

## IMPLEMENTATION OF MARKETING MIX AT KHANSA FOOD DURING THE COVID-19 PANDEMIC

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### ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play an important role in the Indonesian economy by raising the economic level of the general public, alleviating poverty, and earning foreign exchange for the country. The COVID 19 pandemic has had a significant economic impact in Indonesia. Khansa Food has been able to survive and rise from the midst of the COVID 19 pandemic by utilizing the resources available to them. The implementation of the marketing mix strategy at Khansa Food is critical to the company's long-term viability. The right marketing mix combination is a means to maintain, expand, and increase company profits. The objective of this study was to determine how the marketing mix was implemented at Khansa Food. The descriptive qualitative research method was used, with primary and secondary data. The study found that Khansa Food's combination of product, price, location, and promotion is well-defined. Khansa Food's products are of high quality and are standardized. Prices are kept competitive, and customers can purchase products either online or in-store. There is always room for improvement to boost business performance. According to the research findings, online sales can be increased in order to reach a larger market. Increased online promotion via social media can be used as a low-cost alternative promotion. Manufacturers must adapt to online promotions and sales due to changes in consumer behavior toward online transactions. The enhancements are expected to benefit Khansa Food's business in both the short and long term.

Keywords: processed fish, marketing mix, pandemic

### I. INTRODUCTION

In the midst of the COVID-19 pandemic, Micro, Small, and Medium Enterprises (MSMEs) play an important role in the Indonesian economy. MSMEs play three roles in the Indonesian economy: equalizing the economic level of the common people, alleviating poverty, and earning foreign exchange for the country. According to data from the Ministry of Cooperatives and Small and Medium Enterprises, the number of MSME actors in Indonesia reached 64.2 million in 2021, contributing 61.07% of the gross domestic product (GDP) or IDR 8,573.89 trillion. The MSME sector is recognized to absorb about 97% of the total workforce and is capable of collecting up to 60.4% of total investment in Indonesia. This indicates that Indonesia has the potential for a robust

national economic base because the number of MSMEs is large and the workforce absorption capacity is large. MSMEs play a crucial role in dealing with the global recession because they contribute significantly to GDP, absorb labor, are a potential market for the financial services industry, are quick to seek potential export markets, and can absorb the most credit Coordinating Ministry for Economic Affairs of the Republic of Indonesia (2022).

The COVID 19 pandemic has had a significant economic impact in several Indonesian regions, including the Special Region of Yogyakarta (DIY). DIY has had a significant economic impact as both a tourist destination and a student city. DIY's economy as a whole contracted by up to 2.69 percent until the end of 2020. On the supply side, the economic contraction was

fueled by the deterioration of most business categories, particularly those based on mobility and tourism. Meanwhile, the demand contraction was driven by a decline in most components of final demand, particularly household consumption expenditure (Central Bureau of Statistics, 2021). The people's economy, particularly Micro, Small, and Medium Enterprises

(MSMEs), is beginning to recover, though it has not fully recovered.

The ability of MSMEs to adapt in the midst of uncertainty during a pandemic has a significant impact on business continuity. According to Bappeda data for the Province of Yogyakarta, the number of MSMEs in the Special Region of Yogyakarta in 2021 was 337,465, with the division by the district as follows:

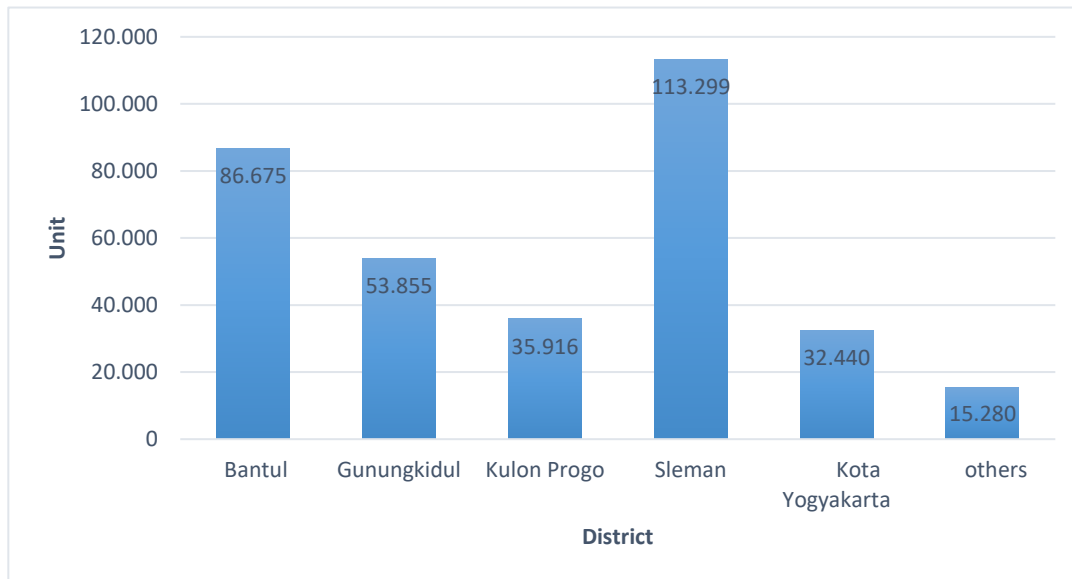


Figure 1. The number of MSMEs in the Special Region of Yogyakarta by Regency in 2021

