

Marketing Development Strategy Of Milkfish Satay Business Using Analytical Hierarchy Process Method

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Abstract – Marketing strategy is one of the spearheads of a healthy business. In practice marketing strategy faces a complicated problem since generally a good and standard strategy is only experienced by a business that has been running long and remains healthy so that it continues to generate profits. It is interesting to discuss exclusive food businesses (local products) that have a weakness of quick expiration date of only 1 day in delivery and 3 days in an open room (not in the packaging). It was found 4 P marketing strategy (Product, Price, Place & Promotion) so that the Analytical Hierarchy Process model was made. The results of the study showed that the top priority level for marketing in the product category was quality such as taste that was always the same and delicious. In addition, the other three criteria namely price, place, and promotion were at a non-negotiable normal price to give an exclusive impression, added facilities to provide a comfortable impression for consumers and maintain good public relations, for example, the strong relationship about satay milkfish product through word of mouth, the mutualism symbiosis relationship between local and national TV channels. The interesting thing in the choice of marketing strategies was offline marketing rather than online marketing.

Keywords – Analytical Hierarchy Process (AHP), Marketing Performance, Marketing Accessibility, Milkfish Satay.

I. INTRODUCTION

Indonesia has a very diverse marine and fisheries potential with enormous resources. The magnitude of this potential can also be seen from the availability of aquaculture areas that has continued to increase in the last six years (2013-2018) so that the fisheries sector has an important and strategic role in national economic development, especially in increasing employment opportunities, income distribution and increasing the nation's standard of living in general and the availability of fish resources[1], [2].

Banten region is one of the potential fishery sea lanes, because it is located in the Sunda Strait, and is one of the crossing lines that connect Australia, New Zealand, and the Southeast Asian region. Besides, the Banten Sea is a connecting lane of two major islands in Indonesia, namely Java, and Sumatra, so Banten has large marine and fisheries resources and has economic value [3], [4].

It is reasonable for the marine and fishery sectors to be expected to become the foundation of the economy in the future. Therefore, these opportunities and challenges must be realized in real terms for the development of sustainable marine and fishery sectors in Banten Province[5].

Considering the enormous potential of marine resources, it is an opportunity for the fishing industry community to develop their business by not only relying on fish catches, but the fish catches should be processed into more valuable goods so that they have higher economic value. One of the economically valuable processed fish products is known as milkfish satay production[2], [6].

Currently, several people are doing the production of milkfish satay processing in the Banten region, but the number is still limited and the management is still conventionally done, even though this business has a large potential opportunity to become one of the livelihoods and employment of the community [1].

This limitation is due to the weak ability of the management of milkfish satay, non-standardized quality of fish, and poor marketing network due to the limited sources of funds and human resources owned by the business community. Therefore it is very important to develop a more professional milkfish satay processing industry and more innovation and diversification of such local food

processing products [7].

To be able to develop an effective and professional marketing development strategy for milkfish satay products in Banten based on local wisdom, the proper process-based model development method is needed. One of the more comprehensive methods is the AHP (Analytical Hierarchy Process) method [8].

This method is intended for decision-making in resolving problems in terms of planning, determining alternatives, setting priorities, selecting policies, allocating needs, forecasting results, planning systems, measuring performance, optimization, and conflict resolution that are not met in quantitative numerical research approaches.

II. THEORY

Local Processed Food Product of Milkfish Satay

Locally processed food products are processed food products based on local resources that are processed and managed by the home industry and SMEs. The abundant potential of local resources in Banten province is a huge potential for SME development. Until now, the presence of local processed food products in Banten Province is still not exposed compared to local food products from other provinces in Java, even though the quality and taste are not inferior to local processed food products from other provinces [9].

Milkfish satay is a processed protein-based local food. One disadvantage of milkfish is that the meat smells of mud and its thorns which are not easy to clean. This causes milkfish to be less practical to be consumed mainly by children and the elderly [10].

For those reasons, an effort in the utilization of milkfish is needed, one of which is by processing milkfish into products that have added value to overcome the problem. Milkfish satay is a semi-wet product that is quickly damaged and has a shelf-life of about 3 days so the marketing range of this product is still around Banten, Jakarta, and West Java regions. Milkfish satay is one of the processed milkfish products. Milkfish satay processing business is categorized into agro-industry and most of these businesses are carried out in the small and medium scale enterprises which are classified into the home industry[11].

