

MARKETING STRATEGY OF BROILERS AT CV CIKIJING FARM, SIDOARJO DISTRICT

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Abstract

Effective marketing strategies are vital for the success and sustainability of businesses. This study investigates the marketing strategies employed by CV Farm Cikijing, a broiler business seeking to achieve long-term growth and stability. The research adopted a quantitative approach, utilizing survey and interview methods to gather data from the company. Through the application of the IE matrix, the marketing position of the chicken farm business was determined to be in Quadrant V, indicating a phase of growth and stability. To ensure sustainable growth, the study recommends a combination of strategic approaches, including market penetration, market development, and diversification of processed chicken products. These strategies aim to enhance the company's market presence, capitalize on existing markets, and explore new opportunities. The findings of this research hold valuable insights for businesses in the poultry industry and beyond, emphasizing the significance of well-planned marketing strategies in achieving long-term success and resilience in a competitive market landscape. By identifying and implementing suitable marketing approaches, businesses can navigate challenges, optimize growth, and secure a strong foothold in the market.

Keywords: Broiler, Marketing, Strategy, SWOT

1. INTRODUCTION

Poultry is a widely consumed livestock commodity in Indonesia due to its relatively low price compared to larger livestock like cows and goats. The community has embraced poultry farming because of its high productivity in providing both meat and eggs, effectively meeting the protein needs of the Indonesian people. Among various poultry commodities, broiler chickens stand out as one of the most developed and consumed types in the country.

Broiler chickens are popular among Indonesians as they are affordable and accessible to people from all walks of life. They offer diverse business opportunities, extending beyond cultivation to encompass chicken slaughter, carcass sales, and broiler processing businesses. Broiler chicken can be processed into various food products, making it a favorite ingredient for culinary businesses such as restaurants and fast-food establishments, given its profitability and high consumer demand.

Broiler chicken's significance extends to being a major driver of the national animal protein supply, offering an affordable and easily accessible food source for the general public. According to Professor Hermanto Siregar from IPB University, purebred chicken meat production is projected to reach 4.07 million tons in 2022, slightly exceeding the demand of 3.19 million tons. The consumption of broiler and free-range chicken meat has witnessed steady growth over the years, particularly in urban areas with an increasing

number of restaurants, food stalls, and fast-food outlets providing various chicken-based dishes (Pusdatin Kemenkes, 2015).

West Java Province is a prominent center for broiler population in Indonesia. Data from the Directorate General of Livestock and Animal Health (2016) reveals that four provinces on Java Island, including West Java, East Java, Central Java, and Banten, contribute to 70.75 percent of the national broiler population. CV Farm Cikijing is a broiler chicken farm in Sidoarjo Regency, East Java, holds great marketing potential, being situated in the border area of Sidoarjo and Ciamis Regencies (Asmarantaka et al., 2017). To optimize broiler marketing prospects, understanding marketing channels and efficiency is essential, helping to identify the best approaches to reach target consumers. Hence, this research aims to analyze the marketing strategies employed by CV Farm Cikijing and explore ways to enhance broiler chicken marketing in the region.

2. LITERATURE REVIEW

2.1. Marketing

Marketing is a social process between individuals and groups by creating free offers of a product or service that has value and aims to get what they need and want (Tybout et al., 2005). Marketing or commonly referred to as marketing is a key concept to success in a business where marketing must pay attention to the desires and fulfillment of customer needs to achieve predetermined sales targets (Triyanto, 2014). In marketing there are four important variables, namely:

1. Product are goods or services of value that are distributed by companies to be traded with the aim of making a profit and being able to meet the needs and desires of customers (Wijayanti & Pradipta, 2017). Meanwhile, according to (Nasution & Sairun, 2022) a product is everything that is offered by producers to be noticed, requested, searched for, purchased, used or consumed by the market according to the needs and desires of consumers.
2. Price is the amount paid by individuals or groups to be exchanged for the desired product or service (Musfar & Se, 2020). Meanwhile, according to Kotler and Armstrong (2008) price is the value paid by customers which is then exchanged to own or obtain these goods and services.
3. Place is a location used to provide products or services (Aditama & Sos, 2020). In addition, also explain that there are four benefits in restoring the right place, which are:
 - a. Prospective customers will find it easier to find product needs offered by a company because they are easily accessible to potential customers.
 - b. Availability, with an extensive business network, it is possible for these products to be closer to customers.
 - c. Impulsive buying, sometimes customers need or want an item suddenly. With an extensive business network, it will be easier for customers to get products
 - d. It can make it easier for business people or manufacturers to move and store products at business network locations, so that this can reduce or reduce the cost of renting a storage warehouse.

