

## NEW PRODUCT MARKETING STUDY : *CANNA EDULIS KERR.* BASED FOOD (FLOUR AND NOODLE)

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### ABSTRACT

Indonesia may face malnutrition problem that could downgrade its people health quality. Dependency on high priced imported staple due to lack of local nutritional staples and unfertilized soil are few problem causes.

*Canna Edulis Kerr.*, a local grown root that could grow in any type of soil and thrive in Indonesia climate, has rich composition of carbohydrate and fiber. Fortified with spirulina as protein source, it could become Indonesian staple replacing wheat flour with more benefit. This paper proposes comprehensive marketing study from market research to marketing plan of this new product in form of flour and noodle.

**Keywords:** *Canna Edulis, Spirulina, marketing study, flour, noodle*

### 1. INTRODUCTION

For Indonesian people, malnutrition is one of major problem. Expectant mother, toddler, and primary school student are susceptible group. Based on research finding by our university's biotechnology faculty, we found *Canna edulis Kerr.* (ganyong) fortified with Spirulina Plantesis as the best candidates for flour substitute. As an alternative for nutritious food, *Canna Edulis Kerr.* is widely acceptable, proven-to-be well grown in Indonesian soil and climate. It also could be served with simple production process. This paper will explain the marketing plan of *Canna Edulis Kerr.* based flour and noodle that begin with market research until the marketing mix.

The new product were named Cannalina, in form of dried flour and Cannalina dried noodles.

The paper objective will be:

1. Research the market about the acceptance of Cannalina flour and Cannalina dried noodle.
2. Find Cannalina noodle specification that preferred by future consumer.
3. Determine market segmentation, target market, and product positioning as well as marketing strategies and marketing activities, such as what should be

designed and implemented to create consumer awareness of the brand image.

Most of all, the noble objective as a foundation of this study is to find an alternative solution for flour substitute, that could be grown and processed everywhere by everyone, so it could increase Indonesian people's standard of living, by finding and then disseminating the best model of cultivate, process, and market the product.

Scope of this study:

1. Market research interview 500 respondents who live in Jakarta, distributed uniformly (each 100) in South Jakarta, North Jakarta, Central Jakarta, West Jakarta, and East Jakarta. Time of the the respondent interview was April until May 2013.
2. Determine Segmenting-Targeting-Positioning and marketing mix for Cannalina flour and dried noodles in accordance with the results of market research.

### 2. THEORETICAL BACKGROUND

According to Kotler (2008), marketing typically seen as the task of creating, promoting, and

delivering goods and services to consumers and businesses.

Market research is the key factor to get advantage over competitors. Market research provides important information to identify and analyze the market need, market size and competition. Marketing is the process by which companies create value for customers and build strong relationships with customers, with the goal of capturing value from customers in return according to Kotler and Armstrong (2008).

### 3. RESEARCH METHOD

Below is the flow chart:

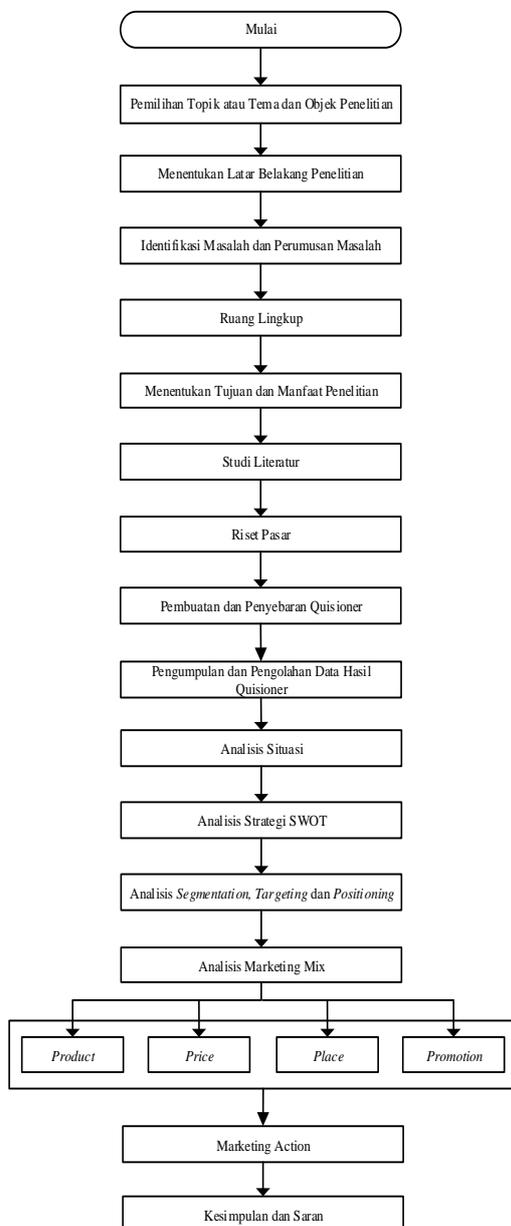


Figure 1 Flow Chart of The Research

## 4. RESULT AND DISCUSSION

### 4.1 Market Research

Market research found that from 500 respondent, 414 people do not know at all about the *Canna Edulis Kerr.* flour (*tepung ganyong*) or flour-based processed foods canna, only 86 people who knew and had tried ganyong.

For the dried noodles (not the *Canna Edulis Kerr.* flour-based one) 100% of respondents knew and never consumed. While the respondent's willingness to try consume *Canna Edulis Kerr.* flour were 88%, the willingness to try *Canna Edulis Kerr.* dried noodles were 99% or 495 respondents because they interested in trying healthier dried noodle than the conventional one.

### 4.2 Determination of Segmenting Targeting and Positioning

#### 4.2.1 Porter Five Forces Analysis

We used Porter Five Forces analysis for external analysis, as a base for Segmenting-Targeting and Positioning we could conclude:

1. There is threat from new entrant, and this one is not subject of our concern because the business model will be disseminate.
2. From supplier side, the raw material will be planted by the producer, so sustainability will depend on the producer itself. The quality and also the continuity also will depend on the producer.
3. Buyer, from market research we could predict that the willingness of buyer will be 88% for Cannalina flour, and 99% for Cannalina noodle.
4. Substitutes, there is several healthy concern product that already enter the market. In average their price are premium. So it is not face to face competitor
5. Competitor, the existing competitor have already had a strong position. Both for the flour and the noodle.

Internal Factor	No	Key Factor	External Factor	No	Key Factor
S	1	Produce and Grow by the producer itself	O	1	Government gave support for the capitalization
	2	Unique taste		2	Increasing in Economic and buying power
	3	High Fiber		3	Nutrition and healthy food awareness
	4	Fortified with protein		4	No competition with new entrant
	5	Without chemical preservative		5	Research show that there is an interest in buying the product
	6	Human resource have indigenous knowledge			
	7	Original Innovation Idea			
W	1	Source of capital should be earn from external party	T	1	No guarantee of raw material supply
	2	Land and building need big capital		2	Slightly high price
	3	Need to train human resource		3	Existing product already dominate the market
	4	Should educate the market about the new product			

#### 4.2.2 Segmentation

##### 1. Demographic Segmentation

Age : Target is everyone who is able to consume food based on canna flour fortified with spirulina , and canna dried noodle products, all age from children, to senior citizens.

Social Economic Status: price is medium, Rp 20.000 per half kilos for the flour and Rp 5,000 for 200 gram dried noodles. Then the primary intended consumers based on SES are A, B, and some C.

#### 4.2.3 Targeting

Cannalina flour and dried noodles target market is everyone, but based on the previous research the marketing will be focus on housewives and culinary entrepreneurs who are using flour and dried noodles.

#### 4.2.4 Positioning

Differentiation as the advantage offered by Cannalina flour and dried noodle products is more the physical attributes, among others :

1. Cannalina flour and dried noodles, targeting health concern people who look for nutrition, fiber, and healthy food.
2. Cannalina flour and dried noodles will also be positioned as sustainable food because it could grow everywhere in Indonesia. The sentiment of could contribute to develop Indonesian sustainability food will be used also.
3. Price for the flour will be slightly higher than conventional flour, but still lower compare to other imported healthy staples but still affordable. But for the noodle the price is competitive.
4. Contain higher carbohydrate and protein than other flour and dried noodles due to the addition of microalgae Spirulina sp. Also contain fiber.
5. Does not contain food coloring, MSG, and do not contain chemical

preservatives to be harmful because it uses natural preservatives chitosan.

