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## **MARKETING STRATEGY FOR START UP BUSINESS OF BROILER PEKING DUCK FARM WITH ECO-GREEN INTEGRATED**

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### **ABSTRACT**

The increasing number and the rate of Banten population growth from year to year make it as a potential market which is quite large for the development of broiler duck farming business in the future. In this case, intensive system broiler Peking duck farming which is integrated, economic, and eco-green intensive, eco-green commonly utilizes *Azolla microphylla* and flour of *pluchea* leaves and other germ plasmas as the feed supplements. As a company in Peking duck farming with Eco Green concept, it requires the right marketing strategy to get into the target market. Therefore, the focus of this study is the marketing strategy to start up the business of eco-green integrated Peking duck farming. The results of the analysis of this study are that the marketing strategies used are: objectives and target marketing; analysis of market situation, market size, market share, market description; strategy of marketing, segmenting, targeting, positioning; tactics of marketing, networking, interaction, common interest, experience; CRM, continuity marketing, one to one marketing, partnership; blueprint for building a winning sales force; marketing budget, sales estimation, net marketing contribution.

### **KEY WORDS**

Marketing, strategy, start-up business, animal farming, eco-green.

The increase and the rate of Banten population growth from year to year make Banten as a quite large potential market to develop the duck breeding farming business in the future. As it is predicted by Central Bureau of Statistics (BPS), the number of Banten citizen is 13.1 million people or 4.85% of 271 million of Indonesian citizens in 2020. Moreover, it is predicted that the number of Banten citizen will be 16 million people or 5.24% of 305.6 million people of the number of Indonesian citizen in 2035.

According to Federation of Indonesian Poultry Society (FPMI), the average number of Indonesians who consume meat is 15 kg/capital/year from the number of production or provided 3.75 million ton; with the portion of duck meat is 0.2 kg/capital/year (50 thousand ton provided). The low contribution of duck becomes an opportunity for those who want to develop the potency of duck in order to increase the need of meat per kg/capital/year. Nowadays, people show the high interest on duck meat which is supported by the improvement of their prosperity which is shown by the crowded restaurants and food courts providing duck meat as the main menu. Some of those culinary businesses are Fried Duck H. Slamet Restaurant – BSD, Bebek Kaleyo Restaurant – Gading Serpong which is recently open the 17th branch in Gading Serpong, The Ducking Restaurant, a quality restaurant in the mall culinary area, the center of culinary, and restaurant in hotels.

Based on the Central Bureau of Statistics data in 2011-2014, the number of restaurant 797 restaurants in Banten in 2011 is 797, and it continuously increases up to 1110 in 2014. This fact gives an opportunity to market duck meat from duck breeding farms; therefore, it will increase the role of duck in fulfilling the needs and the availability of meat in Indonesia, especially in Banten as an operational area of Peking duck farming business. In fact, it is also supported by the increase of demand in fulfilling animal protein in Banten.

Duck farming productivity can be improved through the implementation of government policies to support the development of livestock production systems and designing technological innovations which are appropriate for the animal farmers. Other factor that should be considered is duck raising management involving: the quality of breeds used, proper raising procedures, quality and appropriate feeding methods, appropriate research and technology use, the business system and good financial analysis, sufficient experience in raising ducks, strict biosecurity system and livestock product marketing.

Peking duck farming which system is intensive, integrated, economic, and eco-green uses *Azolla microphylla* and *pluchea* leaf flour and other germ plasmas as food supplement (Ventura and Watanabe, 1993). The eco-green-concept Peking duck farming applies six steps of farming management, such as: 1) Eco-Green Housing Farm Management; 2) Breeding Management, 3) Hatchery Management, 4) Growing Management of Duck for Slaughter, 5) Feeding Management; 6) *Azolla microphylla* pond management and *pluchea* management, 7) Management of Cutting Ducks (Processing Management), and 8) Marketing Management.

Eco-Green Integrated Model of Peking Duck Farming is a model of Peking duck farming business which is intensively integrated managed beginning from breeding process (breeder farm), hatchery (hatchery farm), duck for slaughter growing (grower farm), and carcass processing ( processing farm) to becoming the ready marketed product which is in the form of good quality duck carcass. Having the cheap cost of production and environmentally friendly, the price of the product can compete well in the market. In this case, duck farming business has a concept of "result diversification, low price and fresh quality delivery order".

As a company in Peking duck farming with Eco-Green concept, it requires the right marketing strategy to get into the target market. To ensure the implementation of the right marketing strategy in marketing the product, the company should make a frame work or process of designing marketing plan which relates to the analysis of business environment. Besides, the implementation process of marketing strategy relates to the operational strategy and company's financial strategy which is supported by proper human resources management in achieving the company's planned goals.

The frame work or the process of designing marketing plan of Prima Duckindo Ltd. is aimed to ease the marketing department in doing the work project in order to achieve the planned goals.

The goals of Prima Duckindo Ltd. marketing consist of short-term, mid-term, and long-term goal.

The strategy of market development is aimed to ensure the results of meat production process of Peking duck carcass can be optimally accepted in the target market.

The target marketing plan of Prima Duckindo Ltd. in the first year of duck carcass is 88.920 kg.