4. Promotion is a type of communication used by producers or marketers (Anisah & Fahman, 2020). According to (Kotler & Armstrong, 2008) marketing consists of sales promotion, advertising, sales force, public relations (PR), and direct marketing. According to (Kotler & Armstrong, 2008) there are five main processes in marketing, namely:
 - a. Advertising, is a non-personal promotion of goods, services or ideas by an individual or an agency that is determined by getting paid.
 - b. Sales promotion is a set of short-term incentives designed to encourage the use and purchase of a good or service.
 - c. Public relation and publicity are a step taken to promote and protect the image of a company or product it produces.
 - d. Personal selling is the activity of interacting directly with customers to obtain sales.
 - e. Direct marketing is a promotional technique that is carried out by communicating directly with customers to get a response using communication tools, such as letters, telephones, and so on.

2.2. Strategy

Strategy is a fundamental concept that lies at the core of achieving success and realizing objectives, whether in the context of organizations, individuals, or even in broader societal contexts. It is essentially a well-thought-out plan or a series of actions designed to guide and direct efforts towards specific goals and desired outcomes. The process of formulating a strategy involves careful analysis, foresight, and decision-making, taking into account internal strengths and weaknesses, as well as external opportunities and threats.

Effective strategies take into account both short-term and long-term perspectives, and they necessitate a clear understanding of the environment in which they will be executed (Dewi & Aslami, 2022). Flexibility and adaptability are also essential attributes of a successful strategy, as it allows for adjustments to changing circumstances or unforeseen events.

Moreover, in the realm of personal development, individuals often employ strategies to achieve personal and professional goals. This might involve setting specific and measurable objectives, creating a step-by-step plan to attain those objectives, and adapting to challenges and unforeseen circumstances.

2.3. Broiler Chicken

Broiler chickens are meat-producing chickens that are raised until the age of 6-7 weeks with a weight of 1.5-2 kg and a conversion of 1.9-2.25 (Zuprizal et al., 2015). Broiler chickens are used for their meat as a source of animal protein. Broiler is a term to refer to technologically-cultivated chicken strains that have economical characteristics, with the characteristics of fast growth as a meat producer, economical feed conversion, ready to be slaughtered at a relatively young age, and producing quality soft fiber meat (Rasidi, 2000). Well-known broiler strains in Indonesia, including Cobb, Ross, Lohman meat, Hubbard, Hubbard JA 57, Hubbard, Hybro PG+; AA plus. Due to the relatively short harvest time, this type of chicken requires fast growth, a wide chest accompanied

by good fat deposits, and a preferred coat color, usually white (Kartasudjana & Suprijatna, 2006).

The purpose of raising broiler chickens is to produce meat. Some of the characteristics that must be considered in raising broiler chickens are the nature and quality of good meat (meatness), high rate of growth and body weight (rate of gain), yellow skin color, white feather color, low feed conversion, free from cannibalism, healthy and healthy. strong, legs do not bend easily, not temperamental and tend to be lazy with slow movements, high vitality (95%) but low mortality rate, and high ability to form carcasses. Characteristics of broiler type chickens are calm, large body shape, fast growth, feathers close to the body of the animal, white chicken skin, and low egg production (Suprijatna et al., 2008).

3. RESEARCH METHODS

The type of data used in this research includes primary and secondary data, while data collection methods involve Field Research, Interviews, Documentation, and Observations. The research method employed is a case study focusing on broiler entrepreneurs at CV Farm Cikijing. Data was collected through surveys, direct interviews with respondents, and on-site observations.

Data analysis in this study follows a three-stage process of strategic planning which are data collection stage (evaluating internal and external factors), analysis stage (utilizing IFAS analysis, EFAS analysis, and SWOT matrix), and decision-making stage. The data collection stage involves not only gathering data but also classifying and pre-analyzing it into internal and external data categories.

After collecting all the relevant information that affects the company's continuity, the analysis stage utilizes quantitative models for strategy formulation, including the TWOT matrix or SWOT matrix, as well as Internal Matrix and External Matrix (IFAS and EFAS). Based on the results obtained from these analyses, appropriate decisions are made.

4. RESULTS AND DISCUSSION

4.1. Broiler Business Marketing Mix

4.1.1. Product

The broiler chicken business involves poultry farming, specifically focused on cultivating broiler chickens. The produced products serve the local community around the business location and meet market demand in Regency Sidoarjo and Ciamis.

According to information gathered from interviews with informants, the key strategy they employ to maintain product quality and suitability for sale includes providing feed 2-3 times a day. For chickens aged 0-1 months, they are given pur and bran, while those aged 1 month to harvest receive alternative feeds like corn, cassava, soybean meal, or grains. Additionally, the sorting process is carried out twice, once when the chickens are 1-20 days old and again when they are 20-50 days old. The cages are also cleaned twice a day to ensure a clean and hygienic environment.

