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## Diversification strategy of processed catfish products at UD. Matrix Jaya Jember

W D P Gustyningrum, J Widodo\*, M Zulianto, S Wahyuni, and T Kartini  
University of Jember, Tegalboto Campus, Jember, East Java, 68121, Indonesia

\*jokowidodo.fkip@unej.ac.id

**Abstract.** This study aims to describe the diversification strategy of catfish processed products at UD. Matrix Jaya, Jember Regency. This research is a descriptive study with a qualitative approach. The subject in this study was *Owner* UD. Matrix Jaya, while the research informants are employees and consumers of UD. Matrix Jaya. Data collection methods used are interview, observation and documentation. Data analysis methods used are the data reduction stage, data presentation and conclusion drawing. The results of this study indicate that the Owner UD. Matrix Jaya applies a diversification strategy for catfish processed products to the businesses it manages. The implementation of the diversification strategy for catfish products includes product names, product categories, product compositions, product flavor variants and product packaging. Product diversification carried out by UD. Matrix Jaya is concentric diversification and horizontal diversification. Marketing conducted by UD. Matrix Jaya, namely online sales by utilizing existing technology. *This Home Industry* introduces its products through *blog websites, social media, market places* and is active in participating in SMEs exhibitions held in various cities.

### 1. Introduction

Entering the world of business *home industry* that is growing at this time makes the competition between businesses more stringent. Seeing increasingly fierce competition in the business world, thus encouraging managers to implement the right strategy to run their business. Determining the right and effective strategy greatly influences the course of a business. Managers need to implement strategies to be able to attract consumers and be able to meet the tastes of consumers. This is because so that a business can survive from more and more business competitors. If a manager does not have the right strategy, then a business will experience a decrease, both in the field of production and in the amount of sales.

In the face of increasingly fierce competition, producers must produce the right products to meet consumer needs. Therefore, the product strategy needs to be carried out by the Manager. One product strategy that can be done by managers is product diversification strategy. According to Effendi [1] which explains that product diversification is an expansion of the selection of goods and services sold by companies by adding new products or services by improving the types, colors, modes, sizes, and types of products that already exist in order to make a profit. maximum.

Products that are always made into processed products are fishery products. Fishery products in Indonesia at this time have begun to emerge along with the development of fisheries processing technology. The problem that often arises in processing fishery products is because fish easily rot. To overcome these problems, an idea emerged about how to process fishery products, one of which is by making various processed products from fish so that these products can last a long time. One type of freshwater fish that can be used to make processed foods is catfish. Catfish is a fish that lives in fresh water. In addition to the affordable price of the community, catfish also contain protein that is good for health. Even catfish meat in general contains lower cholesterol and is good for brain intelligence. Catfish has a very bright business prospect, this is because catfish is easily cultivated. The advantages of catfish have made people to start doing variations of processed catfish products that are different from usual.



Various kinds of products and flavor variants produced by UD. Matrix Jaya has an impact on the number of customers from various regions. The number of customers indicates that the business has a large market demand. UD. Matrix Jaya has sold its products in various cities in Indonesia and abroad. Catfish processed products UD. Matrix Jaya already has permission from the relevant agencies at both the Regency and Provincial levels. This product also has a permit from the Food and Drug Monitoring Agency (BPOM) and has been labeled halal from the MUI. Based on the explanation above, the researcher conducted a study aimed at describing the application of the strategy of diversification of catfish processed products to UD. Matrix Jaya, Jember.

## 2. Methods

This research is descriptive research with a qualitative approach. The location of this research was carried out at UD. Matrix Jaya which is located at Jl. Letjend Sutoyo Gang Matrix No. 19, Kabupaen Jember. Determination of the location of this study using a *purposive area method* that is the location of research determined deliberately. Considerations researchers chose UD. Matrix Jaya because of the observations that have been made through interviews with *Owner* UD. Matrix Jaya who explained that the strategy for diversifying catfish processed products was applied to UD. Matrix Jaya.

The subject in this study was *Owner* UD. Matrix Jaya, while additional informants are employees and consumers of UD. Matrix Jaya. Data collection methods used consisted of interviews, observation, and documentation. Analysis of the data used is data reduction and data presentation.

## 3. Results and Discussion

An effective strategy is one that has a positive impact on a business managed by someone. Product diversification strategy is an effective strategy related to efforts to attract consumers so consumers do not feel bored with the same product. Hail research that UD. Matrix Jaya applies concentric diversification and horizontal diversification strategies. The following will describe five elements related to the product diversification strategy applied to UD. Matrix Jaya consisting of product names, product categories, product compositions, product flavor variants and product packaging.

