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Boston Consulting Group (BCG) Methode As A Basis For Determining Marketing Mix Strategies At PT Nutriwell Global Jaya

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Abstract: The marketing mix will directly influence consumers to decide on a purchase. Before you can develop a good marketing mix, a company must know its consumers. To find out market conditions, analysis is needed to determine market growth using the Boston Consulting Group (BCG) matrix method which can be used as a basis for analyzing business strategy selection by knowing the business position. The research method used is a descriptive qualitative research method, with data collection techniques in the form of interviews, discussions with business actors, and primary company data as a source of information. The results of calculating the BCG matrix showed that PT. Nutriwell Global Jaya is located in the Cash Cow position. In this position, it means that the product has a high market share but its growth is slowing down. This means that this product is able to generate profits but is stagnant. The company is still categorized as safe and profitable when producing Garena salt, but the investment value is small. Product improvement strategies cannot be implemented. Increasing product value through promotional activities, by shaping consumer perceptions. Achieving new market share through increasing the number of distribution channels. Product lines will be expanded, copying and modifying competitors' strategies. Packaging is formed with the product line concept. The pricing strategy taken is guided by market strengthening and focuses on competitor analysis. Promotional strategies in the cash cow position begin with understanding the purchasing decision stage. Persuasive promotion of the importance of people consuming low sodium salt. The situation was not ideal because the company did not succeed in establishing good communication with the agents, leading PT. Nutriwell Global Jaya for distribution modifications due to changes in consumer behavior (changes in viewpoint), and changes in the interests of distribution implementers, especially online sellers. The company controls marketing channels with a Vertical Marketing System (VMS) with a contractual VMS type.

Keywords: Marketing mix, Cash cow on BCG matrix, product, price, promotion, place

INTRODUCTION

Marketing has become a rapidly developing scientific study. This does not escape the role of marketing in determining the company's success. Companies always need marketing to achieve good sales levels so that profitability is achieved for the company. Without good profitability, the company will have difficulty surviving.

Marketing management does a very important role in analyzing the market and the marketing environment in an effort to create opportunities to seize the market and reduce threats that may occur. The marketing mix is the variable that consumers most believe can influence them in determining purchasing decisions. So currently many marketers are honing their skills to master the marketing mix concept in carrying out a marketing strategy that will be implemented. The marketing mix for products in the form of goods generally refers to the 4P concept, namely product, price, promotion and place. Efforts to the marketing mix are implemented by marketers by seeking a superior product at the start of its existence. PT. Nutriwell Global Jaya realizes positioning and segmentation by presenting products in the form of Garena healthy salt. Garena salt is cooking salt with low sodium content, so it is healthier for hypertension sufferers, and suitable for those on a salt diet.

In 2023, positive and significant growth will occur in health products, as a continuation of community needs after the Covid-19 pandemic. Based on news excerpts retrieved from <https://pressrelease.kontan.co.id/news/jelang-hkn-tokopedia-bagikan-tren-belanja-online-produk-kesehatan-kuartal-iii-2023>, to inform that businesses in the health sector produce sustainable business growth. Health became one of the best-selling product categories on Tokopedia throughout the third quarter of 2023, where transactions of a number of health products increased more than 11 times. This condition spurred PT Nutriwell Global Jaya to take part in enlivening business growth in the health supplement sector. Garena salt, a superior product from PT Nutriwell Global Jaya, has been produced since 2016 and is marketed through the Farmaku pharmacy network. In 2018, Garena's salt marketing distribution channels began to develop with new roles from agents, online sales by the company itself, and by partners, pharmacies, herbal shops and supermarkets.

