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### Strategies to Increase Market Share and Awareness of Yogurt Business in Indonesia (Case Study on Yogurt Product X)

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#### ABSTRACT

This study aims to identify the factors causing stagnation in sales of a yogurt business in Indonesia and to determine the appropriate strategy to increase market share and awareness for the yogurt business. Based on the internal analysis conducted using an internal factor evaluation, the yogurt brand X is still far from being Top of Mind and is not well known among dairy product consumers. This presents a challenge for the company in terms of increasing consumer recognition and awareness of yogurt X. In terms of product, yogurt X has a design that is less sophisticated and simple, as supported by insights gathered from our informants. In terms of pricing, which is relatively cheaper compared to competitors, this can also create a less premium image according to theory. Additionally, there is no effort in promotion to enhance the brand image (which can be said to have never been done), and the placement of Biokul products in sales locations is no different from competitors (having no significant impact). Therefore, the factors that play the most significant role and can positively influence brand image are product and promotion.

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## 1. INTRODUCTION

Increased health awareness and lifestyle changes, coupled with increasing concerns regarding the benefits associated with health and wellness foods have led to significant changes in consumer behavior towards healthy food consumption in recent years ([Maehle et al., 2015](#)). Especially since the COVID-19 pandemic, public awareness of healthy living has increased. One of the health products that has seen a rise in demand is yogurt. Yogurt products can be found in various modern stores across Indonesia, from minimarkets and supermarkets to hypermarkets. Yogurt is a functional product fortified with calcium, fiber, and probiotics. The acceptance of functional dairy products is increasing among consumers with higher dietary/health knowledge ([Bimbo, et al., 2017](#)). According to Per-BPOM No. 30 of 2018 regarding food consumption figures, the daily consumption of fermented milk, including yogurt, for Indonesians is 155 grams per person. Although this figure is much smaller than yogurt consumption figures in other countries, it is expected to increase every year.

Yogurt is classified as a low-involvement product, meaning consumers do not need to engage in much consideration before purchasing it (FMCG product). Sheth and Venkatesan measure product involvement through the type of product and degree of orders in relation to the advertising process, which is closely related to the type of advertising media ([Greenwald & Leavitt, 1984](#); [MacInnis & Jaworski, 1989](#)). Therefore, the consumer base for this product is quite large, with a profile of men and women who are young professionals (students and those newly entering the workforce). Due to their busy schedules, they have limited leisure time. These consumers are health- and beauty-conscious, focusing on the benefits they can gain through a balanced and complete diet.



Sumber: Badan Pusat Statistik Indonesia, 2022

**Figure 1. Demographics of the Indonesian Population**

It can be seen from the table above that the population aged 15-64 years, or the productive age group, which represents the profile of yogurt X consumer segmentation, is the highest and continues to grow. Indonesia is said to be experiencing a demographic bonus, which means the size of the target market will continue to increase. Indonesian consumers place high importance on aesthetics as one of the factors in quality management. According to an article from a reputable marketing platform in Indonesia, packaging can serve as a motivation for purchasing.

## 2. LITERATURE REVIEW

### Strategic Planning

Strategic planning is a critical mean to help companies to reach their goals. It is a part and a key to successful strategic management ([Gurel & Tat, 2017](#)). Studer implies that strategic management is a set of managerial decisions and actions that determine the company's performance over the long term ([Studer, 2007](#)). Formulating a good set of strategies will improve the performance sale, vice versa. Hence, SWOT analysis was conducted to find solutions to maintain the MPN products sales performance. SWOT Analysis is a tool used for building organizational strategy and competitive strategy ([Gurel & Tat, 2017](#)). It consists of "Strengths", "Weaknesses", "Opportunities", and "Threats". Strengths and weaknesses are the internal factors that can be found from within the company, and opportunities and threats are the external factors that affect the company's performance.

### Internal and External Evaluation Factor

#### EFE Matrix

This matrix identifies the key external factors organized into opportunities and threats and the company's reaction to them. The company can choose to respond to these factors by using either a defensive or an offensive strategy. It is advised to take advantage of the opportunities from the external environment and reduce to their lowest possible level the negative impact from the potential threats ([David, 2013](#)).

#### IFE Matrix

The Internal Factor Evaluation (IFE) Matrix is a strategic formulation tool used to summarize and evaluate the main strengths and weaknesses in a business's functional areas, as well as to provide a basis for identifying and evaluating the relationships between those areas ([David, 2016](#)).