According to the data in Figure 1, Sleman Regency has the highest number of MSMEs when compared to other districts. The large number of MSMEs will play an important role in the Special Region of Yogyakarta's economic growth. Local government support and assistance play a significant role in driving this economic potential. Khansa Food is one of the MSMEs in Sleman Regency that has survived the COVID-19 pandemic. Khansa Food began as a home-based business in 2007, producing processed fish into fish floss and fish bone sticks. Khansa Food was named the first winner of the Small and Medium Enterprises of Fish Processing at the Special Region of Yogyakarta Province in 2009 (Anonymous, 2018). Khansa Food's success is also evidenced by the company's

expansion into Asian markets such as Malaysia, Singapore, and Japan. Khansa Food was also having a difficult time during the COVID-19 pandemic because the number of requests dropped dramatically. Nonetheless, Khansa Food can survive with its current resources.

Food is a basic human need, so the food industry has an opportunity for growth. Alternative processed foods are available to add value, extend shelf life, and meet a variety of consumer needs. Shredded meat is typically made from beef, but fish meat can also be used as a raw material in the production of shredded beef. Indonesia's abundance of fishery resources presents an opportunity for the development of the shredded fish business. Shredded fish is a processed form that adds value to the

manager while enhancing people's welfare. Shredded products have a softer texture, taste better, and last longer than fresh fish products (Suryani, 2007). Shredded fish is a fishery product made from fish meat that has been processed. Shredded fish is a type of preserved food made from spice-seasoned fish that has been boiled, fried, and pressed or separated from the oil.

Every business endeavor to maximize profits and ensure long-term business viability. Companies, regardless of size, require the implementation of a marketing strategy in order to achieve their business goals. The marketing mix is one of the elements in integrated marketing activities because it is the most widely used in the company. The marketing mix concept is used to assess how well a company implements its marketing strategy in order to increase profits (Goi, 2009). Previous research has demonstrated that implementing the marketing mix has a positive impact on company performance. When entrepreneurs use the marketing mix, they can gain a competitive advantage (Aremu and Bamiduro, 2011). The right and adaptive marketing mix formulation can create consumer loyalty which ultimately has a positive impact on long-term sales.

Research by Safa'atin, Anggarwati, and Supeno, (2022) stated that there is a need for research that combines the application of marketing mix to special objects affected by the COVID-19 pandemic to support research based on literature studies that have been conducted. The objective of the research was to analyze the application of the marketing mix strategy to Khansa Food's processed fish SMEs during the COVID-19 pandemic based on the research gaps presented in the study.

## II. RESEARCH METHODS

Descriptive qualitative was employed as the research method. The study concentrates on

Khansa Food, which is the most comprehensive producer of shredded fish and the pioneer in shredded fish production in Yogyakarta. Khansa Food is another company that can be phased in during the COVID-19 pandemic. Purposive methods of determining respondents, in which the sample is determined with certain considerations (Sugiyono, 2013). This study employed both primary and secondary data sources Primary data is obtained directly from the owner and employee coordinator, while secondary data is acquired through literature studies such as books, articles, and journals related to this research. Furthermore, descriptive qualitative data analysis was performed based on information obtained from informants as well as supporting data relevant to the implementation of the 4p marketing mix (product, price, place, and promotion).

## III. RESULTS AND DISCUSSION

### Product

There are not many shredded fish producers right now because most shredded fish sold on the market is shredded beef and shredded chicken. Shredded salmon, shredded tuna, shredded catfish, fish bone sticks, shredded chicken, and shredded beef are among the processed products available from Khansa Food. Since its inception in 2007, Joglo Khansa Food has not only been a producer but has also expanded by opening business/industry visit classes.

A competitive advantage is required for a product because it will be one of the determining factors for the success of a new product, where success is measured by the number of product sales (Tjiptono, 2008). To increase market competitiveness, the resulting product must have its own quality and uniqueness. The benefits of Khansa Food products include the fact that they are made from high-quality ingredients, are free of preservatives, are manufactured by a

skilled workforce, and adhere to food safety regulations.

