



Research Paper

Diversification of Rubber Products as a Business Resilience Strategy; A Conceptual Paper

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ABSTRACT

Rubber industry is one of the priority industries, because the huge potential of land will support the fulfillment of the needs of rubber products industry raw materials in the long term. Implementation of product diversification in the field of rubber products is needed because it affects the increasing number of consumers and sales. This increase shows that consumers have been satisfied with the diversity of products offered, with the choice of products and functions in each industry can lead to increased sales and corporate profits.

The method used is the approach (BCG) by using Microsoft Excel software. Desain includes data collection through field observation and secondary data to related parties.

The results of the study explained that in 2020 on the analysis of product diversification there are 2 products in the quadrant position of Cow, namely motor mounting products, where in this position the product is in the position of a strategy developed namely product development. In the Star quadrant, the strategy that can be done is to receive a large investment to maintain and strengthen the dominant position. Furthermore, in the Question mark position that is Wire Bush products in this position the organization must conduct intensive strategies (market penetration, market development, or product development) or continue to sell its products.

KEYWORDS: Product Diversification, Durability, BCG Matrix

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I. INTRODUCTION

In the 19th century, the world's rubber industry began to develop. The main motivation comes from technological updates. In the 19th and 20th centuries, important changes occurred in the rubber industry. Wild rubber from plantations in Brazil and Africa was replaced by rubber from Asia. Changes in natural rubber production methods and geographic location have led to significant increases in productivity. The dramatic increase in natural rubber has been helped not only by expanding the use of modern production technologies, but especially through ongoing research on the maintenance of nurseries and trees dedicated to rubber production (Ministry of Industry 2018)

Indonesia is a country with very large rubber plantations, although it was only introduced in 1864 only about 150 years since the beginning of its development, in 2005 the area of rubber plantations in Indonesia reached 3.2 million hectares. Northern regions of Indonesia, such as North Sumatra, South Sumatra, Riau, Jambi and West Kalimantan. Indonesian rubber plantations are 85% owned by the people, 7% by the state and 8% by large private plantations (Ministry of Industry 2018).

The prospect of growing the rubber industry has resulted in the conversion of many commercial plantations such as cocoa, coffee and tea to rubber plantations every year. This shift expanded the area of Indonesian rubber plantations to 3.65 million hectares in 2015. Due to low domestic rubber consumption, up to 85% of Indonesian rubber production is exported abroad, although such as footwear, rubber gloves, rubber threads and tires. . The export value of rubber commodities provides a large enough input for the country's foreign exchange so that this commodity is important for Indonesia (Indonesia-investmen.com)

However, with the above achievements, compared to the potential rubber plantation areas owned by Indonesia and other countries that are not the same size as the rubber industry, Indonesian rubber production is still far below expectations. Indonesia's rubber production per hectare is only 1,080 kg, while Thailand's rubber

production per hectare is 1,800 kg. Even Vietnam and Malaysia have higher productivity, respectively 1,720 kg / ha and 1,510 kg / ha.

Thailand, Malaysia and Indonesia are the three largest rubber producers in the world, which are able to meet more than 70% of world rubber demand. For small farmers or small farmers in Indonesia, Malaysia and Thailand, most rubber producers asked the three countries to consider further strategies so that the value of rubber sales would not decrease. Commodity cooperation is not new, it is very common in international relations. Commodity cooperation is basically to strengthen the relationship between producers and producers or between producers and consumers. If they cultivate, sell and provide or receive technical assistance together, the cooperation will be very beneficial, all of which are for the advancement of farmers.

As the second largest rubber producer in the world, Indonesia's rubber supply is very important for the global market. Since the 1980s, the output of the Indonesian rubber industry has continued to grow. Most of the country's rubber production (about 80%) is produced by small farmers. Therefore, the role of the government and private plantations in the domestic rubber industry is still small.

The rubber industry is one of the priority industries, because the huge land potential will support the long-term fulfillment of the rubber products industry's raw material needs. This is in line with the National Industrial Development Master Plan (RIPIN) which is regulated in Law Number 3 concerning Industry 2014 and Government Regulation Number 14 concerning RIPIN 2015 2035/2015 (Source: Ministry of Industry, 2015). In early 2016, the government launched discussions and immediately issued a Joint Decree (SKB) on the regulation of natural rubber absorption. Previously, regulations were formulated in the form of instructions from the President, but quick action was needed so that natural rubber was more absorbed by the domestic industry and market. Therefore, the regulatory products to be issued could be in the form of decisions between the relevant ministries and commissions. This could be in the form of a ministerial regulation.