Mid-Term Goals:

- Brand awareness of Duck AZOLLA: As a company producing Peking duck carcass, brand awareness is one of the goals to achieve in which it proves that the products produced by Prima Duckindo Ltd. are able to compete with formers who have already dominated the market.
- Achieving 30% of sales growth in every year. To achieve 30 % of sales growth in every year, the development of market share should be optimally done.

Long-Term Goals:

- Holding the half market of Java
- Exporting, especially to countries of Asian Economy Market members.

The target of Prima Duckindo Ltd. marketing is as follows:

- Achieving 5% of market share and 12% of market share in the fifth year
- Achieving 30% of sales growth in every year

*Market Situation Analysis.* Doing strategic marketing plan, Prima Duckindo Ltd. primarily analyzes the situation of the target market using three variables, i.e. market size, market share, and market overview.

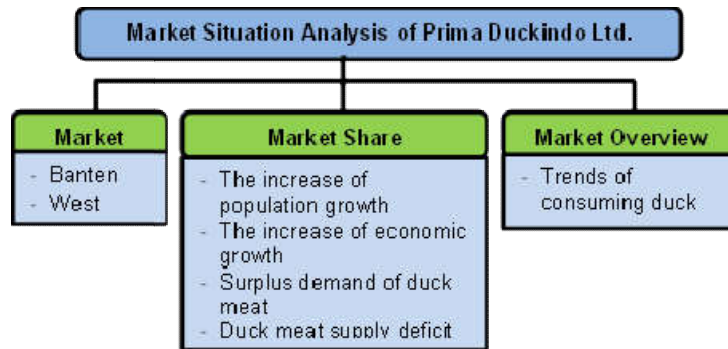


Figure 1 – The Situation of Target Market

The market situation analysis aims to collect information about the market, analyze the information in product marketing context, provide the market description, monitor how the market changes, and determine what action to take by the company and analyze the results of the company's activities (White et al., 2003). Changes in current market situation are largely influenced by the population growth of citizen which increases every year, the changing needs of consumers, the development of technology, the change of socio-economic power, and competition among producers (Henry, 2005).

The increase of population growth as well as economic growth development in which 5.4% of the national economic growth affected the ability of the community to fulfill the needs of animal protein in 2016. However, considering the current market situation in the availability of animal meat supply is still lacking which encourages business actors to be interested in doing business in supplying animal protein needs. Then, based on the source of Central Bureau of Statistics obtained, it is found that National and Banten itself, the basis of the company business, suffer from duck meat supply deficiency as it can be seen in Table 1.

Table 1 – National and Banten Duck Meat Supply-Demand in 2015-2019

| Item                       | Year     |        |          |        |          |        |          |        |          |        |
|----------------------------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
|                            | 2015     |        | 2016     |        | 2017     |        | 2018     |        | 2019     |        |
|                            | National | Banten | National | Banten | National | Banten | National | Banten | National | Banten |
| Population (000 ducks)     | 49,419   | 2,085  | 51,05    | 2,128  | 52,734   | 2,172  | 54,474   | 2,217  | 56,271   | 2,262  |
| Meat Production (000 ton)  | 35.32    | 2.55   | 36.49    | 2.60   | 37.69    | 2.65   | 38.93    | 2.70   | 40.23    | 2.75   |
| Projected Demand (000 ton) | 94.89    | 4.44   | 102.42   | 4.79   | 107.26   | 5.02   | 111.41   | 5.21   | 115.59   | 5.41   |
| Surplus/Deficit (000 ton)  | -59.57   | -1.89  | -65.93   | -2.19  | -69.57   | -2.37  | -72.48   | -2.51  | -75.37   | -2.65  |

Source: Central Bureau of Statistics / Directorate of Animal Farming Office.

Regarding to the data in Table 1 in 2015, the ability of livestock farming business actors in producing meat based on national scale was 3,532,000 tons, whereas the projection of demand for meat reached 9,489,000 tons. Therefore, there is 5,957,000 tons or a deficit of 63% of total demand of a shortage of meat supply. Similarly, in Banten, which is the basis of the business in 2018, livestock companies supplying meat can only produce 270,000 tons with 521,000 tons projected demand. Then, it is estimated that there is 251,000 tons or a deficit of 92.96% of total demand of shortage of meat supply. In this case, the result of 251,000 tons or 251,000,000 kg at a price of Rp 39,000 of the shortage supply is Rp 9,789,000,000. By that supply shortage, there is an opportunity for the company to project 30% of sales growth in every year.

**Market Size.** Market size is very important for companies in business development to conduct sales activities of Peking duck carcass products optimally. In this case, the areas of the basis of potential market are some part of Banten, DKI Jakarta, and some part of West Java. The areas which can support potential markets for the company are supported by the

population growth every year and economic growth with increasing income of the population every year. Those aspects contribute to the movement of the ability of people's purchasing power in fulfilling their needs.

In the first year of 2018 Peking duck carcass sales, Prima Duckindo Ltd. focuses more on Banten having quite high population growth in every year which is also supported by good economic growth, and then developing market in DKI Jakarta and West Java in 2019. In this case, the population of Banten in 2015 was 12 million people. Based on the analysis conducted in potential regions in Banten predicted as the market targets of Peking duck carcasses are Tangerang Regency, Tangerang City, South Tangerang City, Serang City, Cilegon City and Rangkas Bitung. In this case, the number of population which is quite large affects the quantity of high meat supply demand.

