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Marketing Models And Strategies For Frozen Food-Based Agricultural Products In The New Normal Era

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Abstract

The marketing of frozen food products from agriculture / fisheries is very good with the increase in world per capita product consumption every year and the need for people to live healthy, hygienic and practical lives is getting higher. However, since COVID-19 became a world pandemic, consumer behavior towards the consumption of frozen food products such as frozen fish, frozen meat, frozen vegetables and processed frozen agricultural/fishery products has changed both regarding channels and marketing mix in facing the new normal era. This study aims to identify models and strategies carried out by frozen food-based agricultural product business actors in marketing their products in the new normal era. Determination of regional samples (Makassar, Maros and Gowa districts) and respondents purposively. The number of samples used in this study was 20% of the total frozen food-based agricultural product business actors. The analysis methods used are: qualitative descriptive analysis. The results showed that the marketing of frozen food-based agricultural products business applies the ice cream business model with the application of 5 (five) marketing strategies so that the business can survive in the new normal era. This study suggests that policies from the government that are fast and responsive can help provide business capital assistance to anticipate the potential bankruptcy of frozen food-based agricultural product businesses.

Keywords: model, marketing strategy, frozen food, new normal

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INTRODUCTION

The agricultural sector has a large multiplier effect through increased input-output-outcome between industries, consumption and investment. Agricultural development in Indonesia has a very important role in the nation's economy. Agricultural development in Indonesia has a very important role in the nation's economy (Mukhlis et al, 2022). The new strategy for agricultural development is to improve the quality and skills of human resources as active workers in integrated agricultural development (Mukhlis, 2023). Advancing Indonesia's agricultural sector requires integration into macroeconomic policies as well as improvements at the micro level of farming and agribusiness (Arifin, 2004). The marketing pattern of agricultural products always changes along with the growth and development that occurs in the structure of production and consumption, and has a close relationship with economic development because the marketing of agricultural / food products is one of the sub-systems in the economy as a whole (Mursid, 2017).

The increasing number of world population with people's needs and desires for healthy, hygienic and practical lives is getting higher causing marketing prospects and increasing consumption of frozen food products from agriculture per capita in the world every year to be better (Helen, 2021). However, when the WHO (*World Healthy Organization*) announced that COVID-19 is a world pandemic, consumer behavior in various business sectors is changing. People have felt that the COVID-19 pandemic has had a tremendous impact, especially the economy. The economy of the people is declining. Various levels of society in Indonesia feel the impact of the spread of the corona virus. The COVID-19 pandemic situation provides challenges as well as opportunities for MSMEs, including frozen food product business actors, to maintain their existence and maintain their business (Sela and Habiburahman, 2022).

Pamungkas *in* Rohmah (2020) explained that the condition of the coronavirus crisis situation, consumer behavior began to change. Given that this pandemic threatens basic human needs, namely self-security. So that consumers try to save themselves by having as much food and beverage stocks as possible. Meeting the needs of food and beverage stocks has also changed. If previously consumers could still walk or drive to buy, due to the virus pandemic, consumers had to buy online. Even if purchases are made offline, consumers tend to choose to buy needs that are close to each other.

Habibi (2020), the new normal can be interpreted as a condition and/or social habits of the community or individual behavior that arises after COVID-19 is over. Furthermore, Maltz (2015), set 21 days to form new habits in the publication of his

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research in the *European Journal of Social Psychology* (*researchgate.net*), while Lally et al. (2010) set an average of 66 days to change habituation into habits

This study identifies models and strategies carried out by frozen food-based agricultural product business actors in marketing their products in the new normal era. The results of this study can be used as a reference for consideration in the development of frozen food-based agricultural product marketing in South Sulawesi province after the COVID-19 pandemic ends.

