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# Marketing Communication Strategy of PT. Samudra Kencana Mina in Sidoarjo in Building Brand Awareness

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### Abstract

Indonesia has great potential in the marine sector because of the extraordinary wealth of marine resources, especially in the fisheries sector. PT. Samudra Kencana Mina saw this potential which later became the basis for choosing the fish processing industry as the company's core business. PT Samudra Kencana Mina is a national company engaged in the processing industry, exporters and fish trade with the main product being preserved intact fish, which is trying to build brand awareness so that it is better known by the market because currently the name of PT Samudra Kencana Mina is not well known by the market. . This study aims to understand the marketing communication strategy used by PT. Samudra Kencana Mina in building brand awareness. The method used in this research is qualitative. In data collection techniques, researchers used interviews and other data (documentation, data from PT. Samudra Kencana Mina and then tested using data triangulation theory. The results of this study prove that PT Samudra Kencana Mina is known for having superior frozen octopus products and conducting marketing activities using direct marketing, personal selling and word of mouth in building brand awareness in accordance with the company's capabilities.

## Keywords

strategy; marketing communications; brand awareness



# **I. Introduction**

Economic activities that are not always profitable have led to various efforts made by the state to increase export activities as one of the supporting important economic activities. The Indonesian government has taken various ways to increase the search for sources of foreign exchange. The purpose of export activities is also to increase opportunities to open new markets and be able to compete in international competition. (Sutedi, 2014).

For the business world, this position has a strategic role as a link to the marketing chain, processing of advanced products, and information on the development of the capture fisheries industry. Because of the capital they have, the business world should be able to cooperate with fishing groups and the government to jointly develop their business. This is important because the business world in the fishing industry will not be possible to develop if there is no cooperation between fishermen and the government. The point is, these three things have an importance and certainly an important role in the success of the fishing industry in Indonesia. (Asiati & Nawawi, 2016).

In practice activities utilizing fishery resources, it can be through using businesses in the field of capture fisheries and fish cultivation. Fishery business is carried out by individuals for catching or cultivating. Business activities ranging from storage processing, cooling or preserving for the purpose of selling and making a profit. (Intyas & Abidin, 2018).

For marketing in the fisheries sector, Indonesia has great potential because the sector has an important and strategic role to contribute to national economic development in Indonesia which is considered a maritime country. Marketing is considered as a system of flowing goods from producers to consumers through various marketing channels and needs the role of the government as a mediator between producers and consumers. (Abidin, Harahab, & Asmarawati, 2017).

Taking into account the potential of fisheries in Indonesia, supported by geographical conditions and the government's partisanship embodied in provisions and regulations, places the fishing industry into a promising business opportunity. PT. Samudra Kencana Mina is a national company engaged in the processing industry, exporters and trading (trading) of fish with the main products being preserved whole fish and processed products such as Seafood Processing, Octopus Supplier. And has a license for processing types of cephalopod fish (octopus, squid, cuttlefish and others) and tilapia (fresh water fish). (PT SKM, 2020).

PT. Samudra Kencana Mina has obtained processing certification for category "A" which includes Processing Feasibility Certificate (SKP) and Hazard Analysis and Critical Control Point (HACCP) so that it has the opportunity to be able to export to various countries in the world such as China, Russia, Canada and European Union countries. PT. Samudra Kencana Mina has a license for the processing of cephalopod fish (octopus, squid, cuttlefish and others) and Tilapia (freshwater fish). (PT SKM, 2020).

The main commodity which is the flagship business of PT. Mina's Golden Ocean is Frozen Octopus (Frozen Octopus). The majority of clients owned by PT. Samudra Kencana Mina comes from foreign countries, especially countries in the European Union region for the Frozen Octopus type. Cephalopod fish are the leading fishery export commodities after shrimp and Tuna-Tongkol-Cakalang (TTC). In the January – September 2018 period, Indonesia's cephalopod fishery exports reached USD 371 million or 10.53% of the total value of Indonesia's fishery exports. This makes the business potential that is being carried out by PT. Samudra Kencana Mina is very promising and has high potential if managed better in the future. (PT SKM, 2020).



