



UDC 332

## DRIED SEAWEED MARKETING STRATEGY OF PT. SELT ALGA INDONESIA, DKI JAKARTA PROVINCE, INDONESIA

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### ABSTRACT

The aim of this research is to analyze the marketing strategy for dried seaweed at PT SELT Alga Indonesia. The research location is determined by purposive sampling method with the consideration that this company carries out dried seaweed production activities and has exported its products several times. The data collection technique used are the interview and documentation method. The sampling method used in this research is a non-probability sampling method, while data analysis uses SWOT analysis. The research results show that 1) the S-O strategy that can be carried out is to collaborate with new buyers by continuously maintaining the quality of processed products and developing processed products by increasing the types of products processed, 2) the W-O strategy that can be carried out is buying land to cultivate seaweed and increase the workforce and processed products, 3) the S – T strategy that can be implemented is to buy dry warehouse, raw materials by collaborating with seaweed cultivation farmers and checking the quality of the raw materials better so that the product quality the products produced are better than competitors, and 4) the W – T strategy that can be implemented is to improve the quality of processed products and have permanent cultivation farmer partners.

### KEY WORDS

Marketing strategy, dried seaweed, SWOT, public service, products.

Seaweed is one of the main fisheries commodities which is exported in the form of dried and processed seaweed. The average seaweed export volume share during 2014-2020 was 14.13% of the total fisheries export volume, however, in terms of export value, the average seaweed share only reached 5.37% of the total fisheries export value. The export value of seaweed during the 2014 - 2019 period increased by 6.53% per year, however in terms of export volume the increase was relatively small, only 0.53% per year. Meanwhile, in terms of import value, seaweed import performance in the same period increased by 24.11% and import volume increased by 14.30% (Ministry of Maritime Affairs and Fisheries, 2021).

Preliminary data results found that in the 2012-2019 period the average volume of seaweed exports reached 197.08 thousand tons per year. The highest seaweed export volume occurred in 2018, reaching 212.96 thousand tons. The Central Statistics Agency noted that the export value of seaweed from Indonesia to the Bamboo Curtain Country reached US\$ 149.3 million with a volume of 148.3 thousand tons. South Korea is in second place with a seaweed export value of US\$ 9.6 million and a volume of 7.8 thousand tons. After that there is Chile with a seaweed export value of US\$ 5.8 million and a volume of 3.4 thousand tons. The export value of seaweed from Indonesia to Vietnam was recorded at US\$ 3.8 million with a volume of 6.1 thousand tons. Then, the export value of seaweed to France was US\$ 3.6 million with a volume of 3.3 thousand tons. In total, the export value of seaweed from Indonesia was US\$ 181.4 million in 2020, down 15.7% from US\$ 215.2 million in 2019. The volume of seaweed exports from Indonesia was also recorded as decreasing. In 2020, the volume was 177.9 thousand tonnes, down 7% from 191.2 thousand tonnes in 2019 (Heriawan F., et al, 2020).

In 2020, Indonesia's export performance experienced a decline, but was still able to rank second as the largest seaweed exporting country in the world with good competitiveness (Policy Brief: Socioeconomic Maritime Affairs and Fisheries, 2020).



Indonesian seaweed exports began to record positive performance cumulatively during the January-October 2021 period. The value of seaweed exports during the January-October 2021 period was recorded to have increased by 20.42% year-on-year reaching USD 177.99 million. The cumulative growth in export value was also followed by growth in export volume by 11.68% year-on-year to 159.59 thousand tons. This increase occurred due to increasing demand from Indonesia's main trading partner, namely China (Ministry of Maritime Affairs and Fisheries, 2022).

The growth in exports of dried seaweed or raw material experienced a significant decrease in volume, reaching -32.02%, while exports in the form of agar increased in volume by 40.29% and the value increased by 37.13% compared to Semester I 2020. Exports of carrageenan increased in volume 16.04% and the value increased by 8.61%. This is one of the arguments that the impact of the pandemic is most felt by seaweed exporters in dry form (raw material). On the one hand, the utility of Indonesian seaweed processing factories has only reached 50%, one of the reasons is because they do not receive sufficient supplies of raw materials, even though if you look at the production numbers, the raw material requirements for processing factories should not be less.