### 4.3 Marketing Mix Analysis

#### 4.3.1 Product

Increasing number of new product, especially in healthy food requires every product to have a brand name to be remember on top of mind, and to have a strong brand then have to build a strong brand identity. a. Name / Brand.

The flour will be named Tepung Cannalina, and the dry noodles will be named Mie Kering Cannalina.

Cannalina name consists of words and Canna and Lina, Canna comes from the scientific name for the bulbs plant Canna Edulis kerr and Lina derived from microalgae as a raw material that is complementary Spirulina.

b. Jargon

"Cannalina, for the most love one" Through the use of the jargon is " for the most love one " will form the perception that Cannalina product is a good quality product that is very precious, which specially made, with all the advantages of nutrient and affordable price.

c. Packaging Concept

Cannalina packaging will be unique. Flour and dry noodles will use recycled paper as the outer packaging in accordance with the interests of consumers based on the results of the questionnaire. The use of recycled paper is identical with the purpose to make it more environmentally friendly. Another purpose of the use of recycled paper is a premium impression to support the image of health benefits and good quality of Cannalina.

Appearance: Yellow and green colors are perceived as natural, healthy, and safe. Through the use of these colors will form the perception Cannalina derived from natural selection and high quality. Photo of ripen canna bulbs are displayed on the packaging to provide a direct clue to the consumer that Cannalina flour and dried noodles made from canna. Red color is also used to create the impression of tasty and appetite. Food products generally use a mix of green, yellow and red to evoke consumer tastes. Font type Cannalina packaging made more dynamic and fun. Following are the picture of Cannalina dried noodle.

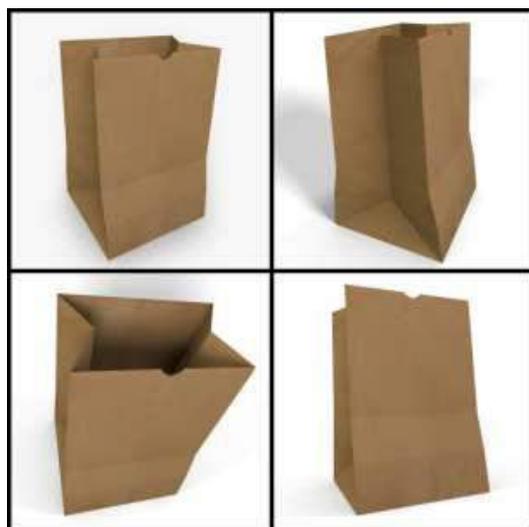


Figure 2. Packaging Design details

#### 4.4.2 Price

As mention before after we did the feasibility studies, the reasonable price of flour is Rp 20.000,- per half kilos and for noodles based on market research, 88% of respondents chose dried noodles with a price range between Rp1.000 to Rp.5.000 . But after calculation, we plan to sell it at Rp 6.000 which is still reasonable due to its higher nutrient and healthy content to be compare with existing product.

#### 4.4.3 Placement

Place or location holds a very important role to facilitate potential consumer get Cannalina products, this means that the sale Cannalina must be easily accessible, easily seen, and easily searchable. Strategy include:

1. Flour and dried noodles Cannalina will use all channels to distribute its products, starting in modern retail, from hypermarket to minimarket,

2. It will also be distributed through the traditional markets that still exist in Jakarta such as mom and pop store.
3. *Koperasi* will be the ideal channel when the Cannalina product already develop and penetrate villages.
4. Cannalina product will do shelving strategy that determines the position of the product in the mini- laying. Location of dried noodles product Cannalina should be at eye - level, where the position is located in front of the target market and the need to be right next to the main competitors Burung Dara Noodles and Cap 3 Ayam Noodles.

#### 4.4.4 Promotion

As a new product Cannalina must be introduce to the market intensively to build brand awareness.

