

# The Uniqueness of The Marketing System of Maicih Chips

## The Marketing Analysis of Cassava Chips in Indonesia

Silvia Sari Busnita<sup>1</sup>, Muhammad Hakim Haekal<sup>2</sup> and Erlangga Ryansha<sup>3</sup>

<sup>1</sup> Department of Economics, Bogor Agricultural University, Indonesia, e-mail: silviasari\_20@yahoo.com

<sup>2</sup> Department of Agribusiness, Bogor Agricultural University, Indonesia, e-mail:  
hakim\_haekal@hotmail.com

<sup>3</sup> Department of Economics, Bogor Agricultural University, Indonesia e-mail: augustofathens@hotmail.com

**Abstract.** The people of Indonesia have been known cassava as a substitute meal of rice since centuries ago. Usually they will poach, fry, and mix it with other dishes. One of them also was made in the form of chips. Maicih itself is one of the brands of cassava crackers that appear in the midst of complex competition between cassava chips' companies. Although it was only about a year, it turns out that Maicih was able to attract a turnover of billions of rupiah. Its productivity can reach seventy-five thousand packages per week. While the product itself could not be found freely in the market. Beside the price were also not too expensive. Therefore, to investigate this, we conduct this research with the aim to discover and analyze marketing structure of Maicih. In this case we use theory approach to marketing strategy and marketing mix to explain it. Authors in terms of this case, using the STP approaching (Segmenting, Targeting and Positioning) and 4P (product, price, place and promotion) to discuss it more. We use primary and secondary data obtained during several months in several major cities in Java Island. The primary data we got from the depth interview with the owner of Maicih, an online survey as well as the observation of the costumers. While for the secondary data gotten from the article on Maicih that thrive in the internet as well as on the study of literature. While the methods that we use is descriptive as well as quantitative. Descriptive data used to uncover the mysteries of marketing strategy and managerial structure of Maicih and quantitative data used as the data that supports our research in statistics. Our research shows that Maicih in its marketing strategy using the social network (Twitter and Facebook) as one of its main weapon to spread the info about their products. Besides, Maicih does not use the Place in the 4P as their primary needs. It uses the nomads as a powerful weapon to make customers curious and hunting down all the places to look for it. Maicih also have the level of spiciness, ranging from level 3, 5, and 10. The customers can get the level of spiciness products that fit the best. These interesting things make the demand increases. No wonder if its profits increased within the short time and always makes people curious about it.

**Keywords:** cassava, Maicih chips, spicy level, STP, 4P, social network, marketing

## 1. Introduction

The needs of the people of Indonesia to the product of cassava chips is still quite large, for which its market share still remains very wide and varied. Also varied, there is a spicy taste of cheese, and some of them salty plain. Particularly among students in West Java during the last few years emerged a kind of cassava chips that tasted spicy. In Bandung, for example, spicy cassava chips have long been a snack for the youth there. Such as in the Kosambi Market and Baru Market, consumers can easily find cassava chips. For the people in this area, the habit of "snacking" cannot be abandoned. No wonder that in West Java the supply of cassava chips are always in demand.

Observe these conditions, there were many kind of cassava chips brands with various flavors. One of them is Maicih. Maicih is the one of the cassava chips snacks that have distinctive spicy flavor to the audience themselves. One of the snacks that are sold and published first in Bandung, West Java. It was able to create scenes from the community of Bandung. It is called as an advantage to be first in one category, and within this category is a competition between spicy crackers. Positioning is what you do to the mind of the prospect and not what you do to a product.<sup>1</sup>Given the unique marketing system that makes people (especially

youth) have always felt curious and want to try it. This brands that began to be marketed in June 2010 were able to achieve a turnover of billions of dollars in the period just one year after the launch.