RESEARCH METHODS

Time and Place

The research was carried out for 3 (three) months, July – September 2022 in South Sulawesi Province in three regencies/municipalities, namely Makassar, Maros and Gowa regencies. The location of the study was determined *purposively* (Sugiyono, 2017) with the consideration that the three regions had a greater impact of the Covid-19 pandemic compared to other regions in South Sulawesi province.

Data Types and Sources

The type of data used in this study is qualitative data. The data sources used are primary data and secondary data (Arikunto, 2017). Primary data is data with sources obtained directly from observations in the field. The primary data collected include data on the volume of purchases and sales, types of frozen products, prices, ways of promotion, places of sale and others. Secondary data, namely data obtained indirectly or through intermediary media through books, journals, or archives / documentation from data collection agencies / agencies from various agencies related to research, namely: marine and fisheries office, trade and industry office, BPS and others) both at the central, provincial and district levels. Secondary data collected include: business profile and organizational structure, trends in people's food needs from frozen agricultural products and others.

Data Collection Methods

The data collection method used in this study was through observation and documentation. Primary data using observation method. Observations are carried out in the field by making direct observations of the objects studied to obtain data in accordance with actual conditions in the field through filling out questionnaires, interviews, and

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documentation. Secondary data, using documentation methods indirectly from data collection agencies / agencies from various agencies related to research.

Sample respondents (frozen product-based agricultural product business actors), the number of samples used in this study was 20% of the total frozen food-based agricultural product business actors. The consideration of taking this number of samples is in accordance with the opinion of Gay in Lestari (2014) that the minimum acceptable sample size based on the research method used, namely the descriptive method, is at least 20% of the population. If the population is more than 100, samples can be taken by 10-15% or 15-25% (Arikunto, 2017). The sampling procedure is through a *random sampling* process with a total sample of 60 frozen food-based agricultural product businesses.

Data Analysis

The data analysis used is qualitative descriptive analysis. This research is a qualitative and quantitative research classified as descriptive research that aims to solve the problem under investigation by describing the state of the subject or object in the study can be people, institutions, society and others who are currently based on facts that appear or are what they are (Arikunto, 2017).

RESEARCH RESULTS AND DISCUSSION

Research Site Overview

1. Place and Area of the Region

Makassar Municipality is geographically located between coordinates 119° 18' 27.97" to 119° 32´31.03" east longitude and 5° 30´18" - 5° 14' 49" south latitude. Maros Regency is geographically located between coordinates 5°01'04.0" South Latitude and 119°34'35.0" East Longitude while Gowa Regency is geographically located at 5°33' - 5°34' South Latitude and 120°38' - 120°33' East Longitude. The three regions are low areas where 60% of the area has an altitude of less than 100 meters above sea level.

2. Population

The population of Makassar Municipality in 2019 is ± 1,469,601 people. Maros regency has a population of around 339,300 people while Gowa district is around ± 751,981 people in 2018. The three regions have a population of around 40–55% in business and services.

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Characteristics Responden

1. Age

The age classification of respondents shows that 85% of frozen product-based agricultural product business actors in Makassar Municipality, Gowa and Maros districts are in the productive age category, which is between 16-50 years old, and 15% are 51 years old or over 57 years old. Widjajanta (2017) suggests that young age is relatively stronger than that of elderly people, which includes the economically productive age of 15 years to 50 years.

2. Education

The level of education possessed by respondents in Makassar Municipality, Gowa and Maros districts shows that 50% of business actors have completed their education from elementary to high school levels.

3. Effort Experience

An overview of respondents' experience in running their business shows that 86% of frozen product-based agricultural product business actors have between 5 – 10 years of business experience. This shows that respondents have matured in experience, so they are very likely to improve their business management in the future

Marketing Channels

Market players involved in the marketing process of frozen food-based agricultural products business in South Sulawesi province consist of producers, store agents, company agents, and end consumers This is in line with the findings of Abdullah et al. (2023). The role and function of market participants depend on their respective main tasks.

