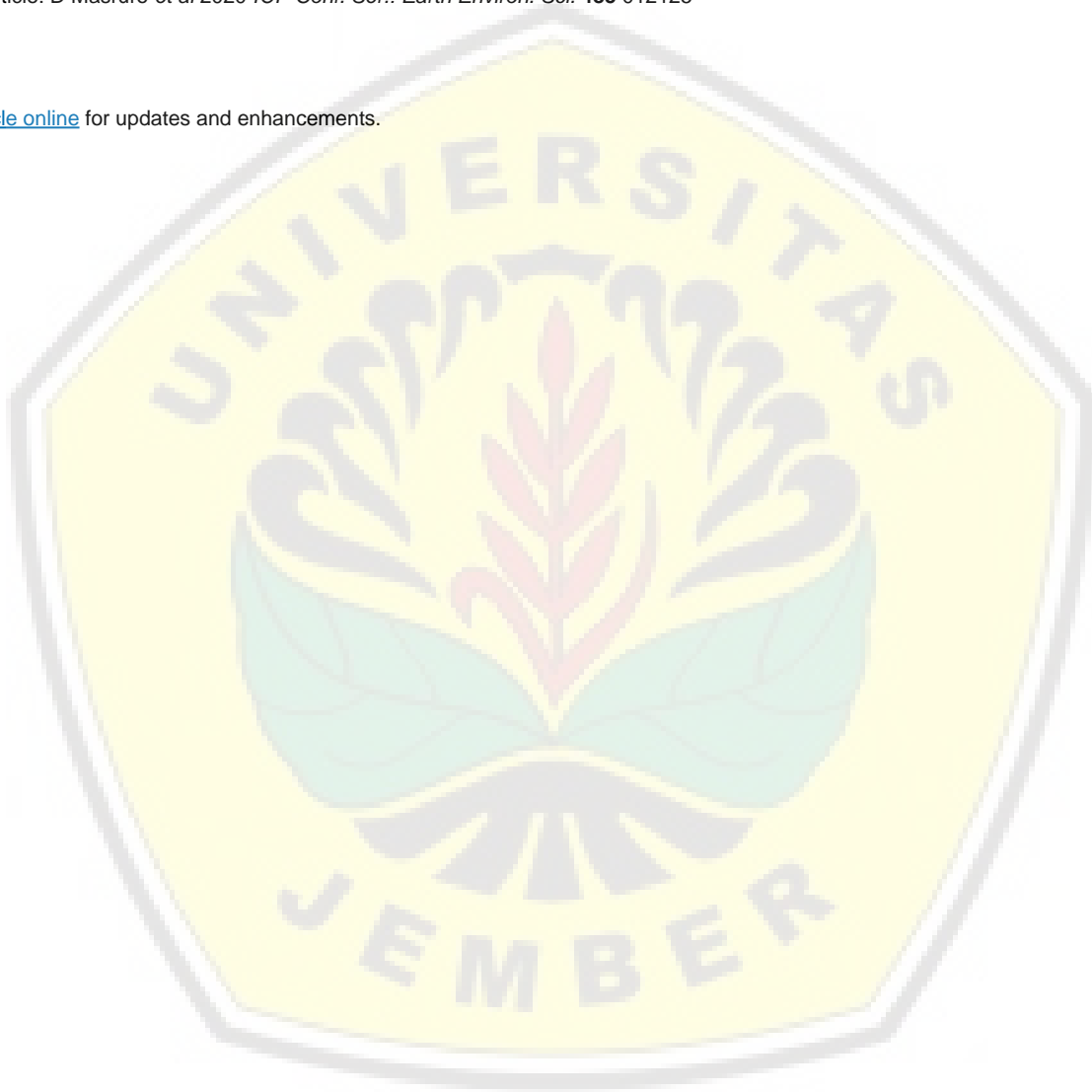


PAPER • OPEN ACCESS

The strategy of product diversification on SMEs brass craft in Cindogo Village Bondowoso

To cite this article: D Masruro *et al* 2020 *IOP Conf. Ser.: Earth Environ. Sci.* **485** 012125

View the [article online](#) for updates and enhancements.



A promotional banner for the PRiME 2020 meeting. It features a background of a globe. On the left, there are three circular logos: ECS (Electrochemical Society), The Electrochemical Society, and The Korean Electrochemical Society. The main text reads: 'Joint International Meeting PRiME 2020 October 4-9, 2020'. Below this, a blue bar says 'Attendees register at NO COST!'. On the right, there is a logo for 'PRiME PACIFIC RIM MEETING ON ELECTROCHEMICAL AND SOLID STATE SCIENCE 2020'. At the bottom right, a blue button says 'REGISTER NOW' with a right-pointing arrow.

