizers and biofungicides so that our nature remains sustainable (Plantation Department, 2017).

During the pre-research survey, researchers saw that the company's condition regarding the Triko SP Plus product marketing had not progressed or was less stable because the marketing was carried out only by companies with a cooperative relationship with the Sungei Putih Research Unit. Meanwhile, the marketing and production location for Triko SP Plus is very strategic because it is surrounded by companies engaged in agriculture, especially rubber and many smallholder rubber farmers around the Sungei Putih Research Unit.

Strategy is a design that a company will use to achieve a certain goal (Lubis, 2004). One of the objectives of the Sungei Putih Research Unit is to obtain optimal profits from marketing activities for Triko SP Plus fertilizer and to carry out these marketing activities well and by the expected targets. The Sungei Putih Research Unit must implement an appropriate strategy per the company's marketing environment. The success of the marketing strategy implemented by the company depends on careful analysis and observation by the Sungei Putih Research Unit of the factors that can influence the company's marketing strategy.

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# THEORY

## Fertilizer

Fertilizer is a material that contains one or more nutrients for plants to support plant growth and development. The nutrients needed by plants are C, H, O (abundant in nature), N, P, K, Ca, Mg, S (macronutrients), and Fe, Mn, Cu, Zn, Cl, Mo, and B (micronutrients). The Triko SP Plus fertilizer can be categorized as a bio-fungicide fertilizer produced as an inhibitor of the growth of fungi that cause disease in rubber plants, one of which is white root fungus on rubber plants. It can also reduce white root fungus infection and increase rubber production by up to 25% (kurniawan, 2013).

## strategic management

According to Fred R. David (2016), strategic management is the art and knowledge of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its goals. Strategic management integrates management, marketing, finance/accounting, production/operations, research and development, and computer information systems to achieve organizational success.

## Marketing

Kotler & Armstrong in Fauzi (2011) define marketing as a social and managerial process where individuals and groups obtain what they need and want by creating, offering and exchanging something of value with other people. So, marketing is an activity that delivers goods or services to consumers, and this activity can fulfill consumer needs and desires.

## strategy formulation

In strategy formulation, three stages of activity are used to achieve organizational goals: the input stage, the matching stage, and the decision stage. There is a close dependence on



environmental analysis to formulate a strategy well, whereas strategy formulation requires data and information from environmental observations and analysis (Danang Satrio et al. (2020). **Analysis SWOT** 

SWOT analysis is used to see the strengths, weaknesses, opportunities and threats the company will face. By looking at their strengths and aiming to develop them, the company will certainly be more advanced than existing competitors. Likewise, the company's weaknesses must be corrected and reorganized to continue to exist. Opportunities must be utilized as well as possible by the company so that sales volume levels can increase, and threats that the company will face must be faced by developing a good business development strategy (Rahmayati, 2015).

## **QSPM** (Quantitative Strategic Planning Matrix) Analysis

According to Sedarmayanti (2014), QSPM is a technique that can objectively determine prioritized alternative strategies. Alternative strategies analyzed at this stage have been generated through previous analysis by combining internal and external factors.

## **RESEARCH METHODS**

## **Time and Location of Research**

The research was conducted from November to January 2023 at the Sungei Putih Research Unit, Galang District, Deli Serdang Regency, North Sumatra. The location selection was carried out using purposive sampling; that is, the research location was chosen deliberately, considering that the Sungei Putih Research Unit is a work unit that operates in the rubber sector and produces Triko SP Plus fertilizer with guaranteed quality and product quality. According to Arikunto (2010), the Purposive Sampling technique takes subjects not based on strata, random or regional, but on a specific objective. Sampling is taken using purposive sampling, a non-random sampling technique where the researcher determines the sample by determining special characteristics that are by the research objectives so that it is hoped that it can answer the research problem. The respondents in the research were four influential people in decisionmaking (Decision Makers) on the Triko SP Plus fertilizer marketing at the Sungei Putih Research Unit, including the head of the Sungei Putih Research Unit and three key figures.