As an example, if Tangerang Regency having 3,370,594 people is assumed to consuming meat 0.05 kg in a day, the consumed meat in Tangerang Regency is 168,530 kg in a day. Mapping is also done to ease the marketing management in distributing products in the target market as it is seen in Figure 2.

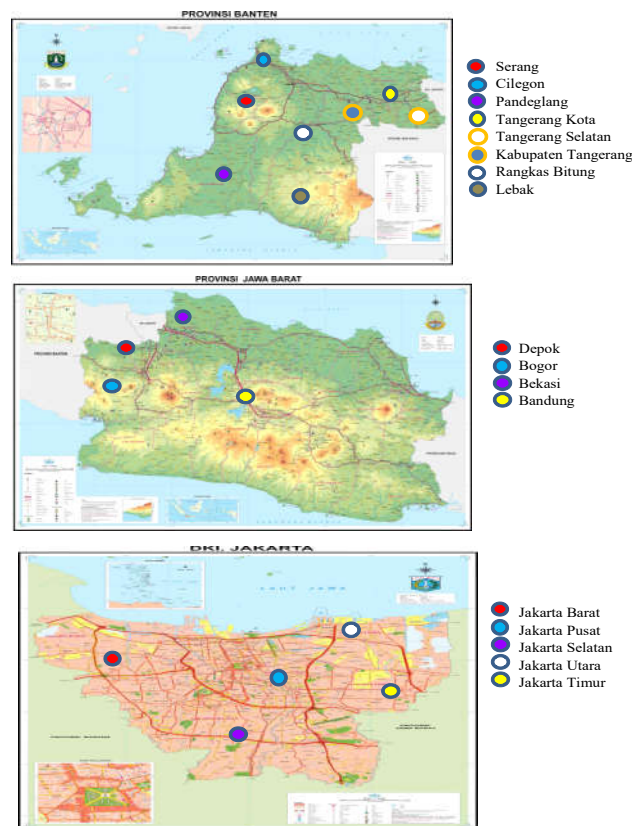


Figure 2 – Market Size

*Market Share.* Market share becomes one of the indicators of the increasing marketing performance of a company because market share is a part of the market that can be achieved by the company (Cheptea et al., 2005). The target marketing targets the company to achieve 5% of market share in the first year of 2018 and 12% of market share achievement in the fifth year of 2022. In this case, Banten, DKI Jakarta, and West Java become potential areas for the target market of Prima Duckindo Ltd. One of the indicators why Banten Province and DKI Jakarta become the basis of the marketing area of Peking duck carcasses is that the economic growth which is quite good, the increase of population which is relatively increasing every year, and the increase of population income which influences people's purchasing power in fulfilling their needs. The ability of purchasing power

of people in Banten and DKI Jakarta is good enough for business actors as it is seen from the high expenditure of people in purchasing their needs.

The amount of money spent by people in Banten and DKI Jakarta is greater than the amount of nationally expenditure. The amount of money spent by people in DKI Jakarta for food expenditure is 36.36% of the total expenditure spent in each month (according to data from Central Bureau of Statistics DKI, 2014). The high percentage of food expenditure of people who live in Banten and DKI Jakarta has affected the growth of culinary business, such as tent stalls, restaurants, and culinary stalls in hotels. According to the survey conducted by the management of Prima Duckindo Ltd., Banten, DKI Jakarta, and some areas of West Java are very potential to be the target market with culinary business trend development which serves duck meat menu. The data can be seen in Table 2.

Table 2 – Market Share

| Area        | Kinds of Business |             |        |        |
|-------------|-------------------|-------------|--------|--------|
|             | Food Stalls       | Restaurants | Hotels | Retail |
| Banten      | 6,300             | 1,110       | 44     | 50     |
| DKI Jakarta | 2,200             | 1,050       | 95     | 232    |
| Depok       | 450               | 200         | 15     | 40     |
| Bekasi      | 750               | 250         | 17     | 35     |
| Bogor       | 600               | 150         | 12     | 48     |

Source: Survey Team result, Data Central Bureau of Statistics of DKI, Banten, Jawa Barat (Team data result).

Regarding to Table 3, it illustrates a large number of market shares. Thereby, the data provides an opportunity for the company to sell Peking duck carcasses optimally. Food stalls and restaurant are the most potential target market with higher percentage of business than Hotel and Retail, and the management of the business is every day. From the large amount, the sales activities of Prima Duckindo Ltd. in the beginning of the year focus on Food stalls and Restaurant in which it allocates larger supply of Peking duck meat to Food stalls and Restaurants.

**Market Overview.** Livestock products in the free trade era can provide opportunities to develop animal farming business in small, medium, and large scale. On the other hand, the competition faced will also be more severe. Therefore, it is necessary to increase the competitiveness through the quality improvement, productivity, and business efficiency by considering the aspects of food safety and environmental conservation in order to win the competition (Chapple-Sokol, 2013). The development of duck meat culinary business market, especially in Banten Province and DKI Jakarta, can create opportunities for duck breeding companies in supplying the market needs. On the other hand, the duck breeding business nowadays is still in a small amount.