*Figure 1. Frozen Octopus* Source: Author's internal data, 2021

PT. Samudra Kencana Mina has a license and adequate facilities so that it has enormous potential to continue to grow in the fishing industry. The superior product owned by PT. Samudra Kencana Mina is a frozen octopus whose majority of its sales are exported to European Union countries. Because the commodity of octopus to be used as food ingredients is not very attractive to the people of Indonesia.

After knowing that their superior product is a product that is not popular enough in Indonesia, PT. Samudra Kencana Mina needs to think about how to expand the market so that its products can also be demanded in the domestic market.

Corporate communications are much broader. Marketing communications are focused on customers or potential customers and rely (mainly) on certain paid media to convey the message, corporate communications must deal with a variety of different audiences, including an important emphasis on communication with employees and not limited to paid media. (Percy, 2018).

A competitor company from PT Samudra Kencana Mina is successful in maintaining relations with its partners. This is related to brand awareness that the product from Manajemen Mina Laut as a competitor has been trusted by many restaurants and hotels in Indonesia. PT Samudra Kencana Mina is also able to practice marketing communication strategies in building brand awareness for the international market because it already has a processing license and overseas partners. By implementing a marketing communication strategy that is in accordance with the company's capabilities, PT. Samudra Kencana Mina needs to build its brand awareness

This research is supported by two previous studies which are used as references. The first reference is the research that has been done by Nur (2017). The results of this study indicate that the Gonggong "Lawana" batik to build brand awareness is by segmenting from adults to children specifically for those who like batik and positioning has a unique style and many choices. The marketing communication strategy used is through advertising, personal selling, public relations and direct marketing. This is in accordance with the research the author did that personal selling and direct marketing can create brand awareness. Tjahyono's research (2014) shows that structured research conducted by the marketing communications division can measure the results of the promotions carried out.

The theory used in this research is marketing communication theory. According to Hermawan, (2012) suggests that integrated marketing communication is a marketing communication planning concept that recognizes the added value of planning that reviews the strategic role of each form of communication such as advertising, direct marketing, sales promotion, and public relations to produce clearer messages. , directed and maximum impact in communication through message integration.

Therefore, in this theory we can see an overview of two important elements that help researchers in solving research, namely direct marketing, sales promotion through marketing communication strategies that are carried out. Tjiptono (2019) stated that an integrated marketing communication strategy is concerned with planning, implementing and controlling persuasive communication with customers. The strategy is formed for the purposes of planning personal selling, advertising and sales promotion. The strategies responded include: how much money should be prepared for the promotion needs of a product, how to distribute it among the specified promotional mix, how to decide what media to choose, and how to plan an effective marketing program.

The relationship between this research and marketing communication theory is how companies create a marketing communication strategy related to brand awareness by knowing how the relationship between the application of marketing communication strategies to building brand awareness.

### **II. Research Method**

This research method uses a qualitative approach. The subjects in this study were resource persons from internal and external parties of PT. Mina's Golden Ocean. The object of this research is how to implement the implementation of marketing activities at PT SKM by using word of mouth, personal selling and direct marketing.

Researchers used primary data from data sources by using in-depth interviews with internal sources, external sources, and expert sources. The method of collecting data is through semi-structured interviews which will prepare a number of questions for the informants to be asked during the interview to obtain answers in the form of ideas and aspirations from the respondents.

The technique of checking trust in this study uses triangulation. According to Sugiyono (2016), triangulation can be interpreted as a data collection technique that is in the form of combining various kinds of data collection techniques and existing data sources. The technique of checking the reliability of the data used by researchers in this study is the source triangulation technique.

## **III. Results and Discussion**

### **3.1 Marketing Communication Strategy**

According to (Tjiptono, 2019) an integrated marketing communication strategy is related to the problem of planning, implementing and controlling persuasive communication with customers. The strategy is formed for the purposes of planning personal selling and sales promotion.