In the period 2016 to 2023 PT. Nutriwell Global Jaya is working hard to market Garena so that it is well received by consumers, sales channels have been built, with market expansion covering the island of Java and Kalimantan, product development with various packaging sizes, namely 200 gr, 400 gr, and 1,000 gr. Efforts to build Garena's salt marketing mix are also carried out by setting good prices and reliable promotional strategies. Price strategies are carried out through penetration pricing, competition-based pricing, geographic-based pricing, and pricing using leasing strategies. Promotional efforts that have been carried out are through personal selling and bottom line media advertising. The location component is the activity of determining and managing marketing channels in distributing products or services to serve the target market so that consumers can meet their needs. The elements related to location include channel systems, reach, inventory location and transportation. Approaching almost a decade of age, Garena Salt is expected to be able to grow and develop to be at the forefront among its competitors. Efforts to achieve all of this require PT. Nutriwell Global Jaya to have the right strategy to build 4P elements in its marketing mix. This marketing mix will directly influence consumers to decide on a purchase. Before being able to develop a good marketing mix, a company must know its consumers well. Companies must be able to analyze how consumers place their products, whether they have been accepted or not. To find out market conditions, analysis is needed to determine

market growth using the Boston Consulting Group (BCG) matrix method which can be used as a basis for analyzing business strategy selection by knowing the business position. This background aims to ensure that the management of PT. Nutriwell Global Jaya can create the right strategy because it already knows the business position described in the BCG matrix. It can produce a business portfolio by considering the relative market share position and industry growth rate, so that it will become the basis for management to determine decisions regarding the 4P marketing mix strategy (Product, Price, Promotion, Place) for the development of the Garena salt market. So this research was carried out with the title, "Boston Consulting Group (BCG) Method as a Basis for Determining Marketing Mix Strategies at PT Nutriwell Global Jaya." This research is limited to the problem of preparing a 4P marketing mix strategy, based on the company's portfolio position on the BCG matrix based on company data for 2021 and 2022.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Marketing Management is two different sciences, in its implementation it is often combined into a collaborative collaboration, between the functions in management science and marketing science. Napitupulu and Tapiomas (2021: 1), quotes the opinion of Philip Kotler and Gary Armstrong regarding the meaning of marketing management, namely the activities of analyzing, planning, implementing and supervising all activities, in order to obtain a profitable level of exchange with target buyers in order to achieve the goals of an organization.

Marketing Mix is a tool that can determine the level of marketing success for a company, by seeking satisfaction of consumers or selected markets (Napitupulu and Tapiomas, 2021: 195). The marketing mix will manage the elements of product, price, promotion and location so that they can influence consumer purchasing decisions with the aim of producing and selling products and services that can provide satisfaction to consumers. The marketing mix components for products in the form of goods consist of 4Ps (product, price, promotion and place). In the product component, marketers must pay attention to consumption not only as purchases without motivation, but purchases made based on needs, desires, and adding value to benefits. The price component is formed from consumer perceptions and several references, namely the price of other products, changes in purchasing time, and the purchasing environment (Napitupulu and Tapiomas, 2021:199). The promotional component can be said to be a form of persuasion through the use of various media that can be arranged to stimulate immediate product purchases and/or increase the number of goods purchased by customers (Sitorus and Utami, 2017:6). Determining the location of an industry or business really depends on the industry's objectives, capacity, and the type of industry or business being run. The strategy is to determine a location with low costs, good security, and good acceptance from the community (Purnomo, 2017:77).

Boston Consulting Group (BCG) consists of four quadrants which aim to describe the position of a strategic business unit seen from two perspectives, namely market growth and market share (Maulida, et al, 2021: 108). The four quadrants, namely: Dog condition is low market share and low growth rate, Question mark condition is relatively low market share, with market growth that can be sought to grow, Star condition is high market share, with high industry growth rate Also, dairy cows have a relatively high market share, but industry growth is slow. Formulating a strategy in the marketing mix requires strategic analysis first. Strategy analysis consists of three stages, namely input, adjustment, and decision. The BCG matrix is part of the adjustment stage (second stage). If the first stage is felt to be just an initial analysis with no clear direction, then in this second stage the strategy formulation has

begun to find a bright spot. The adjustment stage is the creation of alternative strategies by considering external factors and internal factors as the main ones (Maulida, 2021:104).

