

MARKETING STRATEGY OF PT INDUSTRI JAMU AND SIDOMUNJUL PHARMACY TBK IN REACHING THE INTERNATIONAL MARKET

Andi Dewi Angreyani¹, Muh Al Fatah Arief Putra², Andini Ramadani³

^{1,2,3}Study Program Management, Faculty Economics, Makassar State University

e-mail:andidewiangreyani@gmail.com

Abstract

As the business world evolves with intense competition, consumers are becoming more discerning in their decision making when choosing high quality goods at the desired cost in order to receive the greatest value from their purchase. So that an international marketing strategy is needed at PT Sido Muncul. It is hoped that this research can become a reference and description of a company in developing marketing strategies that are international markets. This study examines the international marketing strategy at PT Sido Muncul. It is hoped that this research can become a reference and description of a company in developing marketing strategies that are international markets. Data analysis techniques use interactive model analysis which involves data reduction, data presentation, and drawing conclusions. The results show that Sido Muncul continues to develop its products, increasing the reach of target customers, product variants, and production capacity. Initially, PT Sido Muncul's target market is in Export destinations are Indonesian citizens and foreign tourists who have been to Indonesia. However, as time goes by, PT Sido Muncul's products are increasingly in demand by local people in export destination countries. The strategy used is to build overseas branches in the Philippines and branches in Nigeria, product development, and expansion of domestic distribution.

Keywords: Marketing Strategy; International Market; Herbal Industry

INTRODUCTION

Consumers are becoming smarter in their decision making when selecting high quality goods at the desired cost to receive the best value from their purchase as the business world is evolving with intense competition. Customers now have a variety of choices when choosing their products thanks to the emergence of a variety of products and services from several organizations (Suhairi, 2023). To compete in today's market, a marketing plan is needed. The market is overflowing with sales thanks to this strategy's ability to turn a profit. The foundation for customer satisfaction and demand, as well as the desire for the company's vision and goals, is provided by marketing (Fitria, et. al., 2018). Marketing combines the basis of management and choice to meet opportunities and threats in an ever-changing environment. Even in the pharmaceutical and consumer products sectors, businesses are always vying for new clients. PT Sidomuncul Herbal Medicine and Pharmaceutical Industry, Tbk is one of them.

Companies or businesses need to have a competitive strategy for market dominance that is successful and efficient, particularly in the industrial era 4.0 that we are currently experiencing. The effectiveness of the company's marketing plan is crucial to its success in the market. Marketing strategy, according to is a set of goals, rules, and actions that are taken in the areas of promotion, production, distribution, and price.

Even while promotion, production, distribution, and pricing are crucial marketing activity indicators, many corporate players fall short of putting their marketing strategy into action. Lack of proficiency in STP (segmenting, targeting, and positioning) is the aspect that frequently causes a barrier in marketing efforts. Most marketers are genuinely ignorant of this, which results in miscalculations in the marketing mix and poor positioning that ultimately lead to failure.

Market segmentation for the products that will be offered must be set up in order for marketers to achieve the best marketing outcomes. Essentially, this stage splits market potential into segments based on demographics, socioeconomic status, level of education, and/or people's lifestyles. The

target market identified in the market segmentation analysis is then the focus of the targeting step. After completing these two steps, marketers can quickly decide the product positioning approach. The goal of this positioning stage is to establish a distinctive value for the product being promoted in order to attract potential buyers.

The consumer goods and medicines sectors, among others, are practically all engaged in business competition for prospective customers. The items that people need the most right now, during the Covid-19 pandemic outbreak, are vitamins and supplements. For instance, PT Jamu dan Farmasi Sido Muncul Tbk (SIDO) reported that its net profit increased by 10.85% to IDR 231.53 billion compared to Quarter 1/2019, while its sales revenue increased by 2.38% to IDR 730.71 billion over the preceding four months (January-April).