The main problem faced by milkfish satay SMEs is inappropriate marketing access, quality, packaging, and business continuity, and SMEs are still running on their own so it is difficult to coordinate either the relevant government or those who will develop SMEs in local food processing products. The triple helix model is a model of synergy that is carried out jointly by academics for research, the government provides access to training, policy and capital, and business as business actors. The cluster model is an alternative that can be performed to facilitate the accessibility of product marketing[1].

Consumer Perception

Perception is the process carried out by individuals to choose, organize, and interpret stimulation into meaningful and reasonable images of the world. This process can be explained as how we see the world around us. Two individuals may receive the same stimulation in the same real conditions, but how everyone knows, chooses, regulates, and interprets is a very individual process based on the needs, values, and expectations of each person[12]. Consumer perception is the foundation of all elements in determining the criteria that will be made in the formulation of the AHP Model in Milkfish Satay SMEs [1], [11].

Adaptability of the Business Environment

Hamel and Prahalad in their book entitled *The Core Competence of the Corporation* (1990) state that management strategy views the environment as an important factor that has a strong influence on business performance[13]. The contingency theory had an alignment between strategy and environment which influenced business survival and performance[14]. In the contingency theory, it is explained that the ability of the owner/manager together with business resources owned that can adjust to the environment will have a positive effect on the survival and business performance of SMEs[8], [15].

So, the effect or influence of a business environment on entrepreneurial activity, especially in SMEs is very important and it is supported by evidence that explained that the way an entrepreneur ran his business would be affected by the environment in which they operate. This opinion was also expressed by Covin & Slevin, in the *Journal of Strategic Management of Small Firms* [16].

Baum et al. (2001) explained that a stable type of environment was positively correlated to business success [17]. Conversely, a dynamic environment demands the business to be resilient and proactive, meaning that this kind of environment gives a challenge to entrepreneurs. By referring to the business performance of an SME, the existence of turbulence and dynamics in the economic

environment and the business sector specifically tends to have a direct effect on the success of a business.

A turbulent business environment is characterized by unpredictable demand from consumers and the actions of competitors, which require changes in marketing practices and the way a business operates [16]. Surviving in such situations requires an entrepreneur to build competencies that allow him to face a challenging environment. Such competencies involve relationship competencies and business networks that will provide business benefits [18].

Marketing Performance

Marketing performance is the ability of an organization to transform itself in facing challenges from the environment with a long-term perspective [19]. Performance appraisal is part of the company's efforts to see the suitability of the strategies it applies in dealing with environmental changes. The environment has indeed become an important part of the company and is something difficult for the company to change. The company can only recognize it and then manage it well so that it can benefit the company. A good recognition of the environment will have an impact on the quality of strategy which will then have an impact on marketing performance [20], [21].

Marketing performance is a factor often used to measure the impact of strategies implemented by the company[22]. The company's strategy is always directed at producing good marketing performance and good financial performance. Furthermore, good marketing performance is stated in three main values, namely sales value, sales growth, and market share. The marketing strategy is always directed at producing good marketing performance (such as sales volume and growth rate) and good financial performance[22], [23].

III. RESEARCH METHODS

The selection of informants in this study was carried out by considering informants' understanding of the marketing strategy of milkfish satay products. The informants in this study consisted of two marketing strategy experts and two practitioners with competent considerations. The valid condition of the respondents in AHP was that they were people who mastered or were experts in their fields [15]. Therefore, the respondents selected in this survey were marketing strategy experts/researchers and practitioners involved in the world of milkfish satay culinary business.

This section is related to data collection to ensure the right model for the milkfish satay marketing strategy using the Analytical Hierarchy Process method.

IV. RESEARCH RESULTS

Marketing Strategy Criteria

Following is the structure of the overall analysis of the general network model of the Analytical Hierarchy Process. This structure consists of goals, criteria sub-criteria, and alternatives made from super decision software before discussing the strategy in this study. It should be noted that the informants (practitioners) chosen were very suitable to be involved as a model to represent the milkfish satay bandeng SMEs in Banten.