The increasing trend of duck meat consumption which is supported by the increase number of Tent stalls and restaurants serving various special cuisines with duck meat as the main menu proves people's interest of the duck meat consumption is higher. Duck meat consumption trend also roams up to various star hotels in which they serve duck meat menus. Then, it is obvious that the people's trend of consuming meat shifts from consuming chicken to consuming duck meat which is tastier and more delicious.

The emergence of consuming duck meat trend causes some duck farming centers lack of stock to meet market demand. Besides, it is also influenced by the interest of people in developing Peking duck farming business which is not significant enough. Then, the situation can be an opportunity for Peking duck farming companies in fulfilling the demand of the community and culinary entrepreneurs to get the supply of duck meat. In addition to the domestic markets, the opportunity to export the duck is quite potential. The types of duck commodities which can be potentially exported are duck carcasses to meet the demand of Asian Economy Community countries, such as Singapore, Malaysia, and even Korea.

**Market Strategy** Marketing strategy is a mindset that will be used to achieve the marketing goals of a company. In developing marketing, first, Prima Duckindo Ltd. identifies the market segment, chooses which market segment to serve, and designs the right product

and marketing program for the selected segment. After identifying the market segment, the company does target market selection of the segments considered profitable and marketable (Hornig et al, 2012).

The next marketing strategy is the positioning strategy or marketing management in determining the position to realize. The benefit of positioning for the company is as an act of designing the offer and the image of the company in order to reach a special place and unique in the mind of the target market, so it is perceived that the company has superior Peking duck carcasses than other competitors' (Armstrong et al., 2015). After segmenting, targeting, and positioning, the next marketing strategy is marketing tactics which is known as marketing mix (Cravens and Piercy, 2003). If Prima Duckindo Ltd. implements 95% of Business To Business (B2B) market share, the application of marketing mix will use NICE (Networking, Interaction, Common Interest, Experience) marketing tactics. The next marketing strategy of building relationship marketing focuses on customer relation management (CRM) as a way of marketing to customers which can increase the long-term development of the company, and it can be an approach that focuses on attracting and retaining customers through enhanced corporate relationships with customers (Chen and Popovich, 2003).

*Segmenting, Targeting, Positioning.* Market segmentation is a method of how to view markets creatively. According to Kotler and Keller (2009), market segmentation is a market consisting of a group of customers who have similar set of needs and wants. Kotler and Keller (2009) also state that market segmentation should meet some criteria, such as measurable, accessible, substantial, differentiable, and actionable. Market segmentation can be intended as the division of heterogeneous market which is changed into homogeneous market groups in which each group is expected to market a product based on customers' needs, wants, or other characteristics of customers in the market.

Targeting is the process of evaluating and selecting one or more of the most appealing market segments to be served with a specific company marketing program. According to Armstrong et al. (2015), targeting is a group of buyers who have the same needs or characteristics which become the sales goals. Targeting is a very important process because it will determine who will buy the product from the company. In other words, targeting is to target the selected market in market segmentation analysis.

Positioning is a way that marketers do to build an image or identity in the minds of consumers for a particular product, brand, or institution. According to Armstrong et al. (2015), "Positioning is the act of designing the company's offer so that it occupies a distinct and value placed in the target customer mind". Positioning is an action or steps from the manufacturer to design a corporate image and value offering in which consumers, in a particular segment, understand and appreciate what a particular segment does, understand and appreciate what a company does, compared to its competitors (Moutinho, 2000 ).

The determination of market segmentation, targeting, and positioning strategies is beneficial for gaining a more effective competitive position with products of the competitors who have already entered the target market, and also beneficial for identifying gaps in markets that indicate opportunities to develop a product of a company. The market segmentation is effective when the segment can be measured, achievable, and profitable for the company.

*Marketing Tactic.* Marketing management recognizes Marketing mix term. Marketing mix is a set of operational decisions about product decisions, price decisions, promotion decisions, and place decisions. Because Prima Duckindo Ltd. is the largest market share of B2B, 4P marketing tactic used is NICE marketing tactics, i.e. Networking (Place), Interaction (Promotion), Common Interest (Price), and Experience (product). By emphasizing the achievement of 30% of sales growth in every year, Prima Duckindo Ltd. requires the implementation of effective and appropriate marketing tactics for marketing management. Then, the quality products can create better image of the company, and the image of customers in presenting the products purchased from the company (Peng and Wang, 2006). The implementation of marketing tactics and their application can be seen in Table 3.