One of the companies involved in this industry is PT SELT Alga Indonesia. This company was founded in 2020 and during the 2 years since its founding, in practice, PT SELT Alga Indonesia has exported three times with a total export of 80 tons to Tunisia. Dried seaweed products intended for certification from PT SELT Alga Indonesia are products intended for the Hydrocolloid Industry or Carraginan and Agar Industry.

The main obstacle faced is a policy that hampers the process of purchasing raw materials outside Java where many requirements are imposed by the government. This policy also changes frequently so companies have difficulty making adjustments. Apart from that, the availability of containers to transport raw materials is also very influential. This is due to competition between large companies and expensive container costs. Purchasing raw materials is also often hampered by farmers' willingness to sell seaweed raw materials to other companies that offer higher purchasing prices. In order to avoid problems with purchasing raw materials from seaweed farmers, PT SELT Alga Indonesia works around this by providing purchase offers with agreements to make repeated purchases from the same farmers, so that farmers do not sell seaweed to other companies even at high prices. Apart from that, logistical problems for seaweed raw materials are also caused by the prohibition on shipping during bad weather. This has an impact on the slow production process of dried seaweed.

## **MATERIALS AND METHODS OF RESEARCH**

This research was conducted at PT SELT Alga Indonesia which is located at Legally Center, Exclusive Commercial Radin Inten KAV. 18, Jalan Radin Inten II No. 80, Duren Sawit Village, Duren Sawit District, East Jakarta Administrative City, DKI Jakarta Province. Determining the research location was carried out using a purposive sampling method with the consideration that this company carries out dried seaweed production business activities and has exported its products several times. The time required for this research is four months, starting from March to June 2022. To obtain valid data, researchers used interviews and documentation methods. In this study, the sample interviewed was the owner of PT SELT Alga Indonesia who also served as a commissioner and 1 production employee. The types of data used are primary data and secondary data. Primary data is used to identify internal and external factors as well as to identify the macro and micro environment needed to determine the best defensive position for PT SELT Alga Indonesia, while secondary data is used to complement research data needs related to information from existing sources, such as important documents, websites, books, and so on. The data analysis used is Strengths, Weaknesses, Opportunities, and Threats analysis (SWOT). SWOT analysis is carried out through the Internal Factor Analysis Summary (IFAS) matrix which will outline the company's greatest strengths and weaknesses and the External Factor Analysis Summary (EFAS) matrix which will outline the opportunity and threat factors it has.



## RESULTS AND DISCUSSION

The results of research conducted at PT SELT Alga Indonesia show that several Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS) can be identified as follows.

Internal Factor Analysis Summary consists of strengths and weaknesses, with the following details:

### Strength:

- Have a quality management certificate, this certificate is given by the Ministry of Maritime Affairs and Fisheries as proof that the Company has implemented an integrated quality management program based on the HACPP concept (Weight 0.15);
- Has a dry warehouse, this dry warehouse functions as a place for processing and storing dried seaweed with a storage capacity of 20 tons (Weight 0.15);
- Has a weighing machine and seaweed press machine, with a weighing machine with a capacity of 125kg and a press machine with a capacity of 100kg to support the dry seaweed production process (Weight 0.15);
- Using food grade containers, as a form of effort to maintain the quality of the seaweed sent (Weight 0.15).

### Weaknesses:

- Not having your own seaweed cultivation land, where owning your own land can support increasing the company's processed production (Weight 0.05);
- Only sells one processed product, where variations in processed products are needed to increase the company's sales level (Weight 0.15);
- Depending on the farmer's cultivation results, this can cause the production process to adapt to the seaweed produced by the farmer (Weight 0.15);
- Reduced labor, where the number of workers in accordance with the desired production level can produce an effective and efficient production process (Weight 0.05).

External Factor Analysis Summary consists of Opportunities and Threats with the following details:

### Opportunities:

- Collaboration with new buyers, to increase sales results from dried seaweed production. PT SELT Alga has the opportunity to collaborate by looking for new buyers (0.20);
- Development of processed products, the potential for processed dried seaweed products has various product forms that can be developed (Weight 0.15);
- Procurement of own seaweed cultivation land, to increase production results and reduce dependence on seaweed cultivation results from farmers (Weight 0.15).