Sido Muncul has been in charge of the Indonesian herbal medicine sector since 1951. with well-known brands including New Hemorrea (hemorrhoid treatment), Kuku Bima (energy drink), Asam Kunyit (natural drink), Fatraper (slimming), and Tolak Angin (for have a cold). Innovation can be achieved through competencies that are developed and needed by an organization, not just a business organization, because the capabilities required by each are very different from one another. Most businesses can successfully implement their strategy because they have achieved efficient operations. Tolak Angin, one of Sido Muncul's products, has successfully entered the world market. The advertising sound that often appears on the screens of different private television channels shows that wind rejection advertising is widely used. Hong Kong, Australia, the Netherlands and even the United States have access to it. Export sales of wind resistance make up about 5% of overall revenue. Therefore, PT Sido Muncul's overseas marketing strategy is examined in this paper. It is intended that this research will serve as a guide and a business representative when it comes to making a marketing plan for the global market.

METHOD

The study uses a descriptive qualitative method, which examines natural objects rather than explanatory concepts. This descriptive research utilizes a literature review approach. In the explanatory concept, the researcher answers and describes the questions contained in the formulation of the research problems. Information and sources relevant to it are collected as part of the data collection process. Magazines, books, the internet, and libraries can all be used as resources. Interactive model analysis used in the data analysis approach includes data reduction, data display, and conclusions. In order to concentrate more on the studies being conducted, data will be collected, then selected and reduced. After presenting the selected data in the research, conclusions are then formed to discuss the research topic.

RESULTS AND DISCUSSION

PT Sido Muncul Company

With the help of three members of her staff, and highly competent Yogyakarta residents, Ibu Rahmat Sulistio founded a home-based company in the 1930s. Sido Muncul started at this time. He created the formula for Tolak Angin, a cold remedy, thanks to his expertise in creating herbal medicines. As it includes high-quality spices, this plant is gaining popularity among the common people. On Jalan Mlaten Trenggulun in Semarang, Mrs. Rahmat Sulistiom opened a simple jamu shop in 1951. Sido Muncul, which translates to "dream yang," is what he called it. Mrs. Rahmat Sulistio always works to raise the standard and adapt to the trends without sacrificing his personal preferences. In 1970, the factory's name was changed to CV Sido Muncul Herbal and Pharmaceutical Industries. Then, in 1975, it adopted the name PT Sidoarjo Herbal and Herbal Medicine Industry as a Limited Liability Company.

In 1984, the Sido Muncul factory in Semarang moved to Jalan Kaligawe. Modern equipment is used in industry, and the number of jobs increases along with the level of output. Products are always changing. Tolak Angin was originally created by Sido Muncul as a powder but was later made into a more useful liquid. A larger production facility was built by Sido Muncul in 1997 in Klepu, Bergas Regency, Ungaran, Central Java. At the opening of the factory, Sido Muncul was given two certifications, each for How to Make Good Traditional Medicines (CPOTB) and How to

Make Good Medicines (GMP). Sido Muncul is the only herbal medicine producer that meets pharmaceutical requirements thanks to this certificate. Customers may be encouraged to stick with this herbal remedy as a result. Sido Muncul continues to improve the quality of its products, broaden its consumer base, offer more product choices, and increase its output. Liquid Internal Medicine Plant II with high production capacity was built in 2018. In 2019, it has full operational capacity.

Is a top business in the marketing and advertising industry. With a strong emphasis on creativity and innovation, PT Sido Muncul has consistently provided its clients with outstanding results. Understanding the target market and creating campaigns that are tailored to their unique needs and preferences are central to the company's marketing strategy. PT Sido Muncul is able to spot important trends and opportunities that can be used to gain a competitive edge by conducting in-depth market research and analysis. To reach a larger audience and increase brand exposure, the business also makes use of various digital marketing channels like social media, search engine optimization, and email marketing. Additionally, PT Sido Muncul places a high priority on fostering long-lasting relationships with its clients by offering tailored solutions and top-notch customer support.

Global Stage Sustainability

PT Sido Muncul's initial target market in export destination countries is Indonesian residents and visitors from other countries. However, as time goes by, local residents in export destination countries are increasingly interested in PT Sido Muncul's goods. PT Sido Muncul now cooperates with more than 20 countries, and in each of these countries, it is permitted to work with more than two local distributors.