Table 3 – The Implementation of 4P Marketing Tactics on NICE (Networking, Interaction, Common Interest, Experience)

| 4P                      | Planning and Implementation of 4P Marketing Mix  | Achievement   |
|-------------------------|--|---|
| Experience (Product)    | Peking Duck Carcass Product for Business Market<br>Peking Duck Carcass Product for Consumer Market (end user)                    | Retail and Culinary<br>Consumer Loyalty   |
| Common Interest (Price) | Lower price from other competitors<br>Discounting  | Optimal Sales<br>Consumer Loyalty   |
| Networking (Place)      | Peking duck carcass distribution to Banten, Jakarta, Bogor, Bekasi, Depok  | Optimal Carcass Supply<br>Retail and Culinary   |
| Interaction (Promotion) | IMC (advertising, word of mouth, sales promotion, publicity relationship, direct marketing & online marketing, personal selling) | Duck Meat Carcass<br>Peking with Azolla Duck brand is known by consumers as the duck having tasty, delicious, not raised, and good quality. |

*Customer Relationship Management (CRM)*. CRM aims to create customer value, so customers will be satisfied and it can maximize the company profits. The company will gain comparative advantage by paying attention to the product quality in order to provide excellent customer satisfaction (Barnes, 2001). With a CRM marketing strategy, it is intended to create customer loyalty. The implementation of CRM made by marketing management to business market customers through continuity marketing, one to one marketing, and partnering (co-marketing) can be seen in Table 4.

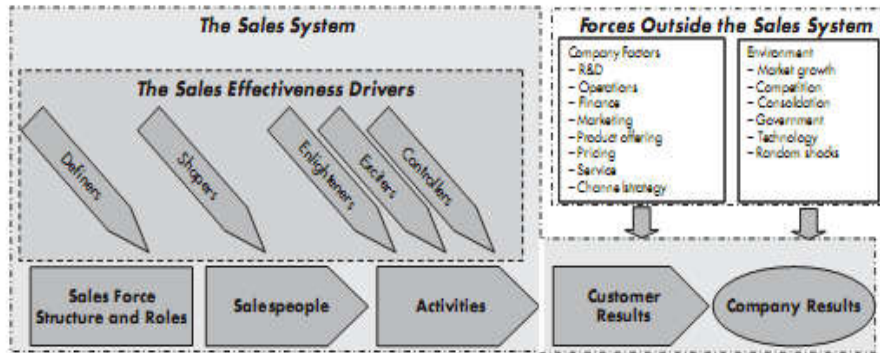
Table 4 – The Implementation of Customer Relationship Management (CRM) to Business Market Customers

| Customer Relationship Management (CRM) | Treatment to Business Market (Food Stalls, Restaurants, Catering, Hotel, Retail)   |
|--|--|
| Continuity marketing                   | Monitoring and giving continuous service to customers so that customers' loyalty is sustainable. It can be used by the marketing management by forming a member club, such as food stall member club providing membership card and special discount for the members. |
| One to one marketing                   | This activity is done to build consumer emotional relationship by always communicating with the consumers, solving customer complaint, and fast response towards the consumers.  |
| Partnering (co-marketing)              | Animal farming company has created partnering business becoming animal farming partner in raising Peking duck. For the marketing in developing market share, customers can be used as business partners, asking them to invest to the beneficial company.            |

Establishing a solid long-term relationship with customers requires concentrated effort of all employees and management to know what satisfies customers and what is valued by customers. Customer Relationship Marketing (CRM) conducted by Prima Duckindo Ltd. focuses on customer relation, benefit-oriented product and good service, high commitment from the customers to the products offered by the company, and the attention of management and all employees on the quality of Peking duck carcass in fulfilling the customers' wishes.

*Blueprint for Building a Winning Sales Force* To achieve the success in Peking duck carcasses sales, the marketing management will build a design for the success of the sales force (blueprint for building a winning sales force). The purpose of the design is to succeed in sales. Success in sales requires a strong team from the leadership of the leader who can build the spirit of the salespeople in doing sales activities and responsiveness of the salespeople towards response from customers on the products offered. The success of the sales force in the sales activities of Peking duck carcasses is created if the sales force prioritizes good service with the customers (Zoltners, 2009). The dimensions that drive the

success in sales are sales force structures and roles, sales people, activities, customer results, company results. The blue print dimension template can be seen in Figure 5.



Source: *Building a Winning Sales Force, Powerful Strategies for Driving High Performance* Zoltners, Sinha, Lorimer

Figure 5 – The Five Dimension of Sales Organization Success

**Marketing Budget** The strategy of determining the amount of cost for marketing activities greatly affects the success of marketing. It will be effective budgets if they have characteristics, such as predictive skills, authority communication channels and clear responsibilities, timely and accurate information, comprehensive conformity of information clarity, and support within the organization from all parties involved. The definition of the marketing expenses budget is a systematic and more detailed plan about marketing costs borne by the company from time to time over a certain period in the future (Subagyo, 2010). The division of Prima Duckindo Ltd.'s marketing cost budget can be seen in Figure 6.

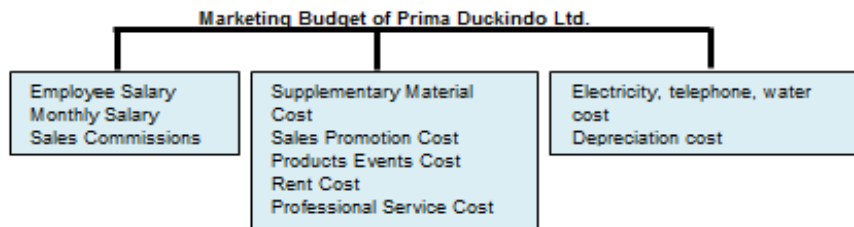


Figure 6 – Marketing Budget Plan

The costs managed by the company for employees' salaries are based on salary set by the government, such as Minimum Wages Regional of Banten Province is based on the provisions of Minimum Wages Regional of Tangerang Regency S by looking at the effectiveness of sales force work hours. On the other hand, the sales commission is given based on the provisions that have been made by the company. The sales commissions are given to the sales as much as the percentage of product sales target achievement.