In the results of interviews with internal sources from PT SKM by Sugirianto who served as Director, he explained how the business activities carried out by PT SKM from the beginning of production to reaching customers, SKM's business is selling production services and managing the export of fish processing products, namely:

"The SKM business is basically selling actual services, selling production services and export management. So initially we accept the customer, then the customer brings the room material, processed at the SKM, then it is packaged and then the export permit is taken care of, the goods are exported to the destination country, then we usually receive it using the LC for payment, then we receive the money." (Sugirianto, Personal Communication, 5 May 2021).

Added by Dudy as the production manager explained the initial process of how the SKM business receives orders from customers, after making an agreement because it adjusts to the company's ability then the product is processed until it is frozen, then stored in a storage area. Nunik as the financial manager briefly describes the activities of PT SKM's business processes from the beginning how to deal with orders with customers until finally the delivery:

"When an order has been agreed or a deal is made to cooperate with the customer, usually the SKM will look for raw materials or for example, if there is leftover raw material in the warehouse, we usually take advantage of it. Now, the raw material will be processed later, we clean the process and then fillet it according to the customer's needs, coincidentally our main product is octopus, yes, there are several types of octopus, which can be made into bowls or boxes. Then after being formed, we input it into the ABF (air breeze freezer) the temperature is usually between -38 to -40 degrees, its function is to freeze. When we put it in there, we put it in cold storage, its function is to store the product before it is sent, in cold storage the temperature is higher than ABF, usually -10. After that,

we schedule the export schedule that has been determined at the beginning and then we move it to a new container we send the export to" (Dudy, Personal Communication, 22 May 2021).

"SKM buys raw materials from several suppliers, then it is processed according to the buyer's request, then exported" (Nunik, personal communication, 19 May 2021).



Figure 2. Delivery of Goods Using Container Trucks Source: Author's Internal Data, 2021

Sugiarto added that the brand name for processed products is still namedin accordance with the company name, because PT SKM actually only processes raw materials purchased from fish sellers to package products ordered by customers and help send processed products for export abroad so that customers are free to name the products ordered.

"The brand is SKM, what we are selling now is SKM, so SKM sells export products, the export product that is being held, maybe the brand is someone else's brand, for example there are exporting people, for example the brand in America is the Star brand, now the product is SKM, so the consumer knows that the importer holds the SKM as the brand of the SKM, not a general brand like Pepsodent, SKM is not like that, what SKM owns is the company" (Sugirianto, personal communication, 5 May 2021).

Frozen octopus is in great demand abroad, especially in Europe, with PT SKM's main commodity being frozen octopus so that it is an advantage for the company because it already has a licensing license to export marine processed products and process frozen octopus because not all fish processing industries in Indonesia have special permits. to process it so that it can be exported abroad, processed frozen octopus that are often ordered by customers are those that weigh more than 2 kg because overseas customers are not too interested in small size octopus:

"Fish, yes the majority of octopuses go to Greece, Europe, America, yes there are milkfish but not the majority, squid, but especially octopus. So the one who received it was the Star octopus, the big one weighing over 2 kg, the small one. The name is bowl, outsiders don't like the small ones. Now that's an advantage that SKM can also produce star octopus, not many companies can process it." (Sugirianto, personal communication, 5 May 2021).

Industrial activities that utilize the results of marine resources actually need to set a strategy so that they can still carry out production activities when the resources are not in season, PT SKM anticipates monthly by providing more stock in accordance with the

company's financial capabilities. However, overseas customers will understand that there are only certain seasons to order octopus:

"Yes, octopus is busy between October and February, but the name is food all year round, right, SKM because it has limited financial capacity so it doesn't have stock for 12 months, if you want we make stock, so we buy later In those months, they are being sold again slowly, but usually abroad, people understand that usually in those months, they have stock for consumption for a year. Usually outside of February we have other export orders such as milkfish" (Sugirianto, personal communication, 5 May 2021).