4P Strategy (Product, Place, Price & Promotion)

Product	
Product Quality	Milkfish Satay product such as a quality taste.
Brand Awareness	How important is the milkfish satay branding, whether it is famous or not.
Product Diversity	How important is the processed milkfish products variant.
Feature	The uniqueness of milkfish satay products such as packaging, shape, colour and other distinctive features.
Price	
Discount	Provide discount prices to new or old customers
Normal Price	Do not provide any discount
Priority Price	Provide special prices on Ramadhan days or every Weekend or for student and other priorities.
Place	
Location	How important is strategic location of milkfish satay business
Adding Facilities	How important is adding facilities at the location to make consumers comfortable.
Promotion	
Sales Promotion	Such as buy 1 get 1 promotion or similar promotion
Sales People	Create sales agents (like resellers)
Advertisement	Paid Offline and Online Print Media
Public Relations	Conduct order collaboration for consumption with government or companies.

The criteria for choosing the three practitioners were based on various aspects, one of them was the involvement period in milkfish satay entrepreneurship, namely about 40 years, 30 years, and 17 years. In addition, the three SME practitioners seemed to have a more comprehensive marketing strategy compared to SMEs with only 5 years or less operational period.

4P was chosen for the structure of the AHP model because the marketing criteria scheme was the most appropriate to use considering that milkfish satay SME has a limited number of products marketed, unlike SMEs that have many types of products such as training services, lodging services, appropriate technology products and others that certainly have many product variants.

Synthesis Results Analysis

The results were obtained from the systematic consensus of practitioners regarding marketing strategies, criteria, and alternative strategies. Based on the figure below, the criteria priority for the product category was the quality of 35.10%. This meant that milkfish satay SME practitioners were more concerned with product quality such as taste, colour, well-cooked, and raw materials rather than emphasizing the growth of the company's reputation (brand image) through the brand or ambassador.

In addition, the second importance of the product category was the characteristics or uniqueness of products such as packaging, the authentic color of the company of 28.56%. Then it was followed by Brand Awareness with an importance value of 20.86% and the last position of importance was the product diversity other than milkfish satay of 12.42%. This showed that the milkfish satay SMEs

did not focus on selling.

Calculation of priorities (the importance) was taken through the geometric mean scheme of the three satay milkfish SME practitioners. The inter-rater agreement value for the product strategy was $W=0.544$, which meant that 54.4% of respondents agreed that the importance in the product category was the quality of a milkfish satay product regardless of its characteristics and reputation when the milkfish was advertised by celebrities or famous figures.

In addition, in the marketing strategy, pricing was also part of the technique of attracting consumers. It was shown that milkfish satay SME emphasized normal prices rather than providing discounts or priority prices. This defined that milkfish satay SMEs had an exclusive nature that was reluctant to reduce prices or provide negotiable prices to the consumers, even though they bought in large quantities. The synthesis values of the price criteria in sequence from the most important to the least important were the Normal Price of 64.80%, then the discount price of 19.31%, and the priority price of 14.19%. Meanwhile, the inter-rater agreement value on the cost criteria was $W=0.778$, which meant that 77.8% of all respondents agreed that an exclusive or non-negotiable price was a marketing strategy. This can be considered true and correct considering the technique of making milkfish satay which was not easy and required exact dosages and high-quality raw materials.

Another interesting fact from the three milkfish satay SME practitioners was that they preferred to give a bonus of 1-2 pieces of milkfish satay to consumers who bought 10 to 50 pcs instead of lowering the price or providing a discount. Location was the next most important factor that defined the determination of marketing strategies. It was found in the figure below that adding facilities to make consumers more comfortable was the most important part rather than renting new, more affordable, and strategic locations. Whereas, all three of these business locations were in the alley, not on the main road and two of them were placed in the alley which could not be passed by the four-wheeled vehicles.

The total geometric mean values of the three milkfish satay SME practitioners stated that adding facilities was more important at 69.34% than having to rent new more strategic locations at 30.29%. In addition, at the inter-rater agreement value in the 4P strategy, the place criterion had a value of $w=1$. This meant that the three respondents 100% agreed that adding shop facilities was far more important than renting a new more strategic location to increase the number of consumers.

The figure below shows that in the 4P strategy criterion, the highest value in the promotion category was public relations at 29%, followed by print media (newspapers), radio and brochure advertisements at 28.88%, sales promotion at 23.59%, and salespeople (agent or reseller) had the lowest importance (priority) of 6.74%. The result of the inter-rater agreement value for the sub-criteria of promotion was $w=0.489$, which meant that 48.9% of respondents agreed that the most important thing in the sub-criteria of promotion was to maintain community relations.