The strategy of product diversification on SMEs brass craft in Cindogo Village Bondowoso

D Masruro, S Wahyuni*, J Widodo, Sukidin, and M Zulianto

University of Jember, Tegalboto Campus, Jember, East Java, 68121, Indonesia

*sriwahyunipe.fkip@unej.ac.id

Abstract. This study aims to describe the product diversification strategy at the SMEs brass craft in the village Cindogo Tapen District Bondowoso Regency. This research is a qualitative descriptive study. Data collection methods used consisted of interviews, observations, and documents. Analysis of the data used is data reduction, data presentation, and drawing conclusions. Based on the results of the study, it can be seen that the brass craftsmen in Cindogo Village, Tapen Subdistrict, Bondowoso Regency, implemented a product diversification strategy to produce diverse products. The product diversification strategy implemented is a concentric diversification strategy, where new products produced still have a connection in marketing, technology and raw materials used. The targeted marketing target is brass collectors and consumers who like art-valued items. The raw material used is brass and uses the same technology, the cast technique. The diversity of products produced includes elements of type, type, color, mode, and size of the product. The types of products produced include: 1) Various Displays, 2) Functional Products, 3) Animal Replicas, 4) Army Replica, 5) *Souvenirs*, 6) Kitchen Tools, 7) Antique Replicas, and 8) Trophies. The product modes implemented are carving regulo flower motifs, local animals, and lotus flower motifs combined with various colors that make brass products in Cindogo Village superior to other regions.

1. Introduction

Every company needs to raise awareness about the importance of product development strategies to maintain its business in order to continue to exist in the business world. One of the product development strategies that can be carried out by producers is the product diversification strategy. Product diversification strategy is an effort to develop products by diversifying products, so that a company does not rely on just one type of product, but companies can also rely on other types of products. If one type of product experiences a decrease in sales, it will be able to be overcome with other types of products. In addition, product development aims to anticipate the saturation of a particular product because consumers are also more interested in making a purchase if the product choices offered are more diverse.

The product development strategy was also carried out by the Brass Handicraft SMEs in Cindogo Village, Tapen Subdistrict, Bondowoso Regency. and not saturated with product choices with the products produced. The brass craftsmen strive to increase creativity in developing their products by implementing a product diversification strategy. Product diversification strategy is carried out to produce more diverse products, both from type, type, mode, color, and size of the product. The diversity of products produced by brass craftsmen can attract consumers to make purchases and make products from SMEs Crafts Kuningan Cindogo Village Tapen District Bondowoso Regency is superior to brass craft in other areas.

According to the brass craftsmen in Cindogo Village, Tapen Subdistrict, Bondowoso Regency by implementing a product diversification strategy, consumers began to be interested in making purchases and orders for their handicrafts, consumers can order all forms and designs of products according to their wishes, so that the products produced by craftsmen will be more diverse. The strategy of product diversification carried out by the craftsmen is also to penetrate the wider market, for now the most potential marketing areas are Surabaya, Solo, Yogyakarta, Jakarta, Denpasar, and Kalimantan, for



foreign markets. Kuningan Desa Cindogo Tapen District Bondowoso Regency also serves orders from Malaysia, Singapore, India, Saudi Arabia, Europe and Australia.

The price of the product offered is also relative, depending on the size and level of complexity. Efforts to maintain product quality are also highly maintained until now, products from SMEs Crafts Kuningan Cindogo Village Tapen District Bondowoso Regency is known for its more durable shiny content and its yellow color can last longer. The success in maintaining its business is also inseparable from the marketing efforts made by the manager. Marketing is carried out such as participating in various *events* craft exhibition organized by the government and product publications on social media, thus selling SMEs Handicraft products Kuningan in Cindogo Village, Tapen Subdistrict, Bondowoso Regency is more *online* than sales *offline*.

2. Research Method This

This research is descriptive qualitative which aims to describe the product development carried out by the SMEs Kuningan Crafts Cindogo Village Tapen District Bondowoso District with a product diversification strategy to produce diverse products. Determination of the location of the study using a *purposive area method*, with the subject being the owner of the Kuningan Crafts SMEs Cindogo Village Tapen District Bondowoso District who acts as the main informant and employees of the SMES Crafts Brass Village Cindogo Tapen District Bondowoso District as supporting informants, as well as supporting company documents . Data collection used was the interview method, observation method, and document method. Analysis of the data used is data reduction, data presentation, and drawing conclusions.