### a. Product Name

Variety of product names is one of the various ways applied by the *Owner* related to the product diversification strategy in catfish preparations. This is in accordance with the opinion of Kotler & Armstrong [2] that the name of the product is a term, sign, symbol, or design or combination of these things, which is intended to identify goods or services from a person or group of sellers and to distinguish them from seller products. Catfish processed products produced by UD. Matrix Jaya is diverse, ranging from snacks, *frozen*, wet foods and there are also products that are not made from processed catfish products, namely cookies. There are 4 types of products produced with 31 different names made. Dried food products produced by UD. Matrix Jaya there are 9 product names, namely catfish sticks, catfish thorn sticks, catfish chips, catfish thorn chips, shredded catfish chips, catfish sumpia, widow catfish, shredded catfish, and dried catfish pastels. The next product isproducts, *frozen* namely catfish nuggets and catfish dumplings. The third product is a wet food product, which consists of catfish satay, *burger* catfish, *sandwiches* catfishandcatfish *crispy* black pepper sauce. The last product is the pastry product, this product has 18 product names produced by UD. Matrix Jaya.

### b. Product Categories

Food products can be categorized based on their nature and type. There are several categories for example based on its durability, there are products that are durable and not durable. UD. Matrix Jaya produces products in the consumption products category and also food products categories that are durable and not long lasting. Because the products manufactured by UD. Matrix Jaya there are dry foods, wet foods, and also *frozen*. UD products. Matrix Jaya is classified as a durable product that is dry food, *frozen* and pastry products because it can last for 6 months. As for products that are not durable, such as wet food products, because these products must be consumed at that time.

### c. Product Composition

Making recipes for processed catfish products is not as easy as predicted. The difficulty of mixing ingredients into a product of processed catfish that is tasty, not fishy, and preferred by consumers is an



obstacle. Various trials were conducted in order to find a recipe that was appropriate and right. In addition, the challenge is also quite large if the product is not liked by consumers. Because catfish raw materials, including goods that are not durable and smell fishy. There are some spices that are kept secret by the *Owner* and the UD production department. Matrix Jaya. This was done to anticipate that other people would not imitate. As seen on the packaging, that there is indeed a composition listed but only the core ingredients only and for confidential material only the *Owner* and the production department only know.

#### d. Variant of Taste of the Products Product

Innovation must continue to be created by the *Owner* UD. Matrix Jaya along with the ever-increasing consumer demand. The flavor variant is one thing that has always been innovated by UD. Matrix Jaya. Many flavors are produced by UD. Matrix Jaya, from the dry food product itself there are 6 flavor variants, flavor product *frozen* 2 variants, and for wet food products there is black pepper sauce, while for the cookie product variant alone there are 18 products with different flavor variants.

The following is a table of flavors of catfish processed product variants produced by UD. Matrix Jaya:

**Table 1.** Variant Taste of Product

| No. | Product Name Product   | Variants  |
|-----|--|---|
| 1.  | Catfish sticks, catfish thorn sticks, catfish sumpia, catfish widgets, catfish burgers, catfish satay, catfish sandwiches, and catfish dumplings | Original  |
| 2.  | Catfish chips and catfish thorn chips  | Cheese, balado, barbecue, and sweet spicy   |
| 3.  | Shredded catfish chips, dried catfish pastel, and shredded catfish   | Original and spicy  |
| 4.  | Catfish nuggets  | Cheese and vegetable cheese   |
| 5.  | Crispy catfish   | Black pepper sauce  |
| 6.  | cookies  | Topping (Choco chips, blueberries, coconut, strawberry, green tea, almonds, walnuts, cheese, refined sugar) |

#### e. Packaging Product

Packaging is the main element of a product, without packaging, the product will be easily damaged and have no information for consumers. According to Klimchuk and Krasovec [3], packaging design is a creative business that links the form, structure, material, color, image, and elements with product information so that the product can be marketed. Packaging of products produced by UD Matrix Jaya that has changed in terms of packaging is a snack product. Starting the packaging of this product is made very simple, from the beginning of plain plastic packaging and now after doing diversification packaging of processed catfish snack food products using packaging with material *aluminum foil*. Since UD. Matrix Jaya was established, Owner has done 4 renewals of packaging, namely: 1) Plastic packaging, 2) Plastic packaging with new designs and labels, 3) Packaging *combination aluminum foil*, and 4) Packaging *aluminum foil standing pouch*. The next package is wet food. Packaged wet or ready-to-eat foods such as catfish satay and crispy catfish black pepper sauce using packaging *styrofoam* that is readily available at the store. Whereas *burger* and *sandwich* products use round mica plastic. UD. Matrix Jaya also has products other than processed catfish, namely cookies. This product packaging uses round transparent thick glass mica plastic. There are two kinds of pastry products, namely sizes *small* and *medium*. The size *small* is 220 grams to 260 grams, while for size *medium* 490 grams to 530 grams.