4.1.2. Price

Pricing in the broiler business is based on a cooperation agreement between the entrepreneur and the company and a third party (agent) at the beginning of the business period, this is because only a small part of the production is sold directly to consumers by the entrepreneur and almost all of it is sold through the company, this is due to the existence of a cooperative bond and an agreement on the price of production with the company. Direct sales can only be carried out by chicken entrepreneurs who have a DO (Delivery Order) for their business, while entrepreneurs who are bound by a partnership with a company and do not have a DO (Delivery Order) cannot carry out direct sales. However, in general, the determination of the price per kilo of chicken-by-chicken entrepreneurs is based on market conditions.

1. Place (Distribution channel)

The activity of selling livestock products carried out by CV Farm Cikijing is making agreements with customers. The cages of partner breeders are widespread and not in one place, so when the harvest arrives CV Farm Cikijing will provide information to customers where the broiler harvest location will soon be harvested, and how many tonnages of broiler chickens will be sold or offered. This is because when the harvest season arrives and the customer wants to buy the broiler chickens, the customer will take the broiler chickens directly to the partner breeder's cage.

2. Promotion (Promotion)

The marketing activities carried out by CV Farm Cikijing have been very good. This is because a good relationship between the marketing manager and the customers keeps the company from looking for customers. Customers will come if the company provides information when the chickens are ready to be harvested. Payment will be made immediately when the chicken is taken, so there is no billing activity and the risk faced by the company for not paying for the chicken is very low.

4.2. Internal Factor Evaluation Matrix (IFE Matrix)

The IFE matrix strategy is a formula for internal environmental analysis. This matrix provides a summary and evaluation of the main strengths and weaknesses in various functional areas of a business. The IFE Matrix also provides a basis for identifying and evaluating the relationships between these functional areas. The strengths and weaknesses of the broiler business at CV Farm Cikijing can be seen in the following IFE Matrix:

Table 1. Matrix Internal Factor Evaluation (WE)

Internal Strategic Factors	Weight	Rating	x-weight Rating
Strength			
a. Affordable chicken prices	0,17	4	0,68
b. High product quality (has nutrients, nutrients and high protein)	0,17	4	0,68
c. The location is close to the target market	0,15	2	0,3

d. Good and promising business prospects	0,16	2	0,32
Weakness			
a. Lack of support from local government	0,06	3	0,18
b. Limited capital to develop the business	0,07	2	0,14
c. Marketing via the Internet is not maximized	0,07	2	0,14
d. Not yet able to reach a wider market	0,08	1	0,08
e. There are still very few processed innovations from chicken	0,09	2	0,18
Total	1		2,70

In the table of strengths in the internal strategy factor, it can be concluded that those that have the highest weight are affordable prices and high product quality, both of which have a weight of 0.68, both of which are interrelated factors. In addition, the high weight indicates that these two factors are the most important among other factors. In the table of weaknesses in the internal strategy factor, it can be concluded that those with the highest weight are the few processed innovations from chicken and the lack of support from the local government with a weight of 0.18. In the weakness factor, the one with the least weight is the biggest weakness. If you add up the overall weighting factors in the IFE matrix, you get a score of 2.7.

4.3. External Factor Evaluation Matrix (EFE Matrix)

The EFE matrix is used to summarize the opportunities and threats in a business. The EFE matrix analysis is carried out in the same way as the IFE matrix, namely the calculation of the weights and the rating of each factor.

Table 2. Matrix External Factor Evaluation (EFE)

Internal Strategic Factors	Weight	Rating	x-weight Rating
Opportunity			
a. Advances in marketing technology are growing	0,13	3	0,39
b. High market demand	0,15	4	0,58
c. Good relations with market participants	0,11	4	0,45
d. Procurement of seeds that are easy to obtain	0,10	3	0,29
Threat			
a. The price of chicken in the market is not fixed (changes)	0,13	3	0,39
b. Increase in feed prices	0,11	3	0,34
c. Threats from predators and the weather	0,10	2	0,19
d. Existence of a substance product	0,10	1	0,10
e. Climate change and unpredictable weather	0,08	1	0,08
Total	1		2,81

Based on table 2 it can be seen, in the opportunity table, the highest opportunity factor is high market demand which has a weight of 0.58. In the threat table, the biggest threat is the variable market price of chicken which has a weight of 0.39. These factors have a relationship where the price of feed which is increasingly expensive makes farmers overwhelmed by the selling price that is not fixed in the market. The desire of the breeders is that the increasing price of feed should increase the selling price so that profits can still be obtained, but what can be done from this problem is to innovate by making alternative feeds that are much cheaper. From the external strategic factors which consist of opportunity and threat factors, the sum of the overall weighting in the EFE Matrix gets a total score of 2.81.