Indonesian rubber production is quite high and deserves to be taken into account in the world market. From year to year, Indonesian rubber production is increasing, until now Indonesia is the second largest rubber producer after Thailand. The potential of Indonesian natural rubber forces to be developed. Natural rubber can be processed into goods / products to support community activities. World rubber consumption is increasing from year to year. Based on data from the IRSG (2019), rubber consumption in 2016 was 12.6 million tons, increasing in 2017 to 13.5 million tons. The increase in rubber consumption was partly due to the growing development of the automotive industry in various countries, especially China.

The implementation of product diversification in the rubber product sector is needed because it has an effect on increasing the number of consumers and sales. This increase shows that consumers are satisfied with the diversity of products offered, with the choice of products and functions in each industry, which can lead to increased sales and company profits.

We can see that today's marketing is more concerned with sales and the relationship between companies and consumers, which can create profits for the company, and the company's business continuity can continue to grow to achieve the goals to be achieved. Diversification strategy is one of the important factors in running the business of a company, which certainly contributes greatly to the overall performance of the company.

Product diversification is to diversify risk, that is, the possible loss of a certain product can be compensated for, and can also be converted from a larger profit obtained from other products. Broadly speaking, the formulation of a product diversification strategy has various objectives, including: 1) When the existing product market reaches maturity in the product life cycle (PLC), it will increase growth. 2) Stability is achieved by diversifying the risk of profit fluctuation.

II. LITERATUR REVIEW

Definition of Diversification

One of the earliest ideas in economic development theory is related to the degree of specialization or diversification of a country's production and trade structure. According to (J. Paul Peter & Donnelly, 2015) Diversification is a strategy that can enable an organization to develop into new and even unrelated businesses. It involves finding new products (usually through acquisitions) for customers who are currently unserved.

Diversification is a strategy that can lead an organization into an entirely new and even unrelated business. This involves finding new products (often through acquisitions) for customers who are not currently being served, according to strategist Richard Rumelt in the book (Wheelen et al., 2018). When the company's growth has not changed and its original business growth opportunities are exhausted, the company begins to consider diversification. This usually occurs when the industry is integrated, matures, and most of the companies that survive have used vertical and horizontal growth strategies to reach their growth limits. Unless a competitor can expand its business into less mature markets, if the company is to continue growing, there may be no choice but to diversify. The two basic diversification strategies are concentric and combined, and both require very complex management techniques to keep company elements in relatively consistent directions.

According to (Philip Kotler, Armstrong, Harris, et al., 2017) Diversification is the growth of a company through starting or acquiring a business outside the company's products and markets. The company must develop a strategy not only to grow its business portfolio, but also to streamline it. There are many reasons why a company may want to leave the product or market. The company may have grown too fast or entered an area of inexperience. This can occur when a company enters too many international markets without proper research, or when it introduces a new product that does not offer superior customer value. The market environment may change, making some company products or markets less profitable. For example, in difficult economic times, many firms cut through weaker and less profitable products and markets to focus the company's more limited resources on the strongest.

Diversification strategy represents important information about the intent and quality of a company. In particular, different product diversification strategies are driven by different factors, and have different value propositions and performance implications (Hoskisson and Hitt in (Wang et al., 2019).

Any industry chosen for diversification must be attractive enough to generate a stable and high return on investment and provide the potential for each business unit to achieve greater synergy than the entity itself. Many strategists believe that the company should "stick to the weave" and not deviate from the company's basic capabilities.

According to (Lynch, 2015) Diversification strategy occurs when an organization moves from one dominant product or business area to another business area, which may or may not be related to its original business. According to (Lamb et al., 2018) Diversification is a strategy to increase sales by introducing new products to new markets. Diversification strategies can be risky when companies enter foreign markets. However, this can be very profitable when a company enters a market with little or no competition.

According to (Kerin & Hartley, 2017) Diversification is a marketing strategy to develop new products and sell them in new markets. Companies do not only need to formulate strategies to expand their business portfolios. The company may be growing too fast, or it may not have enough experience in the field. The market environment can change, which can reduce the profitability of a particular company's product or market. For example, in times of economic hardship, many companies concentrate their limited resources on the strongest products and markets by undermining weaker and less profitable products and markets. Certain products or business units are susceptible to aging and death. When a company discovers that a brand or business is unprofitable or is no longer in line with its overall strategy, it must carefully prune, harvest, or let go. Weak companies usually need undue attention from managers. Managers should focus on promising growth opportunities rather than wasting energy saving on dwindling opportunities.