The advantages of using the EFE and IFE matrices are ([Senthilkumar et al., 2014](#)):

- 1) It does not require certain skills because it is easy to use;
- 2) It can avoid misunderstanding because it is easy to understand;
- 3) It focuses on the key factors both internal and external that affect the company's strategy;
- 4) It can be used to construct other analyzes such as SWOT, IE matrix, comparison matrix and GE matrix.

### Quantitative Strategic Planning Matrix (QSPM)

According to Abratt and also Dibb (in [David, et al., 2016](#)), QSPM determines the relative attractiveness of various strategies based on the extent to which the alternative strategies will enable the firm to capitalize upon strengths and opportunities, improve upon weaknesses, and avoid or mitigate external threats ([David, M. E. 2016](#); [Ghorbani et al., 2015](#)), state strengths, weaknesses, opportunities and threats (SWOT) and quantitative strategic planning matrix (QSPM) analysis techniques were directed to recognize the essential management strategies.

## 3. RESEARCH METHODS

In this study, we utilized a case study approach specifically tailored to a particular context, drawing on various data sources. We employed survey techniques in the form of questionnaires, complemented by in-depth interviews with key informants in the field. The survey identified 16 significant external factors and 15 important internal factors for analysis. These factors were categorized and compiled into SWOT components, which were

subsequently used to construct the EFE and IFE matrices ([Haryani et al., 2018](#)). The definitions of the variables provided a basis for establishing their scales.

Following [David's \(2013\)](#) model, the measurement of the variables was assessed and ranked as follows:

- 1) Coefficient weights were assigned to each factor to reflect its relative importance, with the goal of assigning the highest weight to the factor that has the greatest impact on the organization. Scores ranged from 0.0 (not important) to 1.0 (very important), and the sum of these coefficients was required to equal 1.
- 2) Ratings were determined based on the completed questionnaires, considering the following criteria:
  - a. For the IFE matrix: 1 = major weakness; 2 = minor weakness; 3 = minor strength; 4 = major strength.
  - b. For the EFE matrix: the ratings reflected the company's response to external factors, with 1 = low response; 2 = average response; 3 = good response; and 4 = high response.
- 3) The final value for each factor was calculated by multiplying the coefficient weights by their corresponding ratings.
- 4) The total weighted score was derived from the aggregate final scores for each factor.

#### 4. RESULTS AND DISCUSSION

##### Strategy Analysis

##### The Input Stage

The input stage is the phase of absorbing basic information used as a foundation before formulating a strategy. The steps taken during the input stage are as follows:

1. Identifying the company's internal and external data, as well as the results of the marketing mix questionnaire, to determine key external and internal factors.
2. The identified data is presented in the External Factor Evaluation (EFE) and Internal Factor Evaluation (IFE) matrices.
3. After understanding the company's internal and external data, this information is then compared with the internal and external data or profiles of competitors to analyze the Competitive Profile Matrix (CPM).

**Table 1. IFE Matrix**

Key Internal Factor	Weight	Rating	Weighted Score
<b>Strength</b>			
- The price of yogurt X is more affordable (IDR 7,000) compared to competitors (IDR 9,000 and above).	0.10	3	0.30
- Provides 7 diverse flavor options.	0.05	2	0.10
- Ensures a professional and reliable distribution process, available in both supermarkets and hypermarkets.	0.08	4	0.32
- Manufactured using premium-quality raw materials and cutting-edge technology.	0.05	2	0.10

- Possesses extensive expertise in handling frozen food products.	0.05	4	0.20
- Equipped with strong financial capital.	0.10	4	0.40
<b>Weakness</b>			
- The packaging design is not attractive to consumers.	0.1	2	0.20
- Low brand awareness	0.15	1	0.15
- The brand image is weak due to minimal promotional activities.	0.08	2	0.16
- Low product innovation or development level	0.09	1	0.09
- The product is unavailable in key minimarkets (Alfamart and Indomaret).	0.15	1	0.15
<b>Total</b>	<b>1.00</b>		<b>2.17</b>

The table above represents the key internal factors of Biokul, consisting of strengths and weaknesses. In the strengths section, there are two points that hold equal high weights of 0.10: the price offered by Biokul is lower (IDR 7,000) compared to competitors (starting from IDR 9,000), and Biokul has sufficient capital (financial resources). These two factors can encourage buyers to choose Biokul's products over those of other competitors and also enable Biokul to continue innovating and developing its products.