##### 1. Media Offline and Out Of Home

Making communicative and persuasive advertising, through effective media plan that is tailored to the promotion budget. Like creating ads that communicative use offline media such as magazines, distributing pamphlets and pasting posters.

- a. For magazine reporting will be done in the form of collaboration or product reviews in newspapers and tabloids / magazines that have a readership fit with the classification of target market, such as Femina magazine and tabloid Nova that the target audience is women who have family, Nova which has the "savory" specifically for review of the food, drinks and cakes and the "entrepreneurial" to review a collection of entrepreneurial types, Femina magazine which has a special column for culinary. Then Ayahbunda and Nakita magazine whose target audience is the elderly, who have a special column to review the type and foodstuffs, beverages and recipes. For existing business magazine *sekar* magazine that has the " business world ". As with newspapers, cooperation in the form of reporting or dried noodle product review conducted by the newspaper Cannalina who have special columns to readers mother and the culinary business.
- b. For promotion through posters and pamphlets language used should be

clear, concise, communicative and persuasive; combination Figure and writing are not excessive ; selection of colors to be precise and to aesthetics; inform excellence Cannalina dried noodles. Then posters and pamphlets issued and disseminated potential affordable place to be seen by the target market dried noodles Cannalina.

2. Internet Based Marketing

We will use organic and payed media. Such as facebook and twitter.

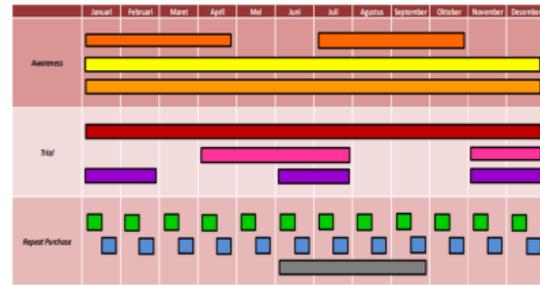
- a. Facebook is considered the most effective online media because Indonesia is the 2nd highest in the world in 2012 facebook users. By using fanpage and advertorial column facebook could more focus on targeted audience.
- b. **Twitter** is a social network that is no less famous than Facebook. As of January 2013, there were more than 500 million registered users on Twitter.

And twitter users in Indonesia is the most active users in the world to - 5. Active twitter users in Indonesia, 39 % in the age range 25- 34 years, and 38 % in the 18-24 age range to suit the target market Cannalina Dry Noodles. In addition to the media campaign, twitter is also useful as a medium for :

- Monitor market
- Consumer loyalty
- Imagery

3. Outlet and Occasion

- a) Actively participate in trade fairs and bazaars. One way is to open a booth at the event as a culinary exhibition, event, expo, or bazaar, such as Indofood Indonesia Festival Taste Preference, Bango Food Festival, Jakarta Fashion and Food Festival, and the Festival Smesco.
- b) Personal selling, giving product samples, and promotion. Two ways communications (sales and consumer) in an interactive and two-way communication so that sales can be directly dried noodles Cannalina obtain responses as feedback about the desire and consumer-opinion.



Description:

- Orange: distribution of posters and pamphlets
- Yellow: coverage in the tabloids or magazines
- Light Yellow: promotion in social media
- Red: personal selling
- Pink: give of samples in event / event
- Purple: give of samples in the markets
- Green: promo buy 2 get 1 free, and a free gift
- Blue: promo for a certain number of purchases
- Grey: 50% discount promo packs for purchase minimal 3 cooperation with other relevant business owners such as home meal

Figure 3 Time Table Promotion

5. CONCLUSION

- 1. Based on market research acceptance of Cannalina dried noodles higher than Cannalina flour.
- 2. Cannalina, Segmenting is for SES A, B and some C. And Targeting housewives who pay attention to family health and culinary entrepreneurs are using flour and dried noodles as their raw material and positioning as "healthy good quality product at an affordable price " .
- 3. With name "Tepung Cannalina" will sell Rp 20.000,- per half kilos and "Mie Kering Cannalina" at Rp 6000 will be sell through traditional and modern distribution, and will be promote through offline and online media.

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