4.4. Matric Internal External (IE Matrix)

From the IFE and EFE matrices, it is known that the total score for internal strategic factors on the horizontal line is 2.7. As for external strategic factors on the vertical line, a total score of 2.81 was obtained. Based on the results of the identification of the two matrices, the position of Livestock Business Marketing at CV Farm Cikijing is in cell V with conditions that are experiencing growth and stability. Positions that are in divisions that are included in cells III, V, or VII can be managed in the best way using the guard and maintain strategy (hold and maintain). The right strategy for this type is market penetration, market development and product development. This can be analyzed based on the following table:

Table 3. IFE and EFE Matrix

	Strong 3.0 - 4.0	Rate-rate 2,0 -2,9	Weak 1,0 -1,99
Strong 3,0 - 4,0	I (Growth and build)	II (Growth and build)	II (Hold and Maintain)
Rate-rate 2,0 - 2,9	IV (Growth and build)	IN (Hold and Maintain)	WE (Harvest of Divest)
Weak 1,0-1,99	VII (Hold and Maintain)	VII (Harvest of Divest)	IX (Harvest of Divest)

4.5. SWOT Matrix

There are several alternative strategies that have been formulated based on the identification results of internal and external factors. The results of the formulation are made using the SWOT matrix analysis. The SWOT matrix produces 4 strategies, namely SO, WO, ST and WT strategies. The SWOT matrix for marketing chicken farms is as follows:

Table 4. SWOT Analysis Matrix

Internal External	Strengths (S) Affordable chicken prices High product quality The location is close to the target market Good business prospects and promising	Weakness (W) Lack of support from local government Limited capital in developing the business Marketing via the internet is not optimal Not yet able to reach wider There are still at least processed chicken innovations
Opportunities (O) Advances in marketing technology are growing High market demand Good relationship with market behavior Procurement of seeds that are easy to obtain	S-O Strategy Conduct promotions on social media about the existence of chicken businesses and inform product quality. Building cooperation with various partners Expanding the information technology-based marketing network	W-O Strategy Submit a business proposal to the local regional government for additional capital Collaborate with the village government, fisheries service in expanding the marketing network. Carry out innovation and creation in chicken processing
Threats (T) The price of chicken in the market is not fixed (changes) Increase in feed prices Threats of predators/wild animals such as snakes Existence of substitute products Climate change and unpredictable weather	S-T Strategy Making alternative feeds by utilizing alternative feeds that are easier to obtain Maintain and maintain the quality of the chicken, and perform maintenance on the cage Make flyers at sales points so that people know about chicken sales	W-T Strategy Improving the business management system and building an extensive network in marketing chicken products

From the results of determining alternative strategies that can be carried out, there are several important things that must be done, namely:

3. Promote on social media about the existence of a broiler business and inform product quality.
4. Expanding the marketing network by utilizing information technology.
5. Making alternative feed by utilizing corn that is easy to get.
6. Maintain and maintain the quality of the chicken, and perform maintenance on the cage.
7. Make flyers at sales points so that people know about chicken sales.

8. Collaborate with the village government, livestock service in expanding the marketing network.
9. Carry out innovation and creation in chicken processing.

If the results of the IE and SWOT matrix analysis are linked, the most appropriate market development strategy is market penetration and market development by utilizing information technology and being able to promote it through print media. In addition, the development of processed chicken products can also be a factor that can increase product sales.

5. CONCLUSION

In conclusion, the broiler chicken business serves as a significant player in the poultry farming industry, meeting the demands of the local community in Regency Sidoarjo and Ciamis while also fulfilling market requirements. The success of this enterprise hinges on the careful implementation of strategies that guarantee the consistent quality and suitability of the products offered for sale. By adhering to feeding schedules and selecting appropriate feeds based on the chickens' age, entrepreneurs ensure the optimal growth and health of their broiler chickens. Moreover, the meticulous sorting processes and regular cage cleaning practices further contribute to maintaining the product's integrity and hygiene.

The dedication displayed by these broiler entrepreneurs in maintaining product quality showcases their commitment to delivering excellence to their customers. By prioritizing such practices, they not only meet consumer expectations but also foster a sustainable and prosperous business model. As the broiler chicken industry continues to evolve, the continued emphasis on strategic approaches and adaptability will be essential to seize opportunities and tackle challenges in the ever-changing market landscape, ensuring the long-term viability and growth of the business.

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