3. Results and Discussion

Based on the results of research on product diversification strategies at the Kuningan Handicraft SMEs in Cindogo Village, Tapen District, Bondowoso Regency, it can be seen that the brass craftsmen implement concentric diversification strategies, where the diversification of products produced is still related to existing products, namely all products produced using the same raw material, namely brass, raw material obtained from bullet casings and used brass obtained from brass collectors. Marketing is also done to the same target, namely brass collectors and consumers who like to collect objects that have artistic value. In addition, the brass craftsmen use the same technology in the manufacturing of new products, the process of making brass products is still using the traditional way of casting technique because it can produce various desired molds, if using a press machine can only make one type of mold. In addition, another reason for craftsmen not to use modern technology such as press machines is to preserve the art that has existed long ago.

The product diversification strategy implemented by brass craftsmen in Cindogo Village, Tapen District, Bondowoso Regency includes the types, types, colors, modes and sizes of products that can be explained as follows:

A. Types and Types of Products

Before implementing the product diversification strategy, the craftsmen only produce brass in the form of displays only, with the current product diversification strategy the products produced begin to vary. The following is the diversity of types and types of products produced by brass craftsmen in Cindogo Village after implementing a product diversification strategy:

Table 1. Types and Types of SMEs Brass Products in Cindogo Village

No	UD Imanda	UD UD Wijaya	UD Sutikno
1	Various Displays Type: umbrella, vases, jars, and bowl forks	Various Displays Types of: umbrella stand, vases, jars and forks forks	Various Display Type: umbrella stand, vases, jars, and bowl forks
2	Functional Products Type: bed lamps, candle holders, drawer handles, places ash, kinangan, paidon, fruit container, and barrel with splash dipper	Functional Product Type: bed lamp, candle holder, drawer handle, ash container, kinangan, paidon, fruit container, and barrel and splash dipper	Functional Product Type: sleep lamp, place candle, drawer handle, ash tray, kinangan, paidon, fruit container, and barrel along with dipper

No	UD Imanda	UD UD Wijaya	UD Sutikno
3	Animal Replica Type: rooster, peacock, tiger, horse and goose	Animal Replica Type: rooster, peacock, tiger, horses, and geese	Animal Replicas Type: roosters, peacocks, tigers, horses, and geese
4	Replica Soldiersmilitary Type: replicas ofshells, statues and symbols.	Army Replicasmilitary Type: replicas ofcasings, statues and symbols.	Army Replicasmilitary Type: replicas ofcasings, statues and symbols.
5	Souvenir Type: flower vase and mini-sized animal	replica Antique Item Replica Type: miniature canon and gong replica typical Dayak tribe	Cup Type: championship trophy or award
6	Kitchen Tools Type: shredded oil cutters, cookie cutters and bikang cookie cutters		

Based on the table previously it can be seen that UD Imanda, UD Wijaya, and UD Sutikno produce the same four types of products namely, 1) Various Displays, 2) Functional Products, 3) Animal Replicas, and 4) Army Replica. However, of the three brass handicraft businesses, they also produce different types of brass, namely, UD Imanda produces *souvenirs* and kitchen utensils, while UD Wijaya produces antique replicas, and UD Sutikno produces trophies.

B. Product Mode

Over time, each product will definitely experience development, as well as brass products produced by brass craftsmen in Cindogo Village. Product mode is carried out by craftsmen to produce superior products. Initially, brass products in Cindogo Village only made plain brass, then the craftsmen developed their products to make them more interesting and artistic by giving motifs of carving lotus flowers, regulo flowers, and animal carvings. Consumers can also order with various motifs such as name engraving and other motives as desired.

C. Product

Color is one of the factors that can make someone interested in buying a product, therefore brass craftsmen develop color so that the product produced can make consumers interested in making a purchase. Initially, the brass products produced by craftsmen were only the original color of brass, but now the colors used have begun to vary. The craftsmen use all colors, and what is often used is white, red, green, blue, pink, and orange, but consumers can also place orders according to the desired color. The coloring is done according to the shape or design of the product, for example a tiger-shaped product, the colors used are orange and black. After going through the coloring process, it will be coated with scratch resistant so that the shiny content of the brass product can last longer.