The results of the service consist of quantitative and qualitative results from the activities carried out. If there are tables/charts/images containing explanations of results that are already meaningful and easy to understand quickly. Tables/charts/figures do not contain raw data that can still be processed or must be processed. In 2000, PT Sido Muncul accidentally received an order for goods from abroad. The company thinks this is possible because Sido Muncul's goods are of high quality and well-liked in the domestic market. Foreign Citizens (WNA) and Indonesian Citizens (WNI) who go to other countries, as well as Indonesian Migrant Workers (TKI), provide their goods by hand. To complete the order, PT Sido Muncul had to export, and they accidentally started doing international business. Thanks to its expertise in world markets, PT Sido Muncul changed its mission from meeting the demands of the global market to becoming a global herbal medicine company. Due to the population size, prospective population, the number of Indonesians already living there, and the cultural affinity promoting Sido Muncul goods, the company views new countries as viable markets.

International Marketing Strategy

PT. Sido Muncul's marketing strategy currently entails product development, which involves updating current products, product diversification, which involves creating tire products, as well as pricing, promotion, and distribution methods. Companies in Quadrant I have more strengths than opportunities; as a result, they must be able to use their strengths by seizing opportunities. primary areas of expertise: product creation and promotion strategy. The marketing plan that needs to be put into place at this time is to keep up the promotion and product development, with a focus on product diversity and the development of new and old items that are still little known. Improvements in R&D must also be carried out. In other words, an aggressive approach to market expansion (expansion marketing) that focuses primarily on the marketing mix.

Deciding on product selling prices in order to compete with rivals that have continually reviewed pricing policies. Large human resources, ongoing innovation, stringent quality control, aggressive promotion, staff loyalty, and sales growth make up PT. Sido Muncul's strengths. The organizational instability, the dispersed production locations, the reliance on raw materials, the undertrained human resources, and the uneven distribution are the vulnerabilities. Sido Muncul is a domestic and export market, with consumer behavior, changing views, product development, customer loyalty, production technology, and political will, which is an opportunity from FT. Threats

include rising levels of tough competition, international investor confidence, challenging licensing requirements, and challenges locating standard raw materials.

Building Overseas Branches

PT Sido Muncul Tbk Herbal Medicine and Pharmaceutical Industry Tbk entered the Philippine market to increase Sido Muncul's market share, especially Tolak Angin and Kuku Bima Energi. In its efforts to expand its market share in the Philippines, Sido Muncul has registered its products with the Food and Drug Administration of the Philippines. On October 10, 2017, Kuku Bima Energi and Tolak Angin received distribution permits, and Sido Muncul also opened a branch office in Manila, Philippines. Where the focus of the company is to accelerate the implementation of its export business initiatives, such as finding new export destinations in African and Asian countries. To achieve this goal, the company successfully entered into new export markets in ECOWAS countries such as Ghana, Cameroon, and Kenya. In addition, the company launched new products, such as Tolak Angin Care for the Malaysian market and ESTE EMJE for the Nigerian market, two neighboring countries that are the main export markets.

Due to the economic growth of West African countries (ECOWAS), many international companies view Africa as a viable market. The fact that Nigeria is a member of ECOWAS and has the largest economy in Africa serves to support this. Sido Muncul realized this enormous potential and on January 15, 2018, he established Muncul Nigeria Limited as a subsidiary in Nigeria.