Farming activities as well as marketing activities for agricultural raw materials to be processed into frozen products are carried out by producers (Kotler and Keller, 2016). Furthermore, producers market their products through several alternatives, namely around 4.5 - 7% directly to the end consumer, 53.5% - 75%, raw materials are sold to company agents, then the company sells frozen products based on agricultural products to store agents, then sold to end consumers and 24.5% - 35.5% of raw materials are sold to store agents and then frozen agricultural products are sold to end consumers.

Traders (store agents) who usually live near the location of producers buy raw materials from producers in three ways, namely producers directly bring raw materials to

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store agents, store agents come to producers and store agents buy from company agents freely or through cooperation..

Based on the survey results, it can be explained that the marketing channels for frozen product-based agricultural products in South Sulawesi province consist of 3 (three) marketing channels, in line with the research of Abdullah et al., (2023), as presented in Figure 1.

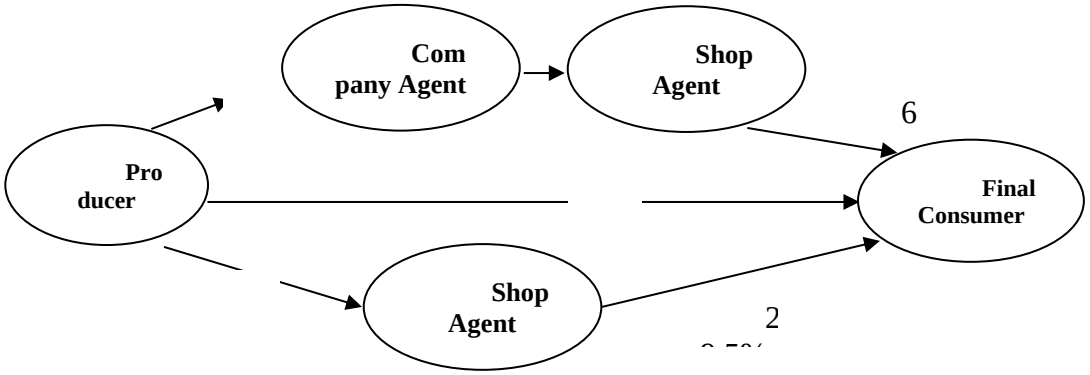


Figure 1. Results-Based Frozen Food Product Marketing Chain Agriculture/Fisheries in South Sulawesi Province

Source : Abdullah (2023)

Based on Figure 1, the first channel, is the shortest channel averaging 6.0 percent. Producers of raw materials and as traders who sell directly to end consumers in Makassar, Maros and Gowa regencies. The third channel still dominates the marketing channel with an average percentage of 64.5 percent.

Application of Marketing Mix of Frozen Food-Based Agricultural Products Business

Frozen food-based agricultural product business actors in the new normal era apply the 4 P + 1 S principles, namely: *Product*, *Price,* Distribution*,* Promotion and Service. In line with the research of Abdullah et al (2023), the elements of the marketing mix applied to frozen food businesses in the new normal era are:

Product

Modern food systems – characterized by geographic spread and global value chains – would not function without packaging (Damayanti and Mandiri, 2019). Food

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packaging is very important; e.g. for food containment and protection, comfort and communication (Marsh and Bugusu, 2007) in Andberg and Åkerman (2021). All frozen products are packaged using special plastic packaging and some products use vacuum packaging before sale. Examples of frozen food products that are research findings are: nuggets, meatballs, dumplings, risoles, empek-empek, and others.

Price

The selling price of frozen food products is reduced by about 5 – 25 percent from the standard price that has been set previously to keep consumers shopping. The price reduction strategy for frozen food products has no effect on the prices of 5 staple foods, namely: rice, cassava, corn, soybeans and bananas (Riyadh, 2018).