The primary and secondary data used in this research are primary and secondary. The following is a brief explanation of the primary data collection method used:

- 1. Observation, namely making direct observations of the research object regarding the environment, business activities carried out, and other things that support research.
- 2. Interview, namely a question and answer process carried out with several selected respondents in the research.
- 3. Questionnaire: This involves providing a list of questions in the form of a questionnaire to selected respondents. The questionnaire involves identifying internal and external factors, rating and weighting, and determining strategic priorities.

Meanwhile, secondary data was obtained through literature studies in the Sungei Putih Research Unit library from several written reports, previous research journals, the Central Statistics Agency, and other library books relevant to the research. Secondary data was also obtained through browsing the Internet to look for articles and other information supporting research.

## **Data Analysis Method**

According to Kotler & Armstrong (2017), the data analysis method used in this research is a qualitative descriptive and quantitative analysis using a marketing concept approach.

# **RESULTS AND DISCUSSION Respondent Characteristics**



Respondent characteristics are the criteria given to research subjects so that the source of information in the research can be targeted appropriately and according to expectations. The respondents in this research are the leader of the Sungei Putih Research Unit, Mr. Jamin Saputra, M.Sc. and other respondents as key respondents. Key respondents know and have various basic information needed in research. The characteristics of this study are differentiated based on age, gender, education, experience, and number of dependents in the family. The following description of the characteristics of the respondents can be seen in the table below. Characteristics of Respondents in the Sungei Putih Research Unit in 2023.

Table 1. Characteristics Of The Respondents.

No	Respondents	Gender	Education
1	Leader Sungein Putih Research Unit	Male	Tertiary Education
2	KSU leader	Male	Tertiary Education
3	PJU leader	Female	Tertiary Education
4	Production Tim	Male	High School Education

Source: Sungei Putih Research Unit, 2023

One of the characteristics of the respondents used in this research is gender; the characteristics of respondents are divided into male and female; from the table above, it can be concluded that the male respondents are 3 people while the female respondents are 1 person. The characteristics of respondents based on education are divided into tertiary and high school. Based on the table above, there were 3 respondents with tertiary education, while there was 1 respondent with high school education.

#### **Identify Environmental factors**

1. Internal Environment

Interviews with respondents revealed six main aspects of marketing Triko SP Plus fertilizer at the Sungei Putih Research Unit.

- a. Financial aspect. Financial sources determine the success in marketing Triko SP Plus fertilizer at the Sungei Putih Research Unit, where financial sources for marketing Triko SP Plus fertilizer at the Sungei Putih Research Unit are from the Sungei Putih Research Unit company itself because there are no financial sources from other parties such as investors.
- b. Economic Aspects. The economic aspect has had a very good impact on the Sungei Putih Research Unit company, where the results from marketing Triko SP Plus fertilizer have become one of the company's sources of income.
- c. Operational Aspects. In terms of location, the marketing of Triko SP Plus fertilizer is considered strategic because it is carried out at the Sungei Putih Research Unit, which is located in a plantation area so that the location is easily accessible to marketing targets for Triko SP Plus fertilizer, most of which is produced for the needs of large plantations.
- d. Marketing Aspect.
- e. The Sungei Putih Research Unit markets SP Plus Triko Fertilizer only with companies that have already collaborated, then with local farmers who come directly to the SP Plus Triko Fertilizer marketing location.
- f. Research and Development Aspects. The results of research in the laboratory show that biofungida can suppress the development of the fungus R. microbus, which causes white root fungus disease in rubber plants, with an average inhibition of 57.62%. Testing in the greenhouse with a combination of 100 g biofunctional treatment and 200 g biofertilizer effectively reduced the intensity of white root fungus attacks by 5.56%. It increased plant growth, as seen from root growth, plant height and dry biomass, which was better than the other treatment. TBM bio fungicide testing showed a reduction in the intensity of disease attacks by 18.33% to 23.33%, which was not significantly

different from the comparative chemical fungicide, and the 20 g/tree fungicide treatment had the highest reduction in the intensity of white root fungus attacks compared to other fungicide treatments. The three tests showed that this bio fungicide effectively controlled white root fungus disease (Kusdiana et al. 2015).