Based on the facts in background, a hypothesis was formed that predicted PT. Nutriwell Global Jaya has implemented the marketing mix strategy, but had analysed yet the company's portfolio position on the BCG matrix. This hypothesis is based on research previously conducted by Sulasih (2020), the company is in quadrant 1, namely a question mark, which means the company must strengthen its division and implement strategies such as market penetration, product development, or its product remains, so the company must try to increase sales while the level of competition is getting higher.

METHODS

The research method used is a descriptive qualitative research method, with data collection techniques in the form of interviews, discussions with business actors, and primary company data as a source of information. Data and information collection was carried out for the following variables: sales and production data of PT Nutriwell Global Jaya for the period 2021 and 2022 as data in determining the quadrants in the BCG matrix, strategies that have been implemented by PT. Nutriwell Global Jaya on the elements of the 4P marketing mix, namely product, price, promotion and place. Based on the facts found, they can then be constructed into a hypothesis or theory. So in qualitative research, data analysis is carried out to build hypotheses (Abdussamad, 2021:80). The descriptions obtained in this research are in the form of words, pictures and data. To facilitate descriptive analysis, we will use the 5W 1H structure (what, where, when, who, why and how). This research design is based on data for the period 201 and 2023 to be able to study strategies in 2023.

RESULT AND DISCUSSION

PT. Nutriwell Global Jaya is located on Jalan Palem Manis Raya, Pergudangan Sentra Prima Park RT 04/RW 03. Jatiuwung District, Tangerang City, Banten. The product produced is Garena salt, namely table salt used for daily cooking with low sodium content, the sodium is reduced by 40% compared to table salt in general. Garena salt has size variants of 200 gr, 400 gr and 1,000 gr. Garena salt had distributed in Java and Kalimantan area. It has distributed by the partnership not the branch company. At the time being the lowest retail prices in today's business conditions are the most difficult problem to control. Online sellers move very uncontrollably in setting market prices, so that PT. Nutriwell Global Jaya, experienced difficulties in building an agency. PT. Nutriwell Global Jaya decreased by 10% from 2022 to 2023, among which the largest number of freelance agents is from the East Java region. The agents divested themselves after feeling prices were corrupted in the online market. Promotions that can be carried out by PT. Nutriwell Global Jaya collaborates with Siloam Hospital through bottom line media, namely by having a special contract to open a promotional booth in the Siloam Hospital network in the Jakarta area.

Next relates to competitor analysis is needed to determine market competition. Garena salt as a healthy salt product has only 1 brand as its main competitor, namely Lososa salt. Lososa salt is produced by PT. Garam Persero (BUMN), Lososa salt is present as the first healthy low sodium salt product in Indonesia as a local product, previously on the Indonesian market there was already a healthy low sodium salt product but the imported product was Nutrisalt salt. Lososa is marketed using the Kimia Farma Pharmacy network and together with PT products. Kimia Farma, which is also a state-owned company. Since

2015 PT. Garam Persero has opened opportunities for agents and individual distributors to market Lososa salt.

Tabel 1. Sales data Garena salt

	At 2021 (pcs all variant)	At 2022 (pcs all variant)
Total product sales	300.000	317.000
Total product sale's competitor	478.000	510.000

Source: Primary Data 2023 PT. Nutriwell Global Jaya (Marketing division)

BCG matrix calculation for Garena salt products.

Formula:

1. Market share against main competitors.

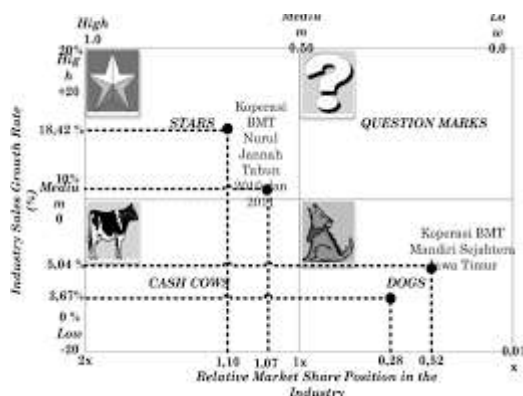
$$\text{Market share} = 317,000 / 510,000 = 0.621$$

This means that the calculation result of Garena's salt training market share compared to competitors is 0.621. Shows that Garena salt has a lower market share than its competitors, because its relative market share value is smaller than 1.