In the weaknesses section, the largest weights are held by "Low brand awareness" and "Not available in minimarkets (Alfamart and Indomaret)," both carrying a weight of 0.15. These weaknesses may cause consumers to shift to competitor products, as other competitor products, such as Heavenly Blush and Cimory, are more accessible and closer to the community. Therefore, Biokul needs to actively communicate its products to the public and enhance distribution channels in several minimarkets that are nearby.

When the total weights of strengths and weaknesses are combined, the total weighted score obtained by Biokul is 2.17. This indicates that Biokul's internal position is still not strong enough, necessitating further improvements to compete with other competitors.

**Table 2. EFE Matrix**

Key External Factor	Weight	Rating	Weighted Score
<b>Opportunities</b>			
- Pemerintah yang mulai mendorong konsumsi susu (yogurt)	0.1	3	0.3
- Perekonomian Indonesia sedang stabil, konsumsi secara general tinggi.	0.1	3	0.3
- Populasi yang merupakan target konsumen Biokul terus bertambah	0.15	4	0.6
- Banyak wanita yang mulai mengonsumsi yogurt untuk kecantikan (kulit dan menyeimbangkan berat badan)	0.15	4	0.6

- Kesadaran hidup sehat masyarakat yang mulai meningkat	0.1	3	0.3
<b>Threats</b>			
- Memiliki banyak kompetitor di industri (melakukan banyak promosi)	0.15	2	0.3
- Budaya konsumen Indonesia yang belum menjadikan minum Yogurt sebagai daily lifestyle	0.1	2	0.2
- Banyaknya produk substitusi dari yogurt (minuman fermentasi, susu)	0.15	2	0.3
<b>Total</b>	<b>1.00</b>		<b>2.9</b>

The table above represents the key external factors of yogurt X, consisting of opportunities and threats. In the opportunities section, there are two points with the highest weight: the first point is the growing population that serves as the target consumer for Biokul, and the second point is the increasing number of women starting to consume yogurt for beauty purposes (skin health and weight balance), both carrying a weight of 0.15. These points can be leveraged to enhance Biokul's sales, particularly by informing potential buyers about the benefits of Biokul, especially for women interested in consuming yogurt to maintain their beauty and balance their weight.

In the threats section, there are two points with a weight of 0.15: "yogurt X has many industry competitors" and "the abundance of substitute products for yogurt." With the significant number of competitors, Biokul needs promotional activities to increase public awareness and recognition of its products. Regarding substitute products, Biokul should emphasize its advantages, such as having nutritional components that are genuinely beneficial for health, and enhance distribution channels, particularly in minimarkets close to the community, like Indomaret and Alfamart, to prevent consumers from switching to other products.

**Table 3. CPM (Competitive Profile Matrix)**

	Yogurt X			Yogurt Y		Yogurt Z	
	Weight	Rating	Score	Rating	Score	Rating	Score
Advertising	0.15	1	0.15	3	0.45	3	0.45
Price Competitiveness	0.15	4	0.60	2	0.30	2	0.30
Packaging (aesthetic)	0.10	2	0.20	4	0.40	2	0.20
Packaging (practicality)	0.05	3	0.15	3	0.15	2	0.10
Nutritional component	0.10	4	0.40	4	0.40	1	0.10
Variation of flavour	0.15	4	0.60	3	0.45	4	0.60
Uniqueness of product	0.20	2	0.40	3	0.60	3	0.60
Brand Engagement	0.10	1	0.10	3	0.30	3	0.30

Total	1.00	2.60	3.05	2.65
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Based on the table above, a comparison can be seen between yogurt X and its largest competitors, yogurt Y and Z. The comparison is made through 8 critical success factors: advertising, price competitiveness, packaging, nutritional component, variation of flavor, uniqueness of product, and brand engagement. It can be observed that competitor Y has the highest score with a total of 3.05, while yogurt X has the lowest score of 2.60, although it is closely followed by yogurt Z with a total score of 2.65. This indicates that yogurt X's position is not yet strong enough and still requires improvements, especially in advertising and packaging, to remain competitive in the yogurt industry.