#### f. Diversification Strategy for Catfish Processed Products at UD. Matrix Jaya

Based on the discussion and explanation of the five respective elements of the product above, the products that UD has produced. Matrix Jaya then the *home industry* has done a product diversification by creating a diversity of product types and developing it into a more varied product. This allows

researchers to conclude that, the diversity of products that have been carried out by UD. Matrix Jaya can be classified into types of product diversification, namely concentric diversification and horizontal diversification. This concentric diversification is used to add products that are already on the market, but they are still interconnected with old products, which are still using catfish raw materials. Whereas horizontal diversification is used to add new products that can attract loyal customers even though they do not have a relationship with existing products, but are sold to the same customers. Based on the results of research that has been done, it is found synergy of concentric diversification, which is in the table as follows:

**Table 2.** Synergy in concentric diversification

| No | Products  | Synergy  |   |
|----|---|--|---|
|    |   | Technology   | Marketing   |
| 1. | Nugget and siomay   | a. Brand<br>b. Packaging<br>c. Label<br>d. Rasa<br>e. Size | 1) Nuggets and siomay products are marketed under the brand name "various processed catfish matrix" with the name of the nugget product, siomay.<br>2) The form of packaging uses plastic <i>nylon</i> and uses a <i>hand sealer</i> as an adhesive.<br>3) The brand label is a <i>sticker</i> and has a different color in each product, and for writing the same label. The difference in taste is written on the packaging label and has a 250 gram size category. The technology used is modern namely using a hand sealer and a label that uses a <i>sticker</i> .<br>4) Marketing of nuggets and siomay products is aimed at all regions of Indonesia and abroad. |
| 2. | Stick Catfish<br>Stick Duri Catfish<br>Catfish Chips<br>Chips Catfish<br>Chips Floss Catfish<br>Widaran Catfish<br>Catfish Dry Pastel<br>Sumpia Catfish<br>Floss Catfish<br>Catfish Satay<br>Catfish Black Pepper<br>Sauce Crispy<br>Burger Catfish<br>Sandwich Catfish | a. Brand<br>b. Packaging<br>c. Label<br>d. Rasa<br>e. Size | 1) Snack products have the same brand of "various processed catfish matrix" with the product name in accordance with the name beside. As for the brand in wet foods, namely the product name in general.<br>2) The packaging used in snack products is <i>aluminum foil</i> while in wet foods are <i>styrofoam</i> and round mica plastic.<br>3) The labels used are the same but only have different colors.<br>4) Each brand has different flavors with a size of 100 grams. The technology used is the same as nugget and siomay products, namely using a <i>hand sealer</i> . And the marketing area is the same.  |

In the table above it can be explained that UD. Matrix Jaya creates new products that are still interrelated between existing products and related to technology. That is because when the *home industry* adds new products, but still related will significantly drive sales of products today and can be offered at very competitive prices. In addition there are also synergies of horizontal diversification as follows:

**Table 3.** Synergy of horizontal diversification

| Products Product | DescriptionProducts   |
|------------------|---|
| Pastry           | <p>Products are produced under the brand name "various cookies pastries with different product names according to the product. For example chocochips, blueberries, coconut, strawberry, green tea, almonds, soluble, cheese dissolves, snow white, kastengel, speculaas, basket nastar, shell nastar, rose nastar, and cheese nastar. There are 16 pastry products produced with a size of 500 grams. The packaging used is a clear round plastic jar with a green label with a combination of red and yellow equipped with a permit number or P-IRT along with the product composition.pastry products</p> <p>There are two kinds of, namely sizes <i>small</i> and <i>medium</i>. The small size is 220 grams to 260 grams, while for medium size 490 grams to 530 grams. For small size is the latest innovation for consumers who want to buy various types of pastries. Pastry production is carried out on the eve of Eid al-Fitr and for orders outside of the holiday can be done by ordering in advance. Product labels on pastry packaging already use stickers and the technology used in the production process is still manual. The marketing of this product extends throughout Indonesia.</p> |

Based on table 3 above it can be seen that pastry products do not have a synergy of product raw materials, the technology used in products made from processed catfish. This pastry product is still under the auspices of UD. Matrix Jaya. The target markets for pastry products are all of Indonesia and the main ones in the Jember region. UD. Matrix Jaya creates new products that are not interrelated because the revenue generated from current company products will increase significantly with the addition of unrelated products.