2. Market share of market growth

$$\text{Market growth 2021 to 2022} = ((317,000 - 300,000) / 300,000) * 100\% = 5.67\%$$

So Garena salt has a market growth rate of 5.67%, and a relative market share of 0.621. So Garena's salt position in the BCG matrix is as follows



Picture 1. Matrix BCG

The results of calculating the BCG matrix showed that PT. Nutriwell Global Jaya is located in the Cash Cow position. In this position, it means that the product has a high market share but its growth is slowing down. This means that this product is able to generate profits but is

stagnant. The company is still categorized as safe and profitable when producing Garena salt, but the investment value is small.

Marketing mix strategy based on Cash Cow position for PT. Nutriwell Global Jaya, can be described as follows. The product is an offer from the manufacturer that can satisfy consumers, Garena salt satisfies consumers because it is a healthy salt with low sodium. Garena salt is a product in the consumer goods category, and is included in the shopping goods group (Fakhrudin, et al, 2022:6). Because it is included in the shopping goods category, where consumers must go through the purchasing decision stage, namely the problem recognition stage, information search, alternative evaluation, purchasing decision and post-purchase behavior (Kotler and Keller, 2009: 184). The position of a cash cow means that the product must be given more attention to be able to provide maximum profits. The stagnant situation means that the company must take a firm stance, namely that the product must be evaluated so that it can be more accepted by new market shares, or increase other investments for the company. This is done considering that companies must increase the value of their investments to maintain the stability of company assets. Product strategy that can be implemented by PT. Nutriwell Global Jaya by increasing product value, expanding product lines, and imitating or modifying competitors' strategies. For Garena Salt, when implementing a product improvement strategy, this cannot be done, because the sodium content composition has decreased by 40%. If you change this, it will change the entire product concept, because this is a health supplement product, so it is easy to modify. Increasing product value requires support from promotional activities, through forming consumer perceptions. Reaching new market shares is done through increasing the number of distribution channels. The product line will be expanded by PT. Nutriwell Global Jaya with the presence of the Vimala brand for Himalayan salt, aims to introduce new products and get new customers, attract existing customers, as well as create a competitive advantage or as an effort to increase its market share. Extensively imitate and modify competitors' strategies, not with Lososa salt as the main competitor, but by paying attention to the strategies of fellow health supplement products. Lososa has the advantage of being the first, and has wide distribution channels throughout Indonesia, following the marketing of PT products. Kimia Farma. Garena's salt cannot follow this, and this is also why branding efforts have not brought maximum results. Other health products more often use a product strategy by building a perception of need for product benefits, this is done by utilizing collaboration with business units in the health sector, where PT. Nutriwell Global Jaya has collaborated with Siloam Hospital to place promotional booths. This method will be strengthened by involving other health units, including hospitals, sports facilities, slimming clinics that accommodate diet salt consumption patterns, and other forms of health units related to the benefits of Garena salt itself. Garena salt packaging was formed by PT. Nutriwell Global Jaya has the main consideration in calculating the amount of household salt needed, so by analyzing the packaging of other cooking salt products, Garena salt comes in sizes of 200 gr, 400 gr and 1,000 gr. The packaging applied for the three sizes is the same, as an effort by the company to communicate that the product is part of its product line. Even the Vimala Himalayan salt packaging also applies the product line/similar concept (Fakhrudin, et.al, 2022:8).