Interesting facts regarding maintaining community relations were such as strengthening national and local TV coverage (free/not paid) regarding milkfish satay SMEs, utilizing alms networks to the community, and also local radio coverage for free. It was evident that the proper promotion technique was utilizing relationships without having to spend money to advertise daily sales which could reach 80-300 pcs of milkfish satay per day.

From the reviewed 4P strategy above it can be concluded 2 choices, which illustrate how the most appropriate marketing technique for MSE satay milkfish. It was found that the alternative offline strategy of 53.30% was the best choice. Then it was followed by an online strategy of 46.70%, with an inter-rater agreement value of $w=1$, which meant that the three practitioners 100% agreed that the milkfish satay SME market still strengthened consumers through word of mouth, television, radio, and well-known locations. Online strategies such as Facebook ads, google ads, and Instagram ads, were not the main alternatives in marketing strategy. An interesting fact stated by the three satay milkfish practitioners was that only 1 milkfish satay SME had a website on its brand and the website still used a free domain namely BlogSpot. In addition, the three largest and oldest milkfish satay SMEs had not utilized paid advertising services on Facebook, Instagram, or Google.

V. DISCUSSION

The findings of the whole milkfish satay SME strategy create many gaps for perfect competition markets. If there are many new milkfish satay SMEs with young souls within, with online marketing strategies with lots of free features, discounts, or using celebrities to increase the brand, then the new SMEs can quickly attract new consumers, given that Indonesia is currently entering the industrial revolution 4.0.

This is justified when we see milk ball SMEs in Bandung. We are not surprised that there is a lot of perfect competition in the struggle for consumer interest in price, quality, and even egocentric prestige when buying milk ball products. In addition, SMEs in Bandung also dare to open many agent and reseller schemes to entertain consumers' trust and convenience. This certainly makes consumers more satisfied and facilitated. Another interesting thing from the result of the marketing strategy was that it was not easy to rival the uniqueness of such milkfish satay SMEs since the three milkfish satay SMEs have had a milkfish satay recipe for generations. In addition, excellent service due to decades of selling milkfish satay is also not easy to compete with other MSEs who will start the milkfish satay business.

VI. CONCLUSION

The results of the study were regarding milkfish satay SME marketing strategy through 4P criteria consisting of Product, Price, Place & Promotion. Description of the marketing strategy criteria resulted in a priority sequence for the three experts, namely: 1) product quality such as taste that was very important compared to product characteristics (packaging, color, and other uniqueness), company reputation, and even product diversity to other milkfish products such as milkfish meat crackers, milkfish skin chips, shredded milkfish meat, milkfish sausages, nugget, and milkfish meatballs. 2) Normal price was a non-negotiable regularity. The milkfish satay product was an exclusive product with a difficult and long way of making and high-quality raw materials. 3) Adding facilities to make consumers more comfortable was prioritized rather than renting a strategic place. 4) Maintain public relations such as word-of-mouth promotion, and TV or Radio advertising services with a mutually beneficial scheme (Not Paid Promotion). The fact was that although SMEs controlled the non-paid promotion market, they still emphasized advertisement on print media such as newspapers, but were not involved in advertisements on social media or Google. In addition, the next priority for promotion was to provide free satay milkfish for each purchase above 50-100 pcs. Then the last priority was to have agents or resellers who were indeed very reluctant to do so by the three SMEs as practitioner samples (respondents) in this study.

The alternative sales strategy as the best choice for the three milkfish satay SMEs was offline rather than online. Nevertheless, the sale of milkfish satay reached 80 to 400 pcs per day. Meanwhile, several recommendations can be given by the author including: It is expected that new entrepreneurs who are interested in having satay milkfish products can do the other method of the three experts above. This should be done because it takes advantage of opportunities that have not been done by the three milkfish satay SMEs (*unicorns*), such as having a milkfish satay business by creating a brand ambassador (local artist) to strengthen the image of a new entrepreneur. Besides that, the technique of online advertising is still very wide open to explore the potential of its consumers. In addition, location is not an important aspect of marketing. Therefore digitalization such as having a website address can increase trust of the consumers. This study is intended to expand the study on marketing strategies using the Analytical Hierarchy Process method for exclusive food businesses (local products) that have a weakness of quick expiration date. Further studies are recommended to use the Analytical Network Process approach so that the marketing strategy model scheme can be comprehensive. In addition, the respondents could also involve SME experts or observers.

VII. CONFLICT OF INTEREST

All authors declare no conflicts of interest.

VIII. AUTHORS CONTRIBUTION

Authors have equally participated and shared every item of the work.

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