D. Product Size Product

sizes produced by UD Imanda, UD Wijaya and UD Sutikno differ according to the type and type of product, and depend on orders from consumers. The size of the products produced by the craftsmen is very diverse which aims to provide a choice of product sizes desired by consumers according to needs. The smallest product size produced by UD Imanda is *souvenirs*, up to a replica of animals reaching 2 meters high, and the size of the product produced by UD Wijaya, the smallest one is the drawer handle and the highest is a horse carriage replica that reaches 2 meters high. While the smallest size of the product produced by UD Sutikno is the drawer handle and the highest is the Wahana Tata Nugraha monument, the Jember Transportation Office, which reaches a height of 2 meters. The following are sizes based on the types of products produced by each brass craftsman in Cindogo Village:

Table 2. Size of Product Types of SMEs Brass Handicrafts in Cindogo Village

No	UD Imanda	UD Wijaya	UD Sutikno
1	Various Displays 20 cm - 135 cm	Various Displays 20 cm - 130 cm	Various Displays 20 cm - 130 cm
2	Functional Products 2 cm - 75 cm	Functional Products 2 cm - 80 cm	Functional Products 2 cm - 70 cm
3	Animal replicas 30 cm - 2 m	Animal replicas 30 cm - 2 m	Animal replicas 30 cm - 2 m
4	Replica Soldiers 30 cm - 50 cm	Replica Soldiers 30 cm - 70 cm	Replica Soldiers 30 cm - 60 cm
5	Souvenirs 9 cm - 12 cm	Replica Antiques 11 cm - 151 cm	Trophy 25 cm - 2 m
6	Kitchen Tools 10 cm - 32 cm		

Based on the results of the study it can be concluded that the size of the products produced by craftsmen there are differences depending on the type and type of product and depending on the order of each consumer. Product size also affects the price of the product offered, this is due to the use of raw materials which will be increasingly used if producing large sized brass.

The SME Brass Crafts in Cindogo Village, Tapen District, Bondowoso Regency implement a product diversification strategy as an effort to develop products to produce diverse products, this is done in order to attract consumer buying interest and expand marketing areas in order to increase sales. In accordance with the opinion of Ismanthono (2006: 65) which explains that product diversification is the company's effort to increase sales through product diversification, either through developing new products or developing existing products.

The product diversification strategy that is implemented is the concentric diversification strategy, which is adding new products that are still related to existing products, the linkages in question are in terms of marketing, technology and raw materials used. In accordance with the opinion of Tjiptono (2002: 132) which explains that the strategy of concentric diversification, where new products are introduced have links or relationships in terms of marketing or technology with existing products. The target market is brass product collectors and consumers who like objects of artistic value, then other links are raw materials for making new types of products using the same raw materials, brass obtained from used bullet casings and used brass, craftsmen usually buy materials standard from brass collectors. The technology used to produce new products is the same as the cast technique.

The diversity of products produced is also inseparable from the implementation of elements of a product diversification strategy that includes product types, product types, colors, modes, and product sizes. In accordance with the opinion of Effendi (1996: 109) which explains that product diversification is an expansion of the selection of goods and services sold by companies by adding new products or services or improving the type, color, mode, size, type of existing products in order get the maximum profit.

Product development aims to anticipate the saturation of a particular product because consumers are more interested in making a purchase if the choice of products offered is more diverse both types and types of products. According to Kotler (2000: 451) products can be classified into several types, namely based on their appearance and based on aspects of durability, and based on consumption goals, while the type of product are items in a product line that have a certain form of many forms of product. Based on the results of the study it can be seen that UD Imanda, UD Wijaya, and UD Sutikno produce the same four types of products, namely, 1) Various Displays by type namely, umbrella stands, vases, jars, and fork bowls, 2) Functional Products including, lights sleep, candle holder, drawer handle, ash tray, kinangan, paidon, fruit container, and barrel along with dipper spray, 3) Animal replica, with the type of rooster, peacock, tiger, horse, and goose replica, 4) Army replica, with type of TNI statue, replica cartridge, and TNI symbol. However, of the three brass handicraft businesses, they also produce different types of brass, namely, UD Imanda produces *souvenirs* and kitchen utensils, while UD Wijaya produces antique replicas, and UD Sutikno produces trophies. The differences in the types of products are due to the creativity that is owned by each and the order of each consumer. In addition, UD Sutikno

also has a relationship with the government so it is believed to produce award statues, as well as the large number of employees such as UD Imanda which has 11 employees also makes the reason for the many types of products produced.