Meanwhile, the current war in the minds of consumers, a.k.a master (mind share) became a major issue in parts of the marketing strategy. In marketing research, strategy associated with the cognitive aspects of the consumer. The word cognitive here is the consumer's perception of a brand. Therefore, the mind share of a brand is measured by things like brand awareness, brand association, and brand image. From here then we would see what is known as the top of mind (TOM). Strategy is a step that must be done in the formulation of strategic marketing. Because of the important role of this strategy, its formulation performed at the level of strategic business units (SBUs) of the company.<sup>2</sup> This strategy is in legacy marketing consists of three elements: *segmentation, targeting and positioning (STP)*. We can also use the 4Ps concept which is an acronym of the four elements of the marketing mix: Product, Price, Place and Promotion. This research's aim was to know and analyze marketing structure, and its strategy for marketing the Maicih product itself. And to know what marketing strategies adopted by the producers of Maicih, we using three elements of the legacy approach to marketing, namely strategic, targeting and positioning (STP) and 4P. Related to this, when examined in more detail, it turns out Maicih chips is not only unique in the sales system but also unique in taste and spiciness level products.. However, even such things are still very rare in Indonesia. Therefore, from the unique marketing strategies and products, we raised this issue to the topic. Because, it is only Maicih as the producer of cassava chips and sell their products as unique as this. It really inspires us to look into this matter in more detail.

## 2. Methods

### 2.1. Data and Source

- Primary data was taken from our in-depth interview with the owner of the Maicih chips, Reza Nurhilman. We also having some online survey and observation throughout the Social Network (Twitter) and Maicih's sites. We calculated the accumulation of followers and the amount of the visitor in their sites for several days during our observation time. Besides that we did some direct-survey to the costumers of Maicih, by asking them some questions, opinion and their perception regarding Maicih itself. So, based on this primary data we hope we could know Maicih deeper than anyone before.
- Secondary Data was taken from articles in internet regarding to the Maicih Chips itself. Also, we having some study literature from books, scientific journals, and internet to find the right concepts of marketing strategies and its component. As for the theories that we use comes from the books introductory management science and other sources.

These observations were made throughout the several locations of The Big City in Java, such as: Jakarta, Bogor, Bandung, Semarang, etc. We observed it for several months, starts from October-December 2011. We also having some observation too in our main campus, IPB Dramaga Campus, Bogor.

### 2.2. Methods

- Descriptive

We using the descriptive methods in order to explain and determine the marketing strategy and its managerial structure of Maicih. In terms of this, we use the approach based on the theory of marketing systems STP (segmentation, targeting and positioning) and the concept of Marketing Mix 4Ps (product, price, place, and promotion). If STP is in a strategic level, then 4P plays at the level of execution. Here is the explanation:

- S (Segmentation), the process of subdividing a market into distinct subsets of customers that behave in the same way or have similar needs.<sup>3</sup>
- T (Targeting), the act of evaluating and comparing the identified groups and then selecting one or more of them as the prospect(s) with the highest potential.<sup>4</sup>
- P (Positioning). The location of your product in the mind of your customer.<sup>5</sup>

- Product. Before entering the market, we must have a good line of products to its target audience.
- Price. The products must be must be priced to meet your target market.
- Place. Location or place that we are entering the market determines the success of the work on the objective.
- Promotion. Those Ps will be meaningless without the promotion, which communicate our products to target markets.
- Quantitative

Quantitative data were taken to know the performance of Maicih for this several years based on numbers. And to obtain it, we have several formulas to calculated in order to prove the fact about Maicih and also to measures the development of Maicih itself. Here is the formula:

Measuring the percentage of Active Followers change of Maicih in Twitter during several months (December-January):

$$\frac{\Delta \text{ Followers (Active followers}_{(n+1)} - \text{Active followers}_{(n)})}{\text{Active followers}_{(n)}} \times 100 \%$$

### 3. Results and Discussions

#### 3.1. Performance of Maicih

Maicih business established since June 29, 2010 with initial capital of IDR 15,000,000 (estimation USD 1621, 1 USD = Rp. 9,254<sup>6</sup>) to buy raw materials and make fry cooker. Maicih is not fried, so that it tastes different. Maicih business background began when Reza Nurhilman (the owner) graduated from high school in 2005. He was then jobless for the next four years while selling goods such as electronics and fertilizer. He entered college in 2009 but in the middle, his parent could not afford his college tuition fee anymore. So, for four years he got a little work, especially with Maicih. Indeed, the obtained billing classified as extraordinary, while only a year he settled. Maicih had a turnover of almost touched USD 4,000,000, with an average per week over IDR 750,000,000. The production had reached 75,000 packs per week. Based on the depth interview with Reza Nurhilman, as the President and also the founder of the Maicih Republic (the name of the company), the following table on the left side is the summarized results of the interview.