The various legalities that Khansa Food products already have attest to their quality and safety. Business Identification Numbers (NIB), BPOM MD, Health Office PIRT, Halal Certification of Halal Product Assurance Organizing Agency (BPJPH), IPR Certification, Indonesian National Standards (SNI), and HACCP certificates are among the legalities owned by Khansa Food. SNI 7690.1:2013 Shredded fish has been certified for Khansa Snack and Food products. This certification certifies that Khansa Snack and Food's shredded fish products have been processed in accordance with food safety standards, ensuring safety. Shredded catfish, salmon, and tuna are among the certified products (Anonymous, 2021).

Khansa Snack and Food's SNI certificate has a positive impact on increasing product demand. Production activities were initially carried out twice a week, then increased to four to five times a week. Increased demand leads to an increase in turnover. This is due to increased consumer, reseller, and partner company trust. Khansa Food has built long-term partnerships with several food industries in Indonesia by utilizing the Business to Business (B2B) concept. During the COVID-19 pandemic, this system was critical to Khansa Food's business continuity. Despite a drop in demand during the pandemic, demand has increased again following the decline in COVID-19 cases in Indonesia.

Khansa Food uses the Hazard Analysis Critical Control Point (HACCP) system to manufacture its products. In the application of the HACCP system, production proceeds through 12 stages, namely the five initial steps and the seven principles of supervision and quality control in the production of shredded tuna. This demonstrates that Khansa Food and Snack's production process meets the requirements

for basic eligibility and food eligibility. Khansa Food's packaging involves important consumer information such as composition, production code, expiration date, nutritional value, and the halal logo. Good packaging aims to keep product quality intact so that it is not harmed and lasts longer. Packaging also serves as a storage aid, a promotional medium, and a means of enhancing product appeal. Khansa Food currently uses only one type of packaging: sealed plastic packaging. In the future, Khansa Food may develop product packaging that allows the product to be easily stored after it has been opened but not used. Packaging can also be improved to make it more appealing. Santosa, Leliana, and Utami, (2022) stated that based on the results of the QSPM (Quantitative Strategic Planning Matrix) analysis, Khansa Food needs to implement a packaging strategy, specifically by designing more appealing packaging.

### Price

Pricing in a business determines the position of the competition and influences the level of product sales. Khansa Food charges the following prices for processed fish products:

Table 1. Price List of Khansa Food Processed Fish Products

Types of products	Price per pack (IDR)
Shredded salmon	35.000
Shredded tuna	25.000
Shredded lele	25.000
Fish bone sticks	25.000

Source: Primary data, 2023

The set price was calculated based on the Cost of Goods Sold (COGS) and the Break Event Point (BEP) of each product produced. This step is obtained to ensure that Khansa Food does not suffer losses and can continue to compete with similar products. The emphasis of pricing is on how to make the value to be paid to make

potential customers or buyers feel that their expenses are reasonable in comparison to what they get. Khansa Food also uses a discount or discount strategy on the products it offers to entice customers to buy.

Kotler and Armstrong (2018) explain that there are several indicators in setting prices, encompassing: a. Price affordability, is the ability of consumers to reach product prices set by the company; b. Appropriate price with product quality, consumers tend to choose a higher price with differences in quality; c. Price competitiveness is the consumer's decision to buy a product if the perceived benefits are higher or the same as what has been spent to obtain the product; d. Price compatibility with benefits is a comparison of the price of a product with other products, where in this case the high and low cost of a product is highly considered by consumers in relation to the benefits consumers feel when they are going to buy the product.

According to this explanation, Khansa Food has set prices based on certain considerations, so that the price paid by consumers is commensurate with the benefits obtained. Khansa Food also offers discounted prices in order to attract customers. This is what Bitner and Booms (1981) mean when they say that pricing must be competitive and profitable. Pricing strategies may include discounts, special offers, and the like.

### **Place**

This concept focuses on the physical location of the company. The more strategic the location of the business, the more profit the company will make. A strategic location makes it easier for consumers or potential customers to find and reach the business. Khansa Food products are manufactured and sold in Yogyakarta at Mancasan Kleben Gg Abimanyu No 44C RT 003 RW 025 Pandowoharjo Sleman. The place marketing mix refers to where customers can purchase a product and how the product

obtains to that location. This can be accomplished through a variety of channels, including the internet, wholesalers, and retailers (Bitner and Booms, 1981). Khansa Food products are also available at the Yogyakarta Department of Industry showroom and souvenir shops. Khansa Food products are also available online at SiBakul Jogja, UMKM Sleman, and Tokopedia.