The position of cash cows means that the pricing strategy adopted is guided by market strengthening. The company must not be careless in the slightest, so that the situation does not decline. This can be achieved by determining a form of pricing that is in

line with the company's profits, but must focus on competitor analysis. This is done because Garena's presence must be able to disrupt competitors' markets, because there are not many similar products on the market. So consumers are not given the opportunity to choose price variations. This will be continued with the company implementing studies to analyze the needs and problems faced by the company's target audience. The company pays attention to feedback on price requests, criticism and suggestions from consumers. PT. Nutriwell Global Jaya still has big work on competition-based pricing based on customer pricing, the company cannot do much to change prices beyond the limits accepted by consumers, in this case consumers will always compare it with Lososa salt (Fakhrudin, et.al, 2022: 42).

Building a promotional strategy in a cash cow position begins with understanding the purchasing decision stage. Promotions are built by paying attention to the first stage of the purchasing decision, namely problem recognition. Persuasive promotion of the importance of people consuming low-sodium salt is the main key to promotional material for Garena salt. Building persuasive promotions is by adding promotional media, so far promotions have only been carried out with bottom line media. Good relationships with customers must be built so that customers understand the benefits of Garena salt. PT. Nutriwell Global Jaya also added distribution channels. Collaboration with these agents is really needed to increase Garena's salt market share.

The location of the company in its position as a cash cow means that the company needs to pay close attention to where near and far locations affect production costs, distribution channels where a combination of sales and purchases work together to process and move products and services from producers to consumers (Fakhrudin, et.al, 2022:21). Garena's salt marketing channels will experience a decline in 2023, especially in the East Java region. Destroyed selling prices due to the online market have resulted in several agents deciding to stop selling Garena salt. This is a situation that is not ideal because the company has not succeeded in establishing good communication with the agents. Agents who have high demand are apparently able to damage market prices. The company has marketed Garena salt with 3 types of distribution, namely: consumer producer, consumer retail producer, and consumer retailer agent producer. The position of the dairy cow directs PT. Nutriwell Global Jaya for distribution modifications due to changes in consumer behavior (changes in viewpoint) and changes in the interests of distribution implementers. The company controls marketing channels with a Vertical Marketing System (VMS) with a contractual VMS type. An agreement with the agent should prevent miscommunication. Damage to market prices can be prevented by agreement on the agency contract.

CONCLUSIONS

The results of calculating the BCG matrix showed that PT. Nutriwell Global Jaya is located in the Cash Cow position. In this position, it means that the product has a high market share but its growth is slowing down. This means that this product is able to generate profits but is stagnant. The company is still categorized as safe and profitable when producing Garena salt, but the investment value is small. The position of a cash cow means that the product must be given more attention to be able to provide maximum profits. The stagnant situation makes the company take a firm stance, namely that the product must be evaluated so that it can be more accepted by new market shares, or increase other

investments for the company. Product improvement strategies cannot be implemented. Increasing product value through promotional activities, by shaping consumer perceptions. Achieving new market share through increasing the number of distribution channels. The product line will be expanded by PT. Nutriwell Global Jaya with the presence of the Vimala brand for Himalayan salt. Imitate and modify competitors' strategies not only on Lososa salt, but by paying attention to the strategies of fellow health supplement products. Garena salt packaging was formed by PT. Nutriwell Global Jaya has the main consideration in calculating the amount of household salt needed, the packaging applied for these three sizes is the product line concept. The position of cash cows means that the pricing strategy adopted is guided by market strengthening. The company must not be careless in the slightest, so that the situation does not decline. This can be achieved by determining a form of pricing that is in line with the company's profits, but must focus on competitor analysis. Building a promotional strategy in a cash cow position begins with understanding the purchasing decision stage. Promotions are built by paying attention to the first stage of the purchasing decision, namely problem recognition. Persuasive promotion of the importance of people consuming low-sodium salt is the main key to promotional material for Garena salt. The location of the company with a position in cash cows, apparently experienced by PT. Nutriwell Global Jaya's situation is not ideal because the company has not succeeded in establishing good communication with the agents. The position of the dairy cow directs PT. Nutriwell Global Jaya for distribution modifications due to changes in consumer behavior (changes in viewpoint), and changes in the interests of distribution implementers, especially online sellers. The company controls marketing channels with a Vertical Marketing System (VMS) with a contractual VMS type.

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