### The Matching Stage

#### SWOT Matrix

**Table 4. SWOT Matrix**

<p><b>Strength :</b></p> <ol style="list-style-type: none"> <li>1. The price offered for yogurt X is cheaper (IDR 7,000) compared to competitors (IDR 9,000 and above).</li> <li>2. It offers 7 flavor variants.</li> <li>3. The distribution process is professional and guaranteed (by PT Sukanda Djaya), available in supermarkets and hypermarkets.</li> <li>4. Produced with high-quality raw materials and using the best technology.</li> <li>5. Has extensive experience in handling frozen food.</li> <li>6. Has sufficient capital (financial resources).</li> </ol>	<p><b>Weakness :</b></p> <ol style="list-style-type: none"> <li>1. The packaging design is less appealing to consumers.</li> <li>2. Low brand awareness.</li> <li>3. The brand image is less favorable due to low promotional efforts.</li> <li>4. Lack of consumer awareness.</li> <li>5. Low product innovation or development level.</li> <li>6. Not available in minimarkets (Alfamart and Indomaret).</li> </ol>
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- S4, O1, O5: Ensure that the produced products have high nutritional content.
- S6, O1: Conduct promotional activities/brand activation.
- W1, O4: Redesign packaging to better align with consumer behavior.
- W2, W3, O3: Implement promotional activities/brand activation.
- W2, W5, O5: Expand reach by selling in mini markets.
- W1, W4, T2: Innovate packaging or products to attract consumers and make them a part of their lifestyle.

#### IE Matrix

The IE Matrix is based on two dimensions: the total IFE weighted score on the "x" axis and the total EFE weighted score on the "y" axis. According to our group's analysis based on internal and external factors, yogurt X has a total IFE of 2.17 and an EFE of 2.90, placing it in Quadrant V (Hold and Maintain). The strategies found in Quadrant V that can be further evaluated to determine the most appropriate strategy for yogurt X are Market Penetration and Product Development.

**The Decision Stage****The Quantitative Strategic Planning Matrix (QSPM)**

The analytical tool that can be used in this final stage is the Quantitative Strategic Planning Matrix (QSPM). QSPM is the final matrix in the strategic formulation analysis framework. This technique clearly displays the best alternative strategies to choose from (Purwanto, 2008).

**Table 5. Quantitative Strategic Planning Matrix (QSPM) Matrix**

		Market Penetration		Product Development	
	Weight	AS	TAS	AS	TAS
<b>Strength</b>					
- The price of yogurt X is more affordable (IDR 7,000) compared to competitors (IDR 9,000 and above).	0.10	3	0.3	2	0.2
- 7 flavor variants.	0.05	2	0.1	4	0.2
- The distribution process is professional and reliable, available in supermarkets and hypermarkets.	0.08	-	0	-	0
- It is produced using high-quality raw materials and the best technology.	0.05	2	0.1	3	0.15
- The distributor has extensive experience in handling frozen food.	0.05	2	0.1	3	0.15
- It has sufficient capital (financial resources).	0.1	3	0.3	2	0.2
<b>Weakness</b>					
- The packaging design is not appealing to consumers.	0.1	2	0.2	3	0.3
- Low brand awareness	0.15	3	0.45	2	0.3
- The brand image is less favorable due to low promotional efforts.	0.08	2	0.16	3	0.24
- Low product innovation or development level	0.09	2	0.18	3	0.27
- It is not available in minimarkets (Alfamart and Indomaret).	0.15	3	0.45	2	0.3

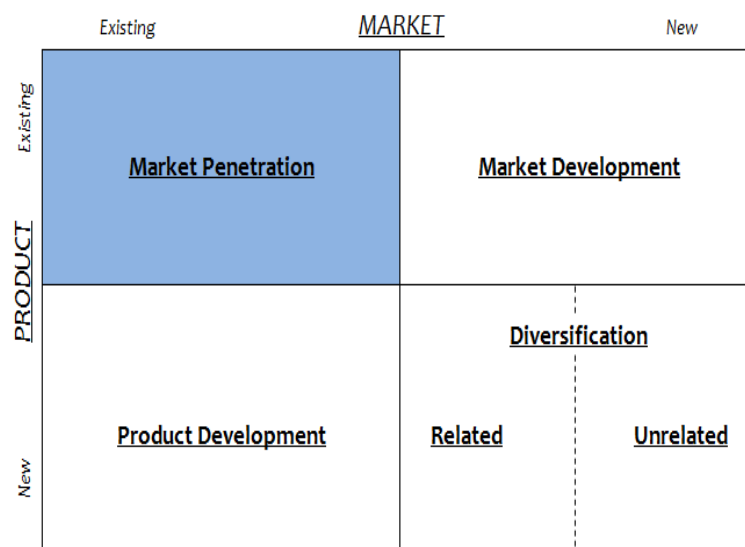


Total	1.00		2.34		2.31
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Using QSPM as a tool to determine the most appropriate strategy for yogurt X in achieving its objectives, as seen in the matrix above, the recommended strategy is market penetration. In this strategy, we will intensify marketing efforts directed at the target consumers.