<i>Variables</i>	<i>Data Obtained</i>
Symbol of The Brand	
Business Established	June 29, 2010
Raw Materials	Tapioca flour, Cassava
Centers for Production	Bandung, West Java
Variant Products	Chips (level 3,5,10), Jeblak, Gurilem
Initial Capital (Early Capital)	15,000,000 IDR
Levels of Production (as of June, 2011)	-Up to 4,000 tons of daily -Up to 25,000-100.000 tons of weekly
Profits earned (As of June, 2011)	-750,000,000 IDR of weekly average -IDR 4 billions totally
Social Media Uses	-Twitter (@infomaicih) -Facebook (Maicih) -Website (www.maicih.co.id)

Reza also told the origin of the Maicih name. When he was a kid, his mother usually brought him to the traditional market. There was an old woman dressed simply and wore *ciput*. Every time she shopped, she pulled out her wallet, the bonus from goldsmith, to keep the changes. His mother said the wallet as maicih wallet. Some years later, he met woman who resembles Maicih figure in his memory. Middle-aged mother

wearing traditional dress. Then, it turns out that she could make a crunchy spicy seasoning. While following is the table that we got from the online survey and observation during several months regarding to the development of the active followers of Maicih in Twitter.

Date	Active Followers	+/-
October 18 <sup>th</sup> , 2011	338,160	n.a
November 18 <sup>th</sup> , 2011	370,273	+32,113/+9.50%
December 18 <sup>th</sup> , 2011	383,540	+13,267/+3.58%
January 17 <sup>th</sup> , 2012	390,494	+6,954/+1.81%

### 3.2. Marketing Strategies of Maicih

In terms of marketing strategies, the concept of nomadic Maicih is it did not have a permanent store. The uniqueness of the typical brand owned by Maicih of course is the use of social media as a marketing medium, for example Twitter and Facebook. In addition to free, promotion on Twitter could be a gong for the sales force to make people who buy Maicih. People who do not know Maicih will ask them jamming and tweet about Maicih enthusiast will explain. Those who already have the witness felt Maicih respectively. According to Reza unnecessary campaign fatigue “with Twitter, like a snowball promotions, grow”.

This is the added value of this product and make it more attractive. From the results of the interview, the followings are the explanation of marketing analysis by using STP from legacy marketing:

Analysis	Explanation
<b>S (Segmentation)</b>	Maicih Republic segmented consumers based on their middle-class young people in urban areas. This is because the distribution Maicih itself is still in big cities and have not penetrated into the countryside. So now the market segmentation is being like this.
<b>T (Targeting)</b>	Maicih Republic targeted the consumer into: a. Those Young People (e.g College Students) b. Those people which was like enjoying their time with the Social Network c. Those people which is like to “snacking”, et cetera.
<b>P (Positioning)</b>	Maicih products in the minds of consumers were positioned as one of the unique, difficult to obtain, and they have different levels of spiciness. So in the mind of the customers buyer will always appear brand image like this.

Besides, Maicih not only sell the chips, but also build a network. They monitor products from Twitter because it's easy to find consumer complaints. Typically, consumer complaints or requests for extra sales. So we also have to remake of it. These following are also the explanation of variables in the marketing mix of 4P<sup>7</sup>:

Variables	Explanation
<b>Product</b>	Maicih is a brand made from cassava chips which is combined with the elements of spicy, peppery and has a variety of spicy levels. Its level of spiciness ranging from level 3, 5, and 10 (for the chips). There are also another products like Jeblak, and Gurilem.
<b>Price</b>	The producers asking sellers to set the same price to consumers. So, sellers get the same sales margins. Maicih manufacturers often warn if the seller sells more expensive than the standard price, it's not the original Maicih. The selling price per pack in Bandung as the origin of Maicih products: chips level 3-5, jeblak, and gurilem cost IDR 11,000 (US\$ 1.2), while for the level 10 chips valued at IDR 15,000 (US\$ 1.6). Meanwhile, outside the Bandung, chips level 3-5, jeblak, and gurilem sold IDR 15,000 (US\$ 1.6), and that the rate of chips level 10 sold IDR 18,000 (US\$ 1.95) <sup>6</sup> .
<b>Place</b>	In the early, Maicih products sold in stores or sold at retail. After several months of not being