The cost of supplementary materials managed by the company is in the form of sales promotion costs, the cost of events conducted by the company's marketing team, and also discounts given by the company to consumers, especially the sale of products to the business market (B2B). The purpose of providing sales promotion is as a strategy to increase sales and to motivate customers to increase the demand of Peking duck meat products to the company and also to build customer loyalty towards the duck meat products supplied by the company.

If marketing management develops the market to increase sales growth every year, it is necessary to increase the budget marketing too. By applying for an increase of marketing budget every year, the sales activities can maximize the sales activities in achieving the optimal sales target of Peking duck carcass. The marketing budget can be seen in Table 6.



Table 5 – Marketing Budget of Prima Duckindo Ltd. in 2018

| Item   | Cost Activities                                | Month      |            |            |
|--|--|------------|------------|------------|
|  |  | October    | November   | December   |
| Workers welfare                              | Wage and sales commissions                     | 14,086,596 | 14,086,596 | 14,086,596 |
| Official Travel and Transportation Allowance | Sales force official travel expenses           | 408,826    | 408,826    | 408,827    |
|  | Sales force official transportation expenses   | 1,000,000  | 1,000,000  | 1,000,000  |
| Promotion and Advertisement                  | Digital marketing advertising expenses         | 1,666,666  | 1,666,667  | 1,666,667  |
|  | Sales Promotion (meat sampling)                | 2,000,000  | -          | 1,451,957  |
| Rent   | Rent expenses for expedition                   | 1,972,357  | 1,972,357  | 1,972,356  |
| Professional Service                         | Professional service expenses (trainer)        | 5,071,775  | -          | -          |
| Transportation                               | Peking duck carcass transportation expenses    | 4.226,478  | 4.226,479  | 4.226,479  |
| Telephone, Electricity, and Water            | Telephone, electricity, and water use expenses | 1,127,061  | 1,127,061  | 1,127,061  |
| Depreciation                                 | Depreciation expense of equipment and building | 841,962    | 841,962    | 841,963    |

Table 6 – Marketing Budget Expenses of Prima Duckindo Ltd. in 2018-2022

| No | Description                        | Year       |             |             |             |             | Marketing Budget Percentage |
|----|------------------------------------|------------|-------------|-------------|-------------|-------------|-----------------------------|
|    |                                    | 2018       | 2019        | 2020        | 2021        | 2022        |                             |
|    |                                    | (Rp)       | (Rp)        | (Rp)        | (Rp)        | (Rp)        |                             |
| 1  | Salary                             | 42,259,788 | 177,383,554 | 244,705,354 | 330,485,741 | 464,467,310 | 50%                         |
| 2  | Promotion and advertisement        | 8,451,957  | 354,476,711 | 48,941,071  | 66,097,149  | 92,893,462  | 10%                         |
| 3  | Transportation                     | 12,679,436 | 53,215,066  | 73,411,606  | 99,145,722  | 139,340,193 | 15%                         |
| 4  | Rent                               | 5,917,070  | 21,286,026  | 34,258,750  | 46,268,004  | 65,025,423  | 7%                          |
| 5  | Professional service               | 5,071,775  | 17,738,355  | 29,364,642  | 39,658,289  | 55,736,077  | 6%                          |
| 6  | Official travel and transportation | 4,226,479  | 14,190,684  | 24,470,535  | 33,048,574  | 46,446,731  | 5%                          |
| 7  | Telephone, electricity, and water  | 3,381,183  | 10,643,014  | 19,576,428  | 26,438,859  | 37,157,385  | 4%                          |
| 8  | Depreciation                       | 2,525,887  | 354,767,108 | 14,682,322  | 19,829,145  | 27,868,038  | 3%                          |
|    | Total                              | 84,513,575 | 354,767,108 | 489,410,708 | 660,971,483 | 928,934,619 | 100%                        |

**Sales Estimation.** Most companies do a possible scenario in making sales estimate, both in the form of sales projections and net marketing contributions. 95% of Peking duck carcasses sales are sold for B2B (Business to Business) market share needs i.e. for the needs of Food Stalls, Restaurants, and Retails. On the other hand, the 5% is sold for consumer market needs (end user). The projection of duck meat carcass from 2018 can be seen in Table 7 and 2019 - 2022 in Table 8.