Distribution, according to Nurseto (2018) and Kotler and Armstrong (2018), is the act of selecting and managing marketing channels for products or services through the use of a collection of companies or individuals who assist in distributing products or services in serving target markets so that consumers can meet their needs and wishes. As a result, when determining distribution channels, producers should consider the elements of the distribution mix, which include: channel system, coverage, location, supply, and transportation.

Khansa Food sells its products to end users as well as other businesses through a Business to Business (B2B) system. Products are distributed directly from producers to final consumers through intermediaries (resellers and agents). Direct distribution without the use of intermediaries, also known as a zero-level marketing channel. A one level marketing channel is one that involves only one intermediary (reseller and agent). Both of these methods of distribution.

### **Promotion**

Promotion is a marketing strategy that aims to identify and attract new customers, communicate new products, increase the number of consumers for well-known products, and inform consumers about product quality improvements. Promotion also plays a role in attracting consumers to product sales points and motivating them to select or purchase a product (Ariyanto et al., 2022).

Khansa Food's promotions have included both online and offline promotions. The Sleman Regency Cooperative and UMKM official websites, as well as the Khansa Food marketplace, are used for online promotion. Khansa Food participates in various events and exhibitions organized by the local government and the private sector in an effort to broaden its marketing reach. Khansa Food is offering a discount on a minimum purchase of 3 items in an effort to attract customers.

According to Uzeme and Ohen (2015), promotion is something that is used to communicate with and persuade the market about products or services. Advertising, sales promotion, events and experiences, public relations and publicity, online and social media marketing, mobile marketing, and personal selling comprise the promotion mix. Khansa Food's promotions could not be carried out optimally due to the workforce's lack of expertise in the field of online marketing. This is in accordance with the results of the study by Sari, (2017), which states that limited capital, access to finance and lack of ability to influence the application of online marketing to MSMEs.

Based on the research results of Ameru and Bamiduro, (2012), the marketing mix is directly related to entrepreneurial business performance. As a result, entrepreneurial business management is encouraged to pursue the rigorous application of marketing mix elements in order to achieve a sustainable competitive advantage. This was conveyed by Gona, Mohammed, and Tanko (2008), who investigated marketing strategy and restaurant profitability in the Nigerian metropolis of Sokoto. The study focuses on four aspects of the marketing mix: the nature of the product (food), pricing, placement, and promotional activities undertaken by food and beverage marketers in order to attract more customers. The

study's findings suggest that there is a correlation between the use of marketing mix factors and the level of entrepreneurial competency of entrepreneurs. The implication is that if entrepreneurs can utilize the 7Ps of the marketing mix to form sound marketing strategies, they will be able to achieve the desired impact on their target customers. Implementing a better marketing mix strategy can assist entrepreneurs in removing the majority of the identified constraints.

#### **IV. CONCLUSION**

The application of the marketing mix must be balanced with management's ability to manage the company's internal and external aspects. Khansa Food's marketing mix has been working well. This is demonstrated by the continued existence of demand despite business uncertainty during the COVID-19 pandemic. Even so, there are still areas where Khansa Food can improve in order to make this business last a long time. In terms of products, consumers have received consistent quality. The finished product satisfies PIRT, halal, SNI, and HACCP standards. These certifications have stringent criteria in place to ensure that the products manufactured are of high quality. Khansa Food can create product and packaging variations to increase consumer appeal. Packaging can be designed to allow the product to be properly stored if it is not used all at once. The use of environmentally friendly food packaging could also be a future study for Khansa Food. Khansa Food has also conducted product development research and development. This can be increased to account for changes in consumer preferences.

In terms of location, the product is easily accessible to consumers both online and offline. Direct marketing (zero level channel) and indirect marketing (one level channel) are the marketing channels used. In terms of promotion, more emphasis

should be placed on online promotion in order to boost business profits. Online promotion has the advantages of being less expensive, measuring in real time, and targeting specific market segments. Khansa Food requires a specialized workforce to manage online marketing more effectively. Social media marketing (Facebook, Instagram, Twitter, and Tiktok) are examples of online promotions that can be used. Khansa Food may also use bloggers, YouTubers, and influencers to help with promotions and product reviews. It is hoped that the participation of the government or related agencies will help MSMEs work with parties who are knowledgeable about online marketing at reasonable prices. The development of a WhatsApp application for business can also serve as an online marketing tool for quickly and easily reaching consumers. While online marketing via various media is important, Khansa Food must also consider Word of Mouth (WOM) or e-WOM marketing. Positive WOM can benefit producers because satisfied customers tell their friends and family about their purchases, which builds consumer trust. Opportunities for developing the B2B market segment can also be a great opportunity to take advantage of because it has the potential to become a permanent market for Khansa Food products and a large scale of high-value sales.

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