The development of product modes was also carried out by brass craftsmen in Cindogo Village. According to Kotler and Keller (2012: 304) fashion is a style that is popular and is currently accepted in certain fields. Fashion is a style or appearance that has always evolved from time to time, product development must follow fashion in order to attract consumer buying interest. Product modes are carried out to produce products that are superior to brass products in other areas. In the beginning, the only brass products produced were plain brass, then developed by giving motifs such as carvings of regulo flowers, lotus flowers, and carvings of local animals. Consumers can also order with various motifs such as name engraving and other motives as desired.

Color diversification is also carried out by brass craftsmen in Cindogo Village, because color is one of the factors that can make consumers interested in buying a product. Stanton (1989: 269) explains that color is often a determining factor in whether or not a product is accepted by consumers. Therefore, product design will not look attractive if the color combination does not match what consumers want. Initially, the brass products produced were only yellow, the original color of brass. But now the colors used have begun to vary, almost all colors have been used such as white, red, green, blue, pink, black and orange and so on, consumers can also place an order with the desired color. Staining is done with certain chemicals using a brush and *airbrush*, then coated with scratch resistant so that the shiny levels of brass products last a long time.

The size of the products produced by the craftsmen also varies to provide a choice of product sizes that are needed and desired by consumers according to their needs. According to Kotler & Keller (2008: 82) size is defined as the shape, model, or physical structure of a product that is seen clearly and can be measured. The size of the products produced by the craftsmen is very diverse, the size of the products produced ranging from the smallest, namely the handle of a drawer with a diameter of 2 cm - 3 cm, up to a replica of the horse-drawn carriage and the Wahana Tata Nugraha monument of the Jember Transportation Office which reaches 2 meters high.

After carrying out product development with a product diversification strategy, now the brass products produced are increasingly diverse and become more superior to brass products in other areas, because brass products in Cindogo Village have motifs or engraving and shiny levels that can last longer. These brass products also attract a lot of consumer interest from various regions to foreign countries, the most potential marketing areas are Surabaya, Solo, Yogyakarta, Jakarta, Denpasar, and Kalimantan, while for overseas they also serve orders from Malaysia, Singapore, India, Saudi Arabia, Europe and Australia. The success in marketing cannot be separated from government assistance such as handicraft exhibitions to introduce products from Cindogo Village. Besides, the craftsmen are also aggressively promoting their products via the internet such as social media and in collaboration with brass product agents in the Yogyakarta and Solo regions. The diversity of products from the Brass Handicraft SMES in Cindogo Village will increase according to consumer demand.

4. Conclusion

Based on research conducted on the product diversification strategy at the Brass Handicraft in Cindogo Village, Tapen District, Bondowoso Regency, it can be concluded that the product diversification strategy implemented is a concentric diversification strategy, namely adding new products that are still related to existing products. The SMES's in Cindogo Village use of marketing, technology and raw materials used. The market is brass product collectors and consumers who like objects of artistic value, then the other linkage is the raw material for making new types of products using the same raw material, brass and using the same technology, namely the cast technique. The product diversification strategy is implemented to produce a variety of products, both from the type and type of product, size, along with color and product modes. The craftsmen carry the diversity of modes and colors the same, the difference is in the type and type of product and product size.

Acknowledgments

This research was supported by the Economics Education Program, University of Jember. We thank our colleagues from SMEs Cindogo Bondowoso who provided insight and expertise that greatly assisted the research.

References

- [1] Ismanthono, WH 2006. *Dictionary of Popular Economic Terms*. Jakarta: Compass Book.
- [2] Tjiptono, F. 2002. *Marketing strategy Edition II*. Yogyakarta: Andi.
- [3] Effendi, R. 1996. *Marketing Management*. Malang: IKIP Malang.
- [4] Kotler, P. 2000, *Marketing Management, Millennium Edition*. Jakarta: Prehallindo
- [5] Kotler, P., and KL Keller. 2012. *Marketing Management 12th Edition*. Jakarta: Erlangga.
- [6] Stanton, WJ 1989. *Principles of Marketing, Seventh Edition Volume 1*. Subtitles in Yohannes Lamarto. Jakarta: Erlangga.
- [7] Kotler, P., and KL Keller, 2008. *Marketing Management Volume 1*. Jakarta: Erlangga.