Table 7 – Projected Sales of Peking Duck Carcass in 2018

| No | Market Segment | The Percentage of Sales Volume | 2018 Period (kg) |
|----|----------------|--------------------------------|------------------|
| 1  | Consumers      | 5%                             | 4,446            |
| 2  | Food Stalls    | 45%                            | 40,014           |
| 3  | Restaurants    | 50%                            | 44,460           |
| -  | Total          | 100%                           | 88,920           |

Table 8 – Projected Sales of Peking Duck Carcass in 2019-2022

| No | Market Segment | The Percentage of Sales Volume | Year      |           |           |           |
|----|----------------|--------------------------------|-----------|-----------|-----------|-----------|
|    |                |                                | 2019 (kg) | 2020 (kg) | 2021 (kg) | 2022 (kg) |
| 1  | Consumers      | 5%                             | 17,536    | 22,816    | 28,936    | 37,724    |
| 2  | Retails        | 15%                            | 52,607    | 68,449    | 86,808    | 113,171   |
| 3  | Food Stalls    | 30%                            | 105,214   | 136,898   | 173,616   | 226,342   |
| 4  | Restaurants    | 40%                            | 140,285   | 182,532   | 231,488   | 301,789   |
| 5  | Hotels         | 10%                            | 35,071    | 45,633    | 57,872    | 75,447    |
|    | Total          | 100%                           | 350,712   | 456,327   | 578,721   | 754,473   |

Source: Authors Processed Data.

Implementation of Peking duck carcasses sales system on market segments targeted by the company has different ways. For instance, the system implemented in the Retail

markets in supplying Peking carcasses is that Retail is destined alternately each week, and the selected Retail outlets are those which sell meat products, such as Giant, Hypermart, Clubstore, Hero, Daily Foodhall, Ranch Market, Sabar Subur, Superindo, and Carrefour which have many branches in the target market size. Moreover, in the product supply system can be done by consignment, and then mutually beneficial sales scenario is done. Besides, for the largest market segment, Food Stalls and Restaurants, the supply of meat based on the needs of business actors is maximized, and the company supplies meat of Peking duck carcass maximally every day.

Generally, marketing and sales make sales scenarios. In this case, the projected sales plan recognizes three types of scenarios, i.e. optimistic scenario, normal sales scenario, and pessimistic sales scenario. Thus, in sales, optimistic sales scenario is made. Table 9 shows the projected Peking duck carcass sales.

Table 9 – Projected Sales of Peking Duck Carcass in 2018

| Optimistic sales        | Month         |               |               | Total         |
|-------------------------|---------------|---------------|---------------|---------------|
|                         | October       | November      | December      |               |
| Target Sales Percentage | 100%          | 100%          | 100%          | 100%          |
| Target Sales/month (kg) | 29,640        | 29,640        | 29,640        | 88,920        |
| Sales Income (Rp)       | 1,155,960,000 | 1,155,960,000 | 1,155,960,000 | 3,467,880,000 |

To achieve the sales of Peking duck carcasses which is targeted to increase by 30% every year, the company begins DOD breeds sales to livestock partners which will start in 2021. The sale of Peking duck breeds (DOD) is to meet the needs of breeds for livestock partners of Prima Duckindo Ltd. As a business partner, Peking duck raised by livestock partners will be repurchased by Prima Duckindo Ltd. when the Peking ducks are ready to harvest. It is a way to maximize the sales volume of Peking duck carcass sales in the business markets which become the company's customers. The projected sales of Peking duck breeds (DOD) can be seen in Table 10.

Table 10 – Projected DOD Sales to Animal Farm Partners in 2021-2022

| Item | Year     |            |             |          | Value (Rp) |               |
|------|----------|------------|-------------|----------|------------|---------------|
|      | 2021     |            | Value (Rp)  | 2022     |            |               |
|      | Quantity | Price (Rp) |             | Quantity |            | Price (Rp)    |
| DOD  | 11,400   | 18,000     | 205,200,000 | 62,310   | 19,000     | 1,183,890,000 |

*Net Marketing Contribution (NMC)*. Net marketing contribution derives from net sales subtracted by marketing expense. This value is the reference in monitoring market performance and profit. One of the sales strategies done by marketing management in achieving sales target is providing discount which aims to stimulate the interest of customers to purchase Peking duck carcass as many as possible (Hunt and Lambe, 2000). Marketing management provide budget 2% for sales discount of 2% of Peking duck carcass and DOD ducklings sales. On the other hand, in distributing Peking duck carcasses to customers, marketing management analyzes the possibility of the products being returned by the customers. The claim or return products is estimated at 0.5% of the sales of Peking duck carcass meats. The net sales of Peking duck carcass meats and DOD Peking duck breeds after being reduced by discount and product return can be seen in Table 11.

Net Marketing Contribution (NMC) in 2018 is Rp 1,170,391,135 from the net sales of Peking duck carcasses of Rp 3,381,183,000, COGS is Rp 2,126,262,290, marketing expense is Rp 84,529,575, ROS marketing (Return On sales) is 93% meaning that each Rp 1 of the net sales of Peking duck carcasses will gain profit Rp 0.93, whereas Rp 0.07 is used for HPP, marketing and tax operational costs, or from the total Net Marketing Contribution produced by Prima Duckindo Ltd. which remaining 93 % profit, while the rest is 7% to cover the HPP, operational and corporate income tax expenses of the company.