The results of this study indicate that the UD. Matrix Jaya applies a diversification strategy for catfish processed products to the businesses it manages. The implementation of the diversification strategy for catfish products includes product names, product categories, product compositions, product flavor variants and product packaging. Product diversification carried out by UD. Matrix Jaya is concentric diversification and horizontal diversification.

Product diversification strategy is one way in which the *Owner* UD. Matrix Jaya in diversifying catfish processed products produced by UD. Matrix Jaya. Diverse products are products that are made by taking into account the elements of a good product. Wijayanti (2014: 50) the elements that must be owned by a product in making diverse products, namely: (1) the name of the product; (2) product categories; (3) product formulation; (4) product composition; (5) labeling; (6) flavor variants; (7) packaging; (8) product excellence; (9) product benefits; (10) customer service. Based on research conducted by researchers that the *Owner* UD. Matrix Jaya only applies five elements to the ten elements mentioned above. The five elements include: (1) product name; (2) product categories; (3) product composition; (4) product flavor variants; (5) product packaging. The reason is because researchers adjust to the conditions that exist in the research object, namely UD. Matrix Jaya.

The form of diversification has three types of methods carried out by a company, namely concentric diversification, horizontal diversification, and conglomerate diversification. In the three forms of diversification that can be done by UD. The first Matrix Jaya is concentric diversification which is in accordance with the theory of Tjiptono [5] concentric diversification that is, where new products introduced have links or relationships in terms of marketing or technology with existing products. UD. Matrix Jaya manufactures a product after the production of catfish nugget and catfish nugget products, which is the first product made by UD. Matrix Jaya with 250 gram cheese and vegetable cheese flavors. The next product is a snack product made from catfish. These snack products have different product names from catfish sticks, catfish thorn sticks, catfish chips, catfish thorn chips, catfish widgets, shredded catfish chips, dried catfish pastels, catfish sumpia, and catfish floss. This product size varies from 100 grams and 125 grams. The product variants given in each product are original, spicy, sweet and spicy, barbeque, balado, and cheese. The next product is wet food products. Where this product is a product that is ready to eat. Like catfish satay, crispy catfish, black pepper sauce, burger and catfish sandwich.

Secondly, horizontal diversification is in accordance with the theory of Tjiptono [5] that horizontal diversification strategy is, where companies add new products that are not related to the product existing, but sold to the same customer. UD. Matrix Jaya has diversified its products by producing products that do not use catfish processed raw materials, namely pastry products. This pastry product is still under the auspices of UD. Matrix Jaya. This pastry product has various flavors where the *home industry* produces 16 different types of pastry products. The technology used in making cookies still uses simple technology. Pastry packaging using round mica jars. There are two kinds of pastry products, namely sizes *small* and *medium*. The size *small* is 220 grams to 260 grams, while for size *medium* 490 grams to 530 grams. For size *small* is the latest innovation for consumers who want to buy various types of pastries.

Marketing conducted by UD. Matrix Jaya, namely online sales by utilizing existing technology. *This Home Industry* introduces its products through *blogs, Instagram, Facebook, Shopee, Tokopedia, Bukalapak, GoFood, WhatsApp* and is active in participating in MSME exhibitions held in various cities. It was during this exhibition that the *Owner* distributed brochures or *leaflets*. The purpose of UD's participation. Matrix Jaya in the UMKM exhibition is to introduce its products that catfish can be made in various shapes and flavors and to find market share.

#### 4. Conclusion

Based on the results of research from the discussion that has been presented it can be concluded that the *Owner* UD. Matrix Jaya applies a diversification strategy for catfish processed products to the businesses it manages. The implementation of the diversification strategy for catfish products includes product names, product categories, product compositions, product flavor variants and product packaging. Product diversification carried out by UD. Matrix Jaya is concentric diversification and horizontal diversification. With more innovation in the wet food products produced. *Owner* UD. Matrix Jaya must also pay attention to marketing methods by not only marketing online but also directly by selling at food outlets. Thus, UD. Matrix Jaya can increase sales and can survive from competitors who are increasingly tighter.

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