Figure 1. Map of PT Sido Muncul Branch Offices and Subsidiaries



Source: <https://investor.sidomuncul.co.id/>

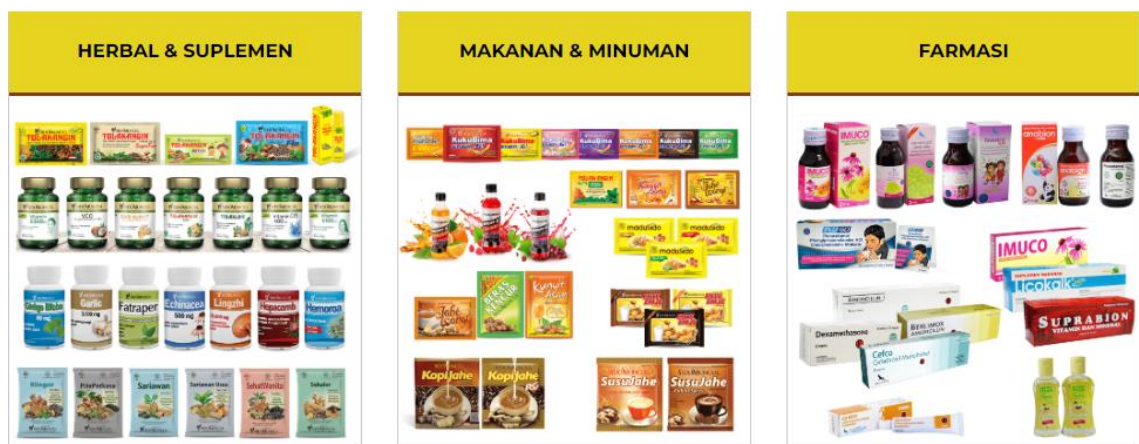
Now Emerging Nigeria Limited has a distribution network in almost all major cities in Nigeria and has succeeded in dominating the top 3 markets for energy drinks in powder packaging under the KukuBima Ener-G brand. Emerging Nigeria Limited also began expanding into Benin and Niger, two neighbors of Nigeria, that same year. To enable PT Sido Muncul to use this as a distribution technique when presenting outsiders with different points of view.

In addition, several foreign pharmaceutical companies are interested in obtaining a license for Tolak Angin, one of PT Sido Muncul's drugs. The most active price negotiators were pharmaceutical businesses from Singapore, Japan, Taiwan, and Germany. In addition, the business uses external strategies, such as collaborating with Bank Rakyat Indonesia to provide spice farmers and wholesalers with access to banking services or use Sido Muncul goods. It is estimated that PT Sido Muncul will be able to meet customer demand as a result of the increased demand for raw materials, increasing PT Sido Muncul's sales.

Product Development

With the greatest market share in Indonesia, Sido Muncul produces contemporary herbs and herbal medications. More than 300 goods are available from Sido Muncul, including Tolak Angin and Kuku Bima Ener-G. After the cancellation of PPKM, PT Sido Muncul Tbk Jamu and Pharmaceutical Industry (SIDO) produced three new products as part of its post-Covid-19 pandemic strategy. Pharmaceutical Industries Tbk. and PT Sido Muncul Tbk Jamu introduced seven new food supplement items in 2020 at the Sido Muncul Office in South Jakarta. The seven items are Virgin Coconut Oil (VCO), Reject Wind, Reject Linu, Sari Turmeric, Vitamin E 100 I.U., Vitamin E 300 I.U., and Vitamin D3 400 I.U. Products from PT Sido Muncul are exported to a number of countries. Because the distributors are familiar with market conditions and the types of goods sought by overseas buyers, PT Sido Muncul often consults them with the selection of products to be sold overseas. So that PT Sido Muncul can design goods according to the cultural, climatic, economic, social and political factors that determine the types of products that Sido Muncul sells and how to market these goods overseas.

Figure 2. Sido Muncul Product Development



Source: <https://investor.sidomuncul.co.id/>

For example, due to the developed and prosperous nature of the United States, Sido Muncul herbal capsules and Tolak Angin products are in high demand there. Kuku Bima Ener-G is located in Africa, where the climate is often hot, and because the prices are reasonable and the products match the market demands in Africa, it is very suitable for the lower middle class. While items such as Tolak Angin, Kopi Jahe, ESTE-EMJE, and Ginger Wangi are in high demand in South Korea, which has a snowy season, Myanmar, which is booming, will not appreciate expensive capsule products. Kuku Bima Ener-G is suitable for the Myanmar market because the country's population is mainly the lower middle class. People in Myanmar are known to regularly consume energy drinks such as tea and coffee, from young to old. This shows that the energy drink from PT Sido Muncul is the right product to be marketed in Myanmar.