Table 11 – The Total of Net Sales of Prima Duckindo Ltd. Products in 2018-2022

| Product             | Year | Quantity (Unit) | Price (Rp) | Bruto Sales (Rp) | Discount (2%) (Rp) | Return (0.5%) (Rp) | Netto Sales (Rp) |
|---------------------|------|-----------------|------------|------------------|--------------------|--------------------|------------------|
| Peking Duck Carcass | 2018 | 88,920          | 39,000     | 3,467,880,000    | (69,357,600)       | (17,339,400)       | 3.381,183,000    |
| Peking Duck Carcass | 2019 | 350,721         | 41,500     | 14,554,548,000   | (291,090,960)      | (72,772,740)       | 14,190,684,300   |
| Peking Duck Carcass | 2020 | 456,327         | 44,000     | 20,078,388,000   | (401,567,760)      | (100,391,940)      | 19,576,428,300   |
| Peking Duck Carcass | 2021 | 578,721         | 46,500     | 26,910,526,500   | (538,210,530)      | (134,552,633)      | 26,237,763,337   |
| DOD                 |      | 11,400          | 18,000     | 205,200,000      | (4,104,000)        | -                  | 201,096,000      |
| Peking Duck Carcass | 2022 | 753,473         | 49,000     | 36,920,177,000   | (738,403,540)      | (184,600,885)      | 35,997,172,575   |
| DOD                 |      | 62,310          | 19,000     | 1,183,890,000    | (23,677,800)       | -                  | 1,160,212,200    |

Source: Authors Processed Data.

Table 12 – Net Marketing Contribution (NMC)

| Performance                           | Year          |                |                |                |                |
|---------------------------------------|---------------|----------------|----------------|----------------|----------------|
|                                       | 2018          | 2019           | 2020           | 2021           | 2022           |
| Peking Duck Carcass Sales             | 3467880000    | 14,554,548,000 | 20,078,388,000 | 26,910,526,500 | 36,920,177,000 |
| DOD Sales                             | -             | -              | -              | 205,200,000    | 1,183,890,000  |
| Discount (2.5% of Sales Revenue)      | 69,357,600    | 291,090,960    | 401,567,760    | 542,314,530    | 762,081,340    |
| Return (0.5% of Sales Revenue)        | 17,339,400    | 72,772,740     | 100,391,940    | 134,552,633    | 184,600,885    |
| Net Sales (Peking Duck Carcass & DOD) | 3,381,183,000 | 14,190,684,300 | 19,576,428,300 | 26,438,859,337 | 37,157,384,775 |
| CCGS                                  | 2,126,262,290 | 8,269,088,445  | 11,226,549,958 | 15,271,414,936 | 21,994,996,716 |
| Gross Profit                          | 1,254,920,710 | 5,921,595,855  | 8,349,878,342  | 11,167,444,401 | 15,162,388,059 |
| Marketing Expense                     | 84,529,575    | 354,767,108    | 489,410,708    | 660,971,483    | 928,934,619    |
| Net Marketing Contribution (NMC)      | 1,170,391,135 | 5,566,828,747  | 7,860,467,634  | 10,506,472,918 | 14,233,453,440 |
| Marketing ROS (Return on Sales)       | 93%           | 94%            | 94%            | 94%            | 94%            |
| Marketing ROI (Return on Investment)  | 138%          | 157%           | 161%           | 161%           | 153%           |

The amount of marketing ROI (Return on Investment) in 2018 is 138% which means that for every Rp 1 invested by Prima Duckindo Ltd., shareholders or the company will obtain additional equity value of Rp 1.38, or the company gains an increase in the value of invested equity by 138%. By knowing the percentage of ROI of 138%, it describes the ability of the company's effectiveness in providing income for each investment which is invested by the company or shareholders.

## CONCLUSION

Duck farming business managed by Prima Duckindo Ltd. with Eco-Green concept becomes a beneficial business and an exemplary farming business with dry cage, economical, and environmentally friendly method. With various analyzes conducted by the company, in the development of duck breeding business run by Prima Duckindo Ltd., the reliable operational management is required. Prima Duckindo Ltd. is an integrated farm starting from breeding, hatching, farming or growing, and cutting ducks to become carcasses. Therefore, to achieve the goals, comprehensive mapping of the operational strategy can be done by making continuous improvement. The emphasis of operational costs is focused on the cost of feeding through the use of *Azolla microphylla* and applying eco-green system, so the quality of the product and the quality of the environment is well

preserved. In addition, to increase the production volume based on the marketing demands, partnering system should be applied as much as possible in accordance with the capacity of DOD hatchery department.

Then, to market the products of Prima Duckindo Ltd., the marketing management creates a proper and effective marketing strategy plan. Positioning strategy conducted by the company is to build public perception about the superiority of the products owned by the company, such as product price, service, and product quality. Besides, marketing tactic done by the marketing management is done with marketing mix strategy. The marketing mix based on 4P is Product, Price, Promotion, and Place.

## SUGGESTIONS

Business plan designed by Prima Duckindo Ltd. can be used as an example in other poultry farm businesses or duck farms that still use traditional concept. For the management in developing Peking duck farm, innovations and the technology development which are more effective and efficient technology that can produce better duck breeding results are required.

Moreover, the business plan designed by Prima Duckindo Ltd. can also be a reference material for Graduate students as the final project of business plan and research study materials in establishing a business. For government business plan designed by Prima Duckindo Ltd. can be developed as a business that can improve people's welfare. Then, this business plan can be a reference for the community or entrepreneurs who wish to run duck breeding business.

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