### Threats:

- Competition with competitors, as a new company in the world of seaweed, of course there are many other large companies that are competitors in the process of searching for seaweed raw materials (Weight 0.15);
- Implementation by the government, one of which is the prohibition of shipping transportation from operating as usual as before the pandemic which hampers the shipping process of processed seaweed products (Weight 0.15);
- Increase in raw material prices, this continues to happen because several competing companies purchase raw materials at prices above market prices so that farmers easily set high prices on other companies (Weight 0.15);
- Decreased quality of raw materials, with a small number of seaweed cultivators and not much production output, farmers end up selling seaweed raw materials with minimal quality (Weight 0.15).

The IFAS and EFAS matrices can be seen in Table 1.



Table 1 – Internal and External Factors

Internal Factor Analysis Summary (IFAS)	External Factor Analysis Summary (EFAS)
<i>Strengths</i>	<i>Opportunities</i>
Has a quality management certificate	Collaborate with new buyers
Has a dry warehouse for seaweed	Developing processed products
Has a weighing machine and seaweed press	Procure your own seaweed cultivation land
Use food grade containers	
<i>Weaknesses</i>	<i>Threats</i>
Does not have its own seaweed cultivation land	There is competition with competitors
Only sells one processed product	Implementation of policies by the government
Depends on the results of seaweed farmers' cultivation	Increase in raw material prices
Reduced workforce	Decreased quality of raw materials

Source: Processed data (2022).

The indicators used in analyzing the weighting criteria for internal factors are as follows.

**Strengths:**

**1. Quality management certificate:**

- Has a quality certificate (Rating 3), has strength in the implementation of production because it is supported by a certificate that shows the company's good processing capabilities;
- In the process of owning a quality certificate (Rating 2), the company is still in the process of obtaining a quality certificate issued by the Ministry of Maritime Affairs and Fisheries;
- Does not have a quality certificate (Rating 1), the company does not have and does not make efforts to have a quality certificate to support the business it is running.

**2. Seaweed dry warehouse:**

- Has its own dry seaweed warehouse (Rating 3), uses a warehouse for its own production and storage process purchased on behalf of the company;
- Renting a warehouse (Rating 2), having a dry seaweed warehouse rented from a company providing warehouse services;
- Does not have a warehouse (Rating 1), does not own or rent its own warehouse for the production and storage of dried seaweed.

**3. Seaweed weighing and pressing machine:**

- Has its own weighing machine and seaweed press with a high capacity (Rating 3), using a weighing machine with a large capacity that supports the smooth production process;
- Have a seaweed weighing and press machine with medium capacity (Rating 2), use machine rental services to carry out the production process;
- Having seaweed weighing and pressing machine with a low capacity (Rating 1), no initiative to purchase or rent a seaweed weighing and pressing machine.

**4. Food grade containers:**

- Using your own food grade container (Rating 3), choosing a good container with good quality can affect the quality of the processed products sold. The use of food grade containers is done so that the production results sent do not experience changes during the delivery process;
- Using rental food grade containers (Rating 2), using food grade containers rented by container service providers;
- Using containers that are not food grade (Rating 1), does not require the use of food grade containers in the process of shipping production results.