Our marketing efforts will begin with improving the brand image, known as rebranding. This aligns with the results of our qualitative research, where we found that potential consumers do not see Biokul as part of their lifestyle because they perceive the brand image as not aligning with their identity. One factor influencing this perception is the packaging, which is seen as less appealing, impractical, and not premium compared to competitors.

Additionally, brand activation and advertising will be part of the market penetration strategy, which will also impact the formation of yogurt X's image. However, due to the insignificant difference between this strategy and the second alternative, Product Development, we will consider the latter as a long-term strategy. Once the brand image and brand equity of yogurt X have improved as a result of market penetration, innovative product development will be necessary to align with the needs and lifestyles of the target market.



**Figure 2. Ansoff Matrix**

The tactics included in Market Penetration are as follows:

1. **Price Adjustments:** Lowering the selling price of the product to increase sales volume. This tactic is not suitable for yogurt X, considering that its price is already competitive and even below the average of its competitors.
2. **Increased Promotions:** Implementing various promotions, such as bundling, sales, and discounts. This tactic can be employed by yogurt X, as our informants indicated that consumers sometimes switch to other brands when significant promotions are available. However, we do not recommend this strategy for an extended period, as it may excessively cut into profit margins.
3. **More Distribution Channels:** Expanding and increasing coverage by selling through various channels. This tactic is quite important for yogurt X because it is currently not available in all retail stores, unlike competitors that have widespread distribution.
4. **Improvements of Product:** Enhancing the quality or providing extra benefits to the

product overall. This can be achieved by changing the packaging design or modifying materials/ingredients. This tactic is favorable for yogurt X, as our informants mentioned that the packaging of yogurt X is less appealing, especially when compared to competitors.

5. Upsurge Usage: Increasing the usage or quantity consumed by existing customers. This can be pursued by yogurt X, given that yogurt consumption has not yet become a lifestyle due to a lack of knowledge about yogurt itself.

## **5. CONCLUSIONS**

### **CONCLUSION**

From the analysis of internal and external factors conducted on yogurt company X in Indonesia, several factors affecting the company's business journey were identified. Internally, the packaging was found to be unappealing based on interviews with potential consumers. Additionally, the brand image was less favorable due to limited promotional efforts and product availability in various retail stores. Externally, the company faces numerous competitors in the same industry. On the other hand, a growing number of people, especially women, are starting to consume yogurt for beauty purposes, such as skin health and achieving an ideal body weight. This indicates that yogurt sales in Indonesia have a wide-open opportunity for growth.

Using QSPM as a tool to decide the most appropriate strategy for yogurt X in achieving its objectives, the suggested strategy is market penetration. The actions to be taken in implementing this strategy include rebranding the packaging to make it more aesthetic and portable, expanding distribution channels to increase accessibility, and enhancing sales promotions. This strategy has been implemented for yogurt X, resulting in an increase in market share over the past year following the packaging changes and expansion of distribution channels.

### **IMPLICATIONS**

The research provides insights into yogurt consumption trends, including public perceptions of yogurt and what consumers desire in a yogurt product. Therefore, these findings emphasize the importance of conducting regular market analysis to identify trends and adjust product development strategies according to consumer needs. This research also encourages companies to invest more in research and development to create innovative products and marketing strategies.

### **LIMITATION**

While this study offers significant academic and business contributions, it is important to recognize certain limitations. First, the sample used in this study was confined to a limited number of geographical locations in Indonesia. Consequently, it does not address how technological advancements might influence strategies for enhancing market share and awareness. Second, further research into technological advancements and the dynamics of human-technology interactions would greatly enrich this field. Third, while this research explores strategies for increasing market share and awareness, it does not focus on specific tools within CRM and social media.

### **RECOMMENDATION**

Based on the literature review of this research, future studies should focus on providing more

empirical evidence on strategies to increase market share and awareness in other industries. Such empirical studies are expected to use theoretical models developed by well-known researchers to test their consequences and validity, as well as to share knowledge about business development strategies.

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