- g. Technical and Technological Aspects. The technical aspects of production still use simple methods, and the technology used in the production of Triko SP Plus fertilizer, such as manual sieves and manual sand carts, is still considered conventional.
- 2. External Environment

Interviews revealed three main aspects of external factors in the marketing of Triko SP Plus Fertilizer.

- a. Social, Cultural, Demographic and Environmental Aspects. The Sungei Putih company's environment is a plantation area. In this area, not only are companies operating in the plantation sector, but also quite a few smallholder farmers who use the plantation area as a source of livelihood. This is an advantage for the Sungei Putih company in marketing Triko SP Plus fertilizer.
- b. Political, Government and Legal Aspects. The government has launched an environmentally friendly agricultural program. The government, through the agriculture and plantation department, is intensifying outreach to farmers to implement environmentally friendly agricultural systems.
- c. Competitive Aspect. Competition for products from outside the region, with the same fertilizer from outside the region, causes competition that is impossible for companies to avoid. The emergence of competitors with better product quality will lead to comparisons with the products produced by the company.

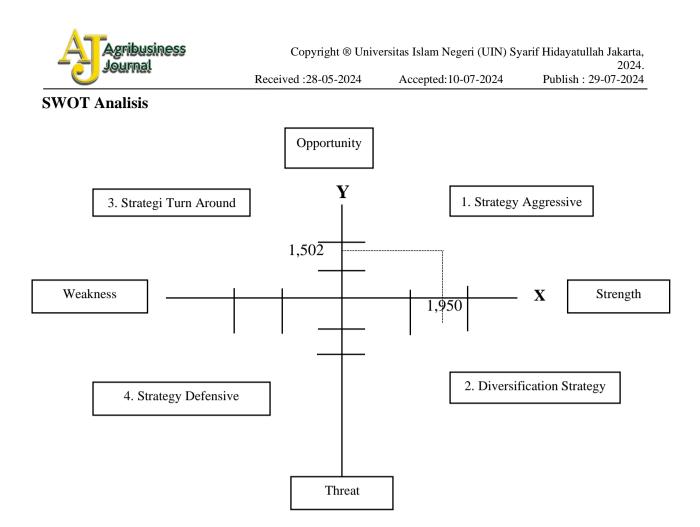
#### **Strategy Formulation**

The internal and external factors previously identified provide an overview of the strengths, weaknesses, opportunities and threats faced in the marketing of Triko SP Plus Fertilizer at the Sungei Putih Research Unit. So, the next step is to formulate a strategy to help market Triko SP Plus Fertilizer and produce the right strategy. Strategy formulation starts from the input stage using the IFAS and EFAS matrix. Then, carry out the matching stage using the SWOT Matrix. The final stage is the decision stage using the QSPM Matrix formula.

IFAS dan EFAS	Strength (S)	Weakness (W)
<b>Opportunities</b> (O)	Strategy (SO)	Strategy (WO)
	=2,521+2,291	= 0,571 + 2,291
	= 4,812	= 2,862
Thread (T)	Strategy (ST)	Strategy (WT)
	=2,521+0,789	= 0,571 + 0,789
	= 3,310	= 1,360

#### **IFAS And EFAS Matrix Analysis Result Table 2.** IFAS and EFAS Matrix

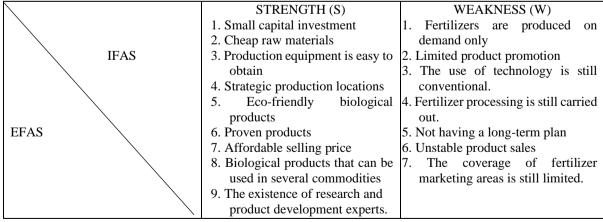
Source: Processed Data, 2023



**Figure 1.** SWOT Diagram Source: Sungei Putih Research, 2023

Based on the SWOT diagram above, the marketing of Triko SP Plus fertilizer (Sungei Putih Research Unit Case Study) is in quadrant I, namely supporting an aggressive strategy. This position is very profitable for the Sungei Putih Research Unit, which has the strength to take advantage of existing opportunities. The strategy that must be determined in this condition is to support aggressive growth policies (Growth-Oriented Strategy).