	distributed to the stores again but by selling exclusively by asking consumers to come to the sale of spot that he had set every day. Every day, Reza and his team provide location information for Maicih chips sales through social networking Twitter (@infomaicih) or Facebook. They sell in the car (nomadic) or work with a particular cafe. Marketing system like this makes Maicih chips be exclusive because it is not sold freely. Spot sales are always filled with Icihers (the term for those who like Maicih chips). In addition, the chips not done in large factories, but distributed in a variety of home industries.
<b>Promotion</b>	Promotion system used is word of mouth at the early 2 month since it launched. Then, many people become aware of this brand because people speak about it everywhere. These chips will be something very unusual, but given the identity of the brand names, logos, and so on. They create value in the form of spicy level and then all of it packaged in a compelling story spread across offline and online media. Especially for online media, using social networks they are widespread in society, such as Twitter and Facebook. Their fans of maicih (icihers) also helping maicih to spread its market by giving it hashtags #maicih into twitter, and it makes maicih spreads more. Meanwhile, the communication with the buyers performed with two directions, they receive advice and feedback directly from customers and be more open and to assess their products soon known.

For the product itself, Reza chose spicy flavor for Maicih to give addiction effect, especially for the tounge of Indonesian. If addicts can be spicy, it is an art. This process is not simple. Before creating a new product, we must first look customers' enthusiasm about what they would like. Besides, he now still focuses on three variants of this and also the production and taste. Additionally, this product is very good for health, heart function, and detoxification. Because, Maicih spicy flavor of spices and chili do not use any preservatives.

#### 4. Summary

In conclusion, Maicih product has a creative sales marketing system. It has a different idea of the marketing system which so unusual for other company who sells a cassava chips like Maicih. After knowing and analyzing the Maicih marketing strategies, the reasons why this company get a big profit, it is because of the online strategy (using social networks like Twitter and Facebook) as the e-market and promotion, its innovative product with its level of spiciness, and also the unique system of its companies managerial. That is why it gives a big profit for Maicih within the short time.

#### 5. Acknowledgements

We want to express our gratitude to all the people who have given their heart whelming full support in making this paper a magnificent experience. To God, we thank Him for the strength that keeps us standing and for the hope that keeps us believing that this affiliation would be possible. We also wanted to thank our family who inspired, encouraged and fully supported us for every trial that comes our way. In giving us not just financial, but morally and spiritually. To our lecture, Lukytawati Anggraeni, who sincerely devoted her time and task that boosted our self-esteem and taught us to be more responsible for. We wholeheartedly thank you for the kindness and patience that you have given us.

#### 6. References

- [1] R. Al and T. Jack, Positioning: The Battle for Your Mind, 1<sup>st</sup> ed. New York: McGraw-Hill, 2000, p. 3.
- [2] A. Pearce II John and B. Robinson Richard, Jr., Strategic Management: Formulation, Implementation, and Control, 11<sup>th</sup> ed. New York: McGraw-Hill, 2009, p. 343.
- [3] Peter D. Bennet, Dictionary of Marketing Terms, 2<sup>nd</sup> ed. Chicago: American Marketing Association, 1995, pp. 165-166.
- [4] K. Keegan Warren, Global Marketing Management, 7<sup>th</sup> ed. New Jersey: Prentice Hall, 2002, p. 199.
- [5] K. Keegan Warren, Global Marketing Management, 7<sup>th</sup> ed. New Jersey: Prentice Hall, 2002, p. 202.
- [6] <http://www.bi.go.id/web/id/Moneter/Kurs+Bank+Indonesia/Kurs+Transaksi/>, online, January 17, 2011.
- [7] K. Philip and A. Gary, Principles of Marketing, 8<sup>th</sup> ed. New Jersey: Prentice Hall, 1999, p. 113.