Place

Distribution is a distribution channel that producers use to distribute goods so that they can reach consumers or industrial users**.** The distribution pattern carried out is the same as the distribution pattern in other food products such as Tongkol fish (Nuriati, 2018), Water Guava (Iswahyudi and Sustiyana, 2019) and Rice based on the results of research by Suminartika and Iin (2017) and Arbi (2018).

Promotion

The effect *of social distancing* and the narrowing of buying and selling spaces between sellers and buyers *in offline* stores make this online system one of the effective ways to *survive* in the midst of a pandemic. Even though it has been "new normal" and offline shops have reopened, still people's behavior and activities have not fully returned to normal. Business people who have previously had an online business, it is not a difficult challenge because they must have tried to overcome and conduct trials, but for business people who have never tried online platforms before, they will feel various difficulties (Abdullah, 2023). People will continue to rely on the online system because in addition to *being convenient*, this is also minimal risk. This needs to be emphasized to business actors, they must start penetrating online sites as a place to open a new business.

Service

Customer service / consumers of frozen products such as nuggets, meatballs, dumplings, risoles, empek-empek is a profession whose role is to provide service to

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customers before, during, or after the purchase of frozen products. Activities offered by organizations or programs to consumers, are intangible and cannot be owned or are activities of providing services from one party to another. The services provided according to Abdullah (2023), that business actors are generally related to communication services with customers *through social media such as advertisements, websites, istagrams, WA groups, youtube and others, presenting* new concepts in service *and* customer journey *as* well as services in practical payment facilities through collaboration with financial service providers. This is in line with research conducted by Dirbawanto et al. (2022), using Instagram as a marketing channel to introduce, promote, and sell a company's products is not enough to get a high sales volume. Companies must take advantage of technological developments to compete in the market and create a sustainable business in the new normal era.

Business Marketing Model of Frozen Food-Based Agricultural Products in the New Normal Era

Other things that became findings in the study were several suppliers / business actors of frozen food-based agricultural products carrying out an Ice Cream marketing model so that their businesses continue to exist in the new normal era with an approach pattern, namely:

1. Changing the concept of frozen business that focuses on becoming a healthy food business;
2. Increase the dissemination of information and communication through various social media according to the target customer and the desired target area so that the business existence is known;
3. Utilizing Go-food, Grab-food, and Manganese-food;
4. Carry out strict health protocols for business locations so that employees and foodstuffs are safe and maintained cleanliness and health;
5. Presenting a new concept, take-away and storeable menus such as frozen food and dry food;
6. Maximizing digital marketing through the use of the ghost restaurant concept. Expensive location rental efforts with the aim of opening a new culinary business were reduced.

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Business Marketing Strategy for Frozen Food-Based Agricultural Products in the New Normal Era

The results showed that there are 5 marketing strategies applied by frozen food business actors during this new normal condition, namely::

1. Communicate with *customers* through social media such as advertisements, websites, youtube and others;
2. Presenting a New concept in service and customer journey;
3. Provide specific products that provide strategic benefits;
4. Provide practical payment facilities through cooperation with financial service providers and;
5. Bringing products closer to consumers.

CONCLUSION

Marketing of frozen food-based agricultural products business applies the ice cream business model so that its business can survive in the new normal era. The pattern of approach taken: changing the concept of frozen business that focuses on becoming a healthy food business, increasing the dissemination of information and communication through various social media according to the target customer and the desired target area, utilizing Go-food, Grab-food, and Mangan-food., carrying out strict health protocols for business locations and employees, presenting new concepts, take-out and storeable menus, and maximize digital marketing.

Marketing strategies applied by frozen food-based agricultural product businesses: communicating with customers through social media, presenting new concepts in service and customer journey; providing specific products that provide strategic benefits; providing practical payment facilities through cooperation with financial service providers and bringing products closer to consumers.

Suggestion

Fast and responsive government policies are needed to be able to help provide business capital assistance to anticipate the potential bankruptcy of frozen food-based agricultural product businesses.

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Thank You Speech

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