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<ul> <li>OPPORTUNITIES (O)</li> <li>1. Fertilizers are produced on demand only</li> <li>2. Limited product promotion</li> <li>3. The use of technology is still conventional.</li> <li>4. Fertilizer processing is still carried out.</li> <li>5. Not having a long-term plan</li> <li>6. Unstable product sales</li> <li>7. The coverage of fertilizer marketing areas is still limited.</li> </ul>	S-O STRATEGY 1. Utilizing strategic production locations and the development of digital technology to expand the scope of fertilizer marketing with affordable selling prices and products that have been proven to be effective. (S4,S6,S7,04,O5)	S-O STRATEGY 1. Utilizing strategic production locations and the development of digital technology to expand the scope of fertilizer marketing with affordable selling prices and products that have been proven to be effective. (S4,S6,S7,04,O5)
THREATS (T) 1. Changes in uncertain land use 2. Competition of products from outside the region 3. The emergence of competitors with better quality 4. Consumer demand tends to decrease. 5. Increasingly fierce marketing competition.	S-T STRATEGY 3. Increase capital investment in the context of product development by utilizing research experts so that products are not easily competitive by competitors from outside the region or competitors with better quality. (S1,S9,T2,T3,T5)	W-T STRATEGY 4. Inform about product superiority and create cooperative relationships to minimize the threat of competitors from outside the region or competitors with better product quality. This will allow the company to produce more products because consumer demand increases. (W1,W2,T2,T3,T4,T5).

Source: Processed Data, 2023

#### **QSPM** Analysis

Tabel 5 . QSPM Matrix

Description	Strategy			
	1	2	3	4
STAS 1	6,584	6,069	6,303	6,749
STAS 2	6,187	5,839	5,938	7,077
STAS 3	6,328	6,001	6,065	6,736
STAS 4	6,628	6,329	6,312	6,944
Total	25,727	24,238	24,618	27,506
Strategic Priority Order	2	4	3	1

Source: Processed Data, 2023

#### CONCLUSION

The results of the SWOT analysis showed four alternative marketing strategies for Pupuk Triko SP Plus, namely (1) utilizing strategic production locations and developments in digital technology to expand the marketing scope of fertilizer with affordable selling prices and products that have been proven to be effective; (2) utilizing developments in digital technology to collaborate with the government at every related event so that it can promote fertilizer to gain wider market access; (3) increase capital investment in the context of product development by utilizing research experts so that the product is not easily rivaled by competitors from outside the region or competitors; (4) informing about product advantages and establishing cooperative relationships to minimize the threat of competitors from outside the region or competitors with better product quality so that the company produces more products due to constant and even increasing consumer demand. The main priority of the marketing strategy for Pupuk Triko SP Plus obtained from the results of analysis using QSPM of the four alternative strategies that have been obtained is informing about product advantages and



creating cooperative relationships to minimize the threat of competitors from outside the region or competitors with better product quality so that the company produces more products due to constant and even increasing consumer demand.

Based on the results of research on the marketing strategy formulation of Pupuk Triko SP Plus (a case study of the Sungei Putih Research Unit) in Galang District, Deli Serdang Regency, the suggestions that applying the main strategic priorities that have been obtained from this research, namely informing about product advantages and creating cooperative relationships to minimize the threat of competitors from outside the region or competitors with better product quality so that the company produces more products due to constant and even increasing consumer demand.Companies can also implement other strategies contained in this research.

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