Expansion of Domestic Distribution

Sido Muncul products can be distributed to various countries more easily if the original market is stable. Therefore, as part of the company's internationalization goals, PT Sido Muncul continues to implement a local strategy centered on expanding the domestic market. Those plans include reaching out to foreigners currently and seeking to become raw material suppliers for local pharmaceutical companies in less marketed eastern parts of Indonesia (such as Papua). Jamu SidoMuncul is famous for using advertisements in the mass media, especially television, to sell Tolak Angin. The slogan "Smart People Tolak Angin" from the Tolak Angin advertisement aims to convince viewers that Tolak Angin is the only option if they want to buy cold medicine. It is anticipated that local advertising and promotions will attract attention and familiarize visitors and foreigners alike with Sido T Muncul goods. As a result, visitors and expatriates are motivated to

introduce Sido Muncul's information and goods when they return home, which may have an effect on the company's global sales.

Because PT Sido Muncul has a distribution network of local distributors in export target countries, local distributors have a better opportunity to sell and distribute Sido Muncul products to various retailers and good product sales locations overseas. Local distributors enable PT Sido Muncul to deliver goods evenly and in larger volumes to export target countries. Local distributors assist in expediting and qualifying product registration and licensing, provide details about market conditions (such as items of interest), and support the process of product promotion and marketing.

Local distributors assist companies in entering export destinations indirectly by assisting them in overcoming cultural differences and lack of knowledge about international conditions. Local distributors sharpen PT Sido Muncul's emphasis, enabling the company to manage cultural risks and research the state of foreign markets. As a consequence, when working with distributors (buyers) in each country, PT Sido Muncul adheres to the values of integrity, discretion, transparency, mutual trust, prioritizing quality, and not harming partners. The company has not used television media for promotion as it has in Indonesia, but will start using it when marketing in the Philippines. How a business is promoted in export destination countries is influenced by market size (population) and market potential. This also affects whether the business will be promoted widely and intensively or not.

Discussion

Segmenting, Targeting, Positioning of PT Sido Muncul.

According to the foregoing description of the STP theory, PT Sido Muncul's market can be divided into the following segments:

- a. Prior to 2019, PT Sido Muncul conducted business both domestically and abroad. The business keeps growing its home and international markets, particularly in Southeast Asia.
- b. Demographic Segmentation: Teenagers and adults in general consume the majority of PT Sido Muncul's products.
- c. PT Sido Muncul does not exclude customers with a high standard of living, but customers with a lower standard of living can also enjoy these products.

Target Market

Product targeting by PT Sido Muncul is actively supported by explanations of the company's products through appealing advertising and marketing promotions that introduce culture to Indonesia while also following millennials' lifestyle trends. The corporation will increase its export goals in 2019, with a focus on Southeast Asian nations including Malaysia, Vietnam, Myanmar, and others. The business will also improve distributors' capacity to increase their clientele in both conventional and contemporary trade markets. Market Sighting A wide range of customers are served by the business PT Sido Muncul. PT Sido Muncul has been successful in drawing in customers of all ages with its wide range of goods and services. They have become a well-known brand in the marketplace thanks to their dedication to quality and innovation. The highest standards are met by all of PT Sido Muncul's products, whether they are energizing drinks or wholesome snacks. They constantly work to introduce new and exciting offerings because they recognize how important it is to remain relevant in today's fast-paced world. Everyone can find something at PT Sido Muncul, from health-conscious people looking for natural remedies to busy professionals looking for convenient on-the-go options. With their wide-ranging distribution system and significant presence.

Positioning

Businesses find marketing initiatives that are efficient and targeted, and they predict significant advertising expenses. The ingredients utilized by PT Sido Muncul are safe for use by all consumers because they are produced organically by Indonesian agriculture, as is consistently emphasized in this campaign. The fact that the PT Sido Muncul brand uses a jingle and cultural references in its commercials that are simple for customers to remember and constantly recall helps

ensure that consumers always remember PT Sido Muncul products. Similar to wind repellent products, it uses the tagline "we and we, bablas angin" and public figures created by local artists in its commercials to help customers recognize the distinctive aspects of product marketing. Wide-ranging marketing channels are made possible by the use of digital technology in both manufacturing and marketing facilities. Social media and e-commerce can be used to sell products and inform the younger generation about the availability of herbal medications.

