

CHAPTER I

INTRODUCTION

1.1. Background

In carrying out property and infrastructure development carried out by the government and the private sector, of course, it will use building construction materials. One of the important ingredients needed to build property and infrastructure is cement. The growing demand for cement in the country is also supported by property growth, as well as infrastructure development programs that the government will continue to push for the next few years. This large cement demand will create business opportunities to meet the demand for cement in Indonesia.

Apart from being a strategic commodity which is very important to support physical development such as office buildings, housing and roads, this commodity has also become one of the most influential non-oil and gas exports and can survive when the economic crisis takes place.

Indonesia as one of the countries in Southeast Asia has the potential and great opportunity to improve the national economy by means of conducting international trade. The development of international trade has also impacted on the development of a business that is very tight and full of competition. The competition that will make a company have a better strategy to be able to maintain its position. Companies often export to enter international markets. Export is an activity to sell a product out of the country. Exports are used by companies to compete at an international level. One of Indonesia's export products is cement.

Based on the ASI (Indonesian Cement Association) report, which is the institution that houses the entire cement industry in Indonesia, it is stated that since 2015 in Indonesia there have been 6 new industries, both as subsidiaries of the global cement industry and independent industries. The six cement industries are Merah Putih cement with a capacity of 2.5 million tons, Cement Anhui Conch with a capacity of 1.7 million tons and in 2017 operated a new factory with a capacity of 1.5 million tons, bringing a total capacity of 3.2 million tons. Juishin

2 million tons, Siamese cement 1.8 million tons, Pan Asian cement 1.8 million tons and cement puger 0.3 million tons so that the total domestic installed capacity in 2017 is 106.3 million tons with cement demand in 2017 is only 65.5 million tons.

Business competition makes every cement industry company have to compete in order to maintain its business activities in order to excel in competition, so that the company's efforts to excel in competition require strategic management. A company that formulates and implements a strategy that leads to superior performance compared to other competitors in the same industry or the industry average has a competitive advantage (Prasetio, 2015).

Strategic problems in the company are a fundamental factor for any industrial company. According to Purwanto (2012), which states that strategy is a plan one that is unified, comprehensive and integrated that links the company's strategy of excellence with environmental challenges and which is designed to ensure that the main objectives of the company are achieved through proper implementation by the company So that the company strategy becomes an important factor by the company because the implementation of the right strategy is expected that the company can have an advantage in competing.

Planning the right strategy for the company which is interpreted by the opportunities and threats contained in the external environment and understanding the strengths in the internal aspects of the company. Thus the company is able to compete in achieving goals that are effective and efficient (Purwanto, 2012).

The study of marketing includes segmentation, targeting and positioning. namely (1) market segmentation, (2) target market determination, (3) market position determination. Basically, market segmentation is the process of dividing the entire market of a heterogeneous product or service into several segments, where each segment tends to be homogeneous in all aspects.

Before a company goes into the market to promote its products, it must first research this STP. The development of marketing thinking, whether we realize it or not, is in line with the development of civilizations and people's thoughts in various nations. This can happen because thinking in the field of marketing is

always inherent in the lives of people who always think of alternatives. The point is that the community is always faced with a choice and limited resources to be able to maximize satisfaction. Marketing seems to be due to 2 reasons, namely: Many producers and marketers still use the concept of mass production as the basis for their activities. And people's purchasing power is still relatively limited, so that people tend to buy on the basis of low price considerations.

Where according to Kotler, Bowen (2010) the market consists of different buyers and buyers in various things that can buy in desires, resources, location, buying attitudes, and buying habits. Because each has unique needs and wants, each buyer is a potential market in itself. Therefore, the seller should ideally design his own marketing program for each buyer. Complete segmentation is costly, and most customers cannot buy a product that is precisely tailored to their needs. For this reason, companies are looking for larger classes of buyers with different product needs or buying responses.

Defines market segmentation as an activity of dividing heterogeneous markets into homogeneous market units. There is another opinion Swastha & Handoko which formulates market segmentation is an act of dividing the market into certain market segments which are targeted sales which will be achieved with a marketing mix in there book's.

Meanwhile, targeting is a matter of how to select, select and reach the market. Targeting or setting a target market is the next stage of segmentation analysis. The product of the targeting is the target market, which is one or several market segments that will be the focus of marketing activities. The targeting process reflects the fact that the company must identify customers that can be accessed and served effectively and efficiently.

According to Kotler and Armstrong (2008), a group of buyers (buyers) who have the same needs or characteristics that are the goal of company promotion. From the above definition, it can be concluded that targeting or target market is an activity where the company selects a market segment to enter and then the company can determine more specifically the target market.

From the above problems, the authors are interested in conducting research

with the title "Implementation of marketing strategy Merah Putih cement in PT. Cemindo Gemilang in Dumai city".

1.2. Formulation Of The Problem

Based on the description of the background presented above, the problems identified are:

1. How is the implementation of the Merah Putih cement marketing strategy in the city of Dumai?
2. What are the obstacles faced in implementing the market strategy?
3. What are the solutions in facing the obstacles?

1.3. Purpose Of The Study

From the formulation of the problem that have been stated, the research objectives can be determined as follows :

1. To find out implementation marketing strategy for Merah Putih cement in the Dumai city.
2. To find out the obstacles faced in implementing a market strategy.
3. To find out solutions faced in facing obstacles.

1.4. Significance Of The Study

Based on the background, the research conducted will provide several benefits and uses, including:

1. For PT.Cemindo Gemilang
This research is as information to find out how the STP strategy (Segmenting-Targeting-Positioning) is carried out on Merah Putih cement products.
2. For the Campus
This research it is hoped that it can help the repertoire of knowledge in the theoretical as well as practical fields related to the world of marketing.
3. For researchers
To increase knowledge and insight regarding segmentation, targeting and positioning (STP) and Integrated Marketing Communication so as to train researchers to apply theories obtained from lectures.

1.5. Scope And Limitation Of The Problem

Based on the background previously described, the authors define the problem so that the scope of this research has clear boundaries. The limitation of the problem in this study is the factor of Promotion, Location (Distribution) and Service Quality, while the scope of this research is Semen Merah Putih in Dumai city.

1.6. Writing Systematics

In order to facilitate the discussion and detailed description in this thesis report, the report is prepared with the following writing systematics :

CHAPTER I : INTRODUCTION

Chapter 1 explains the background of the problem, the formulation of the problem, the research objectives, the benefits of the research, the scope and limitations of the problem, and the systematics of writing.

CHAPTER II : LITERATURE REVIEW

In Chapter 2 describes previous research, theoretical basis, framework of thought that is used as a guide in the thesis.

CHAPTER III : METHODOLOGY AND PROCESS OF COMPLETION

Chapter 3 describes the location, time and object of research, types and sources of data, population and samples, sampling techniques, data collection techniques, data processing techniques, scale measurement, validity and reliability testing, data analysis methods, research hypotheses, research models, type of research, concept. definition and operational variables, research schedule and budget.

CHAPTER IV : RESEARCH RESULTS AND DISCUSSION

In this chapter the author will describe the discussion of the results of research analysis that has been done by way of interviews, observations, and other sources.

CHAPTER V : CONCLUSIONS AND RECOMMENDATIONS

In Chapter 5, the writer will describe the conclusions obtained from the discussion as well as the suggestions that the writer will convey.

REFERENCES

APPENDIX

AUTHOR'S BIOGRAPHY