**Weaknesses:**

**1. Seaweed cultivation land:**



- Having cultivation land (Rating 1), ownership of land used as land for seaweed cultivation can reduce the company's dependence on the results of seaweed farmers' cultivation;
  - Renting cultivation land (Rating 2), owning land that is rented to develop seaweed production;
  - Does not have land (Rating 3), seaweed raw materials are obtained only from seaweed cultivation farmers.
2. Processed products:
- Increasing the number of processed products (Rating 1), the company makes efforts to increase the number of products processed and marketed;
  - Carrying out trials on the development of processed products (Rating 2), trials on the development of processed seaweed products are carried out in order to find processed products that are suitable for development;
  - There is only one number of processed products (Rating 3), the company only focuses on one processed product without developing new processed products.
3. Seaweed cultivation results:
- Having seaweed cultivation farmer partners (Rating 1), collaborating with farmers in writing for the process of purchasing raw materials;
  - In the process of collaborating with seaweed cultivation farmers (Rating 2), the company strives to collaborate with farmers to ensure the availability of seaweed raw materials;
  - Does not have cooperation with farmers (Rating 3), the process of purchasing raw materials is carried out by trusted people of the company who directly make purchases to seaweed cultivation farmers who are not partners of other companies.
4. Labor:
- Exceeding the need for labor (Rating 1), the production processor is supported by a large number of workers so that work can be completed more quickly;
  - In accordance with needs (Rating 2), the number of workers available is in accordance with the production targets desired by the company;
  - Insufficient (Rating 3), the number of workers does not match the production carried out, thereby hampering the production process.

Reference to several indicators produced can show the strategy used by PT SELT Alga Indonesia to demonstrate its existence as a company involved in the world of processed seaweed production. Table 2 explains in detail the strengths and weaknesses of PT SELT Alga Indonesia.

Table 2 – Internal Factor Analysis Summary (IFAS)

Internal Factor	Weight	Rating	Score
<b>Strengths</b>			
Has a quality management certificate	0,15	3	0,45
Has a dry warehouse for seaweed	0,15	2	0,30
Has a weighing machine and seaweed press	0,15	3	0,45
Use food grade containers	0,15	2	0,30
Sub Total	0,60		1,50
<b>Weaknesses</b>			
Does not have its own seaweed cultivation land	0,05	3	0,15
Only sells one processed product	0,15	3	0,45
Depends on the results of seaweed farmers' cultivation	0,15	3	0,45
Reduced workforce	0,05	3	0,15
Sub Total	0,40		1,20
Total	1,00		2,70
Total Strength-Total Weakness Difference			0,30

Source: Processed data, 2022.



The indicators used in analyzing the weighting criteria for external factors are as follows.

Opportunities:

1) Cooperation:

- Collaborating with new buyers (Rating 3), in an effort to increase sales of processed products, the company enters into new cooperation agreements with other buyers apart from existing regular buyers;
- In the cooperation process (Rating 2), the company has lobbied potential buyers and only needs to wait for the signing of a new cooperation agreement;
- Does not have cooperation (Rating 1), the company does not make efforts to increase sales results by looking for new buyers.

2) Development of processed products:

- Processed products have increased (Rating 3), companies that develop the potential of their processed products can increase their processed production results;
- In the trial process (Rating 2), the development of processed seaweed products is based on the results of trials of new products before they are finally marketed.

3) Cultivation land:

- Have purchased cultivation land (Rating 3), have a certificate of ownership of the land which is then used as land for seaweed cultivation;
- Process of purchasing cultivation land (Rating 2), the company has conducted a strategic location survey for cultivation land and is in the process of purchasing land;
- Not buying land (Rating 1), the company relies on seaweed as raw materials from farmers.

Threats:

1) Competitors:

- The number of competitors is large (Rating 3), competition in industries with a large market share often occurs between many companies. This happens because of the high potential of the existing industry;
- Medium number of competitors (Rating 2), only a small number of competing companies and only a few are large companies;
- The number of competitors is small (Rating 1), the company has few competitors because the business potential it is involved in has not shown significant industry improvement.

2) Implementation of government policies

- Prohibition of shipping transportation to all countries (Rating 3), the Covid-19 pandemic has resulted in the imposition of restrictions and the prohibition of shipping activities to all countries;
- Prohibition of shipping transportation to certain countries (Rating 2), the reduction in positive cases has a good impact on overseas transportation services where the country has permitted shipping transportation for the export of the company's processed products.

3) Price of raw materials

- Experiencing an increase (Rating 3), the number of farmers cultivating seaweed is small so that companies compete in getting the best raw materials which results in increasing raw material prices;
- Fixed (Rating 2), no price increase;
- Down (Rating 1), the price of raw materials on the market has decreased.

4) Quality of raw materials:

- Experiencing an increase (Rating 3), the quality of available raw materials has increase;
- Fixed (Rating 2), no improvement in quality;
- Down (Rating 1), the quality of raw materials decreases.