Products from PT Sido Muncul are widely accessible, either in a supermarket or a grocery store. The availability of PT Sido Muncul products is made simpler for customers by their widespread local and global distribution. The business will keep growing its domestic and international markets in 2019. The company improved sales quality in modern commerce (supermarkets, minimarkets, and minimarts) and increased marketing efforts to Eastern Indonesia for the local market. The Philippines and Nigeria's export markets have outperformed forecasts in terms of sales in 2019. The corporation wants to increase its exports, particularly to countries in Southeast Asia like Malaysia, Vietnam, Myanmar, and others.

The organization uses the same fundamental market price throughout all of Indonesia. In order to maintain competitive distribution in Java and Outside Java regions, distribution margin modifications are also made to some products. Sido Muncul's product pricing is more expensive than those of its rivals because it is the market leader and has the highest quality.

The goods produced by PT Sido Muncul are closely related to Indonesian culture, including the use of Curcuma as a medicinal by their forebears. Prescription drugs are brought back by PT Sido Muncul from the past. The company was able to keep revenues growing in each of its business lines in 2019. The firm has always put safety and product quality first. To meet CPOTB and Good Manufacturing Practices (GMP) standards, each product underwent stringent quality control and assurance procedures. To create items that consumers want and that are always evolving and diverse, the company keeps innovating. The Company has secured halal certificates from the Indonesian Ulema Council (MUI) for 249 herbal medicines and herbal supplements in order to provide the general public confidence in consuming all Sido Muncul products.

CONCLUSION

In accordance with PT Sido Muncul's sustainability philosophy, the company consistently works to offer the best goods that are beneficial to consumers and the wider community. Sido Muncul is a well-known herbal medicine company in Indonesia. In accordance with Sido Muncul's ambition for the company to become a company that can support the community, the company feels that maintaining business continuity is as important as protecting the environment and developing with the community for a better future. Indonesia's leading herbal medicine manufacturer Sido Muncul consistently works to offer its clients and the general public goods of the highest caliber. Sido Muncul continues to strive to provide superior products that are beneficial to consumers and the general public in addition to being the leading herbal medicine company in Indonesia.

REFERENCES

- Assauri, S. (2018). *Marketing Management*. Sixteenth printing. Eagle press. Depok.
- Atmoko, T. P. H. (2018). "Marketing Strategy to Increase Sales Volume At Cavinton Hotel Yogyakarta". *Journal of Indonesian Tourism, Hospitality and Recreation*, Volume 1, Number 2 (pp. 83–96).
- Ekalista, P. and W. T. Hardianto. (2019). "Marketing Communication Strategy for Hotel Kartika Graha Malang in Increasing Number of Visitors". *Nusantara Communication Journal*, Volume 1, Number 1, (pp. 20–26).
- Andadari, R. K. (2016). *Analyzing the Readiness of Batik SMEs to Export (A Case Study of Pekalongan Batik SMEs)*. Salatiga: SWCU.
- Drucker, P. F. (2003). *Innovation and Entrepreneurship: Practice & Fundamentals*. Jakarta: Erlangga.

- Halim, F.e. (2021). Service Marketing Management. Our Writing Foundation.
- Handayani, E. N. (2018). The Influence of Customer Relationship Management on Consumer Satisfaction. Journal of Business Management.
- Martopo, A. S. (2015). The Effect of Product Quality, Brand Image, and Advertising Attractiveness on Purchasing Decisions on Jamu Tolak Angin Products Pt. Sido Appears.
- Mubarok, M. H. (2015). Analysis of Sido's Emerging Strategy in Producing Life Energy. Journal of Iqtishadia, 111-112.
- Rusli, K. G. (2017). Herbal Medicine Company Internationalization. Salatiga: SWCU.
- Saptaningtyas, A. I. (2020). From the Traditional Herbal Medicine Industry to the Modern Herbal Medicine Industry: The Development of the Sido Herbal Medicine Industry Emerged in Maintaining the Company's Existence in 1951-2000. Semarang: Diponegoro University.
- Sido Appears. (2023, June 4). Sido Harmonizes on Sustainability. Retrieved from sidomuncul.co.id: <https://www.sido Muncul.co.id/id/home.html>.
- Suhairi, d. (2023). Marketing Strategy for Indomie Products (Pt Indofood Sukses Makmur) in the International Market. Journal of Innovation Research Management, Pages 135-142.