*Figure 3. Storage Warehouse* Source: Author's Internal Data, 2021.

Production activities outside the octopus season, usually PT SKM continues to carry out production activities such as fish and squid, with production that continues even though it is not in season, PT SKM can utilize the workforce of employees and still get profits so that the company's activities do not stop while waiting for the upcoming season:

"You can, such as squid, milkfish, squid, red mullet, but yes, so that there is no vacuum in production. Because production is a fixed burden, electricity is expensive, if there is no production it is difficult, because most of the employees are permanent employees. So production must be maintained even though it is not a major product" (Sugirianto, personal communication, 5 May 2021).



*Figure 4. Frozen Fish* Source: Author's Internal Data, 2021

According to Sugirianto, for now due to local market conditions that are not yet possible to be the main target, the main target focus of PT SKM is export activities abroad, especially Europe because it has a larger profit contribution because domestic fish consumption is less attractive to the public. so that PT SKM has other opportunities to take advantage of processed fish products:

"95% of us are for export, the local ones are being pioneered, we are only pioneering the dory fish product, the dory is processed catfish, because SKM already has a permit for that, the permit is already there, but now the focus is still on exports, because which contributes the greatest profit is indeed there. Because the local market is relatively more competitive, the two local customers for fish are relatively not good and not good, I don't know Indonesian people don't really like fish." (Sugirianto, personal communication, 5 May 2021).

The strategy that has been carried out by PT SKM from the past until now is more directed through the below the line, because the fishing industry company does not need to use the media as a forum to advertise the company, so PT SKM has pursued a strategy by participating in the fisheries world workshop in Indonesia so that the name PT SKM is well known among the fish processing industry, as stated by Sugirianto:

"The strategy used by SKM is that SKM is a small company, so the way to build the brand is not above the line, above the line means advertising campaigns on TV, radio, media but more towards below the line, for example attending workshops and then participate in fisheries business meetings, so don't use ads, don't use above the line, he's just below the line" (Sugirianto, Personal Communication, 5 May 2021).

"What is used in SKM is below the line, but what has been done is that we participate in active and passive workshops. Actively, we open booths to introduce products or we come to workshops abroad through our marketing, some go abroad to come, for example there is a kayak exhibition in Singapore, in China there are often workshops in Italy, such as workshops for fishery products. So, we go there, usually we come and then we introduce ourselves, then put a company profile brochure like that." (Sugirianto, Personal Communication, 5 May 2021).

## **3.2 Promotional Mix**

According to (Hermawan, Marketing Communication, 2012) An integrated marketing communication model to integrate all matters relating to the promotional mix elements with the assumption that there is no separate element to obtain efficient marketing objectives.

The marketing communication mix can be explained in more detail by breaking down several elements related to efforts to create brand equity. Good marketing communication in its implementation will have a positive impact (trust) on the brand that will be conveyed for promotion used by PT SKM not usingadvertising, sales promotion and public relations. Promotions that can be done by PT SKM are by communicating directly with customers, because PT SKM itself provides more services and does not deal directly with end users:

"Now, we are promoting it, which is below the line, so we take part in workshops, attend workshops, that's how it is. We haven't done our own advertising because actually our customers are limited customers, we don't deal with end users directly, most of what we serve now are factories, that is to say, importers, institutions that will sell them to customers, not us. SKM is actually more about selling to institutions, not to end users" (Sugirianto, Personal Communication, 5 May 2021).

#### **3.3 Word of Mouth**

Marketing activities carried out using word of mouth are independent communications by the company. Information that is spread from one customer to another can benefit the company that is the object.

Marketing using word of mouth is still the main thing for PT SKM, as evidenced by external sources who know this company from friends or relatives, which means that the name PT SKM is quite popular as a fish processing company in East Java as said by external sources who are partners of PT. SKM, David as supplier, Abdul and Samuel as buyers, all three of whom are domiciled in Sidoarjo, East Java:

"From a Friend" (David, personal communication, 21 May 2021).