Table 3 explains in detail the External Factor Analysis Summary (IFAS) matrix owned by PT SELT Alga Indonesia.

Table 3 – External Factor Analysis Summary (IFAS)

External Factors	Weight	Rating	Score
<b>Opportunities</b>			
Collaborating with new buyers	0,20	2	0,40
Developing processed products	0,15	2	0,30
Procure your own seaweed cultivation land	0,15	2	0,30
Sub Total	0,50		1,00
<b>Threats</b>			
There is competition with competitors	0,15	2	0,30
Implementation of policies by the government	0,15	2	0,30
Increase in raw material prices	0,05	3	0,15
Decrease in the quality of raw materials	0,15	3	0,45
Sub Total	0,50		1,20
Total			2,20
Total Opportunities-Total Threats Difference			-0,20

Source: Processed data, 2022.

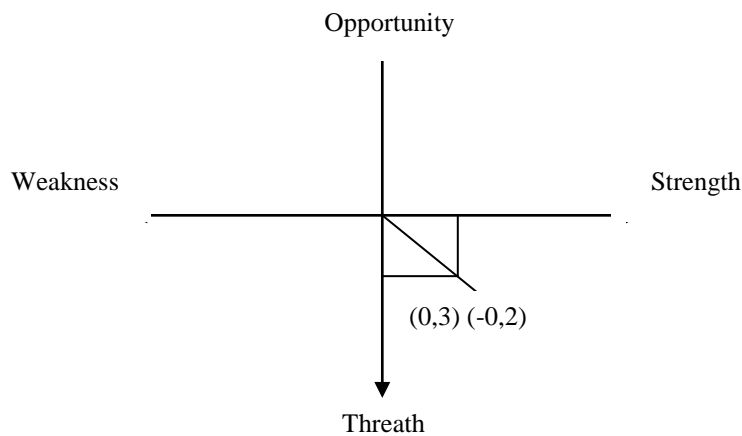


Figure 2 – SWOT Analysis results

Table 4 – SWOT Matrix

	Internal	Strength (4 Strength)	Weakness (4 Weaknesses)
<b>External</b>			
<b>Opportunity (3 Chances)</b>		S – O Collaborating with new buyers by continuously maintaining the quality of processed products Develop processed products by increasing the types of products processed	W – O Buy land to cultivate your own seaweed Increase labor and processed products
<b>Threat (4 Threats)</b>		S – T Buy your own dry warehouse Purchase raw materials by collaborating with seaweed farmers Check the quality of raw materials better so that the quality of the products produced is better than competitors	W – T Improving the quality of processed products Have permanent cultivation farmer partners

Source: Processed data, 2022.

The IFAS table shows that the strength factors have a score of 1.5, while the weakness factors have a score of 1.2 with a total score of 2.7. This score is above 2.5, so this shows that the company is in a strong position in dealing with existing internal factors. The EFAS table shows that the opportunity factor has a score of 1.0 and the threat factor has a score of



1.20 with a total value of 2.20. This score value is smaller compared to 2.5, so it can be concluded that the company is in a weak position in dealing with external factors. The internal and external factors above are as follows:

1. Strengths/ S = 1,5;
2. Weaknesses/ W = 1,2;
3. Opportunities/ O = 1,0;
4. Threats/ T = 1,2.

SWOT analysis compares internal factors (x), namely the strengths and weaknesses of the research object. Figure 1 explains that the position of PT. ALGA Selt Indonesia is in quadrant II position where even though it faces various threats, the company still has strength from an internal perspective.

The strategy implemented is to use strength to take advantage of long-term opportunities by means of a diversification strategy (production or market), while details of the strategic planning that needs to be carried out by PT SELT Alga Indonesia can be seen in Table 4.

## CONCLUSION

PT SELT Alga Indonesia's SWOT calculation is in quadrant II, where the company faces various threats but still has strength from an internal perspective so that the strategy that must be implemented is one that uses strength to take advantage of long-term opportunities by means of a diversification strategy (product/market), including by expanding market share in dried seaweed sales by entering new markets or developing their products into different markets.

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