"From relations" (Abdul, Personal communication, 23 May 2021).

"From a friend" (Samuel, Personal communication, 21 May 2021).

Word of mouth Instead, it becomes very dominant as one of the promotions for marketing from PT SKM by communicating and maintaining relationships with customers who have partnered with PT SKM to be introduced to new potential customers:

"Right now, we're just using WOM, so for example we have a customer in Italy, for example PT A, we'll meet later and we'll ask to be introduced to other customers, right now it's the marketing that dominates WOM" (Sugirianto, personal communication, May 5, 2021). The strategy that has been carried out by PT SKM until now still relies on marketing activities using the word of mouth method because PT SKM is a business to business activity, so that industries that provide services are very important, because companies do not need to spend a lot of money.

"Only from traditional marketing, I think, only word of mouth or what we know is word of mouth, yes, there are no special advertisements because, as I said, this is b2b, not business to consumer, so just word of mouth, we maintain relationships good with our cust and business partners" (Dudy, personal communication, 22 May 2021).

#### **3.4 Brand Awareness**

According to David Aaker (Rangkuti, 2017) brand awareness is a potential buyer who is able to recognize and remember a brand which is a product category from a certain section, therefore it can be interpreted as describing the existence of a brand that is in the minds of consumers.

The implementation of PT SKM's brand awareness is currently not optimal because the brand awareness itself is still following developments from the company over time, especially with the COVID-19 pandemic, the company's development has not improved enough, so that currently what PT SKM can do is maintain quality. According to Sugirianto, the main limitation of PT SKM's not yet maximal brand awareness is that PT SKM is a small company so it is not suitable to carry out promotional activities through large media:

"Indeed, if you say maximum, not yet. Yes, because of limitations in terms of terms, because SKM is small, the company is still small, so Brand Awareness is still being built below the line, if you want it to be bigger, it should be active above the line in advertisements, TV, in other communication media. At this time we are still limiting the above the line immediately, so the brand awareness is just direct. Not yet, not yet optimal, later it can be developed again, that in the future we will do in accordance with the development of the company, the only problem that is happening now is that the market has declined since the covid pandemic began in March 2020, so the company's development has not started to improve, in the future that will definitely be done. After all, we want to expand the market, if we want to expand the market, we must maintain brand awareness." (Sugirianto, personal communication, 22 May 2021).

## **IV. Conclusion**

Based on the results of interviews with Mr. Sugirianto as an internal party and serving as Director of PT Samudra Kencana Mina, PT SKM carries out marketing communication strategy activities using below the line promotion, so there is no need to use advertising in the media. Activities carried out by PT SKM to introduce their company are by participating in fisheries workshops abroad and participating in exhibition activities. PT Samudra Kencana Mina applies Direct Marketing, Personal Selling and Word of Mouth in accordance with the company's capabilities. The word of mouth strategy is preferred because apart from not using a lot of money, PT SKM already has a pretty good name in the fish processing industry, especially in East Java. So that the image that is already owned by PT SKM can make it easier for prospective customers to recognize the quality of PT SKM. For activities that can be carried out using a promotional mix, PT SKM only needs to use direct marketing and personal selling because the business of PT SKM is head to head. Based on the summary of interviews with external sources from PT SKM, PT SKM already has a fairly good image with the quality of its products, is professional and maintains family relations with its partners. Although the production area is limited, it does not prevent PT SKM from producing processed products of the best quality, so as not to disappoint its partners.

Broadly speaking, the marketing communication strategy activities carried out by PT Samudra Kencana Mina in building brand awareness have had an impact that has resulted in brand awareness, especially with customers. Because PT SKM itself is a fish processing company and the company's capabilities are not optimal during the covid 19 pandemic which has an impact on the development of the company so that it has not been able to carry out marketing communication activities optimally.

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