According to (Armstrong, 2017) Realizing a company development diversification strategy by starting or acquiring a business outside the company's current products and markets. And according to (Philip; Kotler et al., 2016) Diversification is a strategy to achieve company growth by starting or buying a business outside of the current product and market. When a company finds that its brand or business is not profitable or is no longer in line with its overall strategy, it must trim, harvest or abandon the brand or business. Watch Out. Weak companies usually need undue attention from managers. This is the main reason outsourcing activities require attention but do not generate customer value and company profitability.

The same principle applies here. Managers should focus on promising growth opportunities, not waste energy trying to save fading ones.

According to (Taneja & Joshi, 2019) The concept of diversification is increasingly important with the modern theory of portfolio management developed by the Nobel prize winner, Professor Harry Markowitz who emphasizes that "Don't put all your eggs in the same basket" and is inspired by the modern portfolio selection theory that assumes diversification as a means. to reduce a country's dependence on certain products or a very limited number of primary products which are generally exported before processing.

According to (Hitt et al., 2017) Product diversification is a major form of corporate strategy, which involves the market and the scope of the industry in which firms compete, and "how managers buy, create and sell different businesses to match skills and profits with opportunities offered to the company "

Diversification Analysis

According to (Kerin& Hartley, 2017) Diversification analysis is a technique that helps companies seek growth opportunities from between current and new markets and current and new products. For any market, there are current products (what the company is selling now) and new products (what the company might sell in the future). And for any product, there is a current market (an existing company customer) and a new market (a company's potential customer). The very purpose of the product diversification strategy is to minimize a risk. According to Tjiptono in (Hardjono&Utari, 2016) in general, a diversification strategy was developed with various objectives including increasing product life cycle (PLC) growth, maintaining stability by spreading profit fluctuations and increasing credibility in the capital market.

According to FandyTjiptono in (Hardjono & Utari, 2016), there are several benefits of a diversification strategy, namely:

1. Companies can deploy full capacity because they are not dependent on one product.
2. Maximizing profit by expanding the company.
3. New discoveries that benefit potential customers.
4. The company does not depend on just one market.

Definition of Products

According to (Kerin& Hartley, 2017) Products are a type of commodity, service or idea, consisting of a set of tangible and intangible attributes that meet consumer needs, and can be obtained by exchanging money or other valuables. Products can be classified based on buyer's intention. Consumer products are items that are purchased for personal satisfaction and family needs. Business products are purchased for use in company operations, for resale, or for making other products. Consumer products can be further divided into convenience, shopping, specialties, and non-purchased products. A product item is a version of a specific product that can be defined as different offerings among the organization's products. A product line is a group of closely related product items that are considered units for marketing, technical, or end use considerations. The aggregate, or total, group of products the organization provides to customers is called the product mix. The product mix width is measured by the number of product lines the company offers. Product mix depth is the average number of different products offered in each product line.

According to (Pride & Ferrell, 2016) "A product is a commodity, service or idea obtained through exchange. It can be tangible or intangible, including functional, social and psychological uses or benefits. A product is a service, service, or idea that is received. This can be tangible or intangible and includes utility, functional, social, and psychological benefits. The definition includes tangible products (canned roasted beans, airplane engines), intangible products (such as hairdressing services or management consulting), and ideas (such as public health information).

Meanwhile, according to (Svend Hollensen, 2015) Products are the object of the exchange process, goods offered by producers or suppliers to potential customers in exchange for something else that the supplier considers to be equal or of greater value. Usually, this other thing is money. In the absence of money, we have to engage in bartering or counter-trading, in which commodities are exchanged for other commodities. Therefore, to be able to exchange it, a person must have a demand for the goods concerned and be willing to exchange money or other assets that are considered valuable. Two very important ideas are introduced when discussing demand preferences and alternative capabilities. Preference determines the level of consumer preference for a product, and substitution capacity reflects the extent to which one product can replace another product. The latter qualification is very important to marketers because it is similar to a brand switch.

According to (J. Paul Peter & Donnelly, 2015) Every product that can meet needs and can provide market attention, is obtained, used or consumed, the product is strong and has wide variations. The product provided has three interdependent elements: a core product, additional functionality, and a symbolic or experiential benefit. The core product consists of the basic uses or the main advantages of the product, and usually can meet the basic needs of consumers. However, most consumers like other features and services. Apart from core uses or product advantages, other functions also provide added value or attributes. Other product features usually include special benefits such as free installation, warranty, product information, repair or maintenance promises, shipping, training or finance.

According to (Philip Kotler, Armstrong, Ang, et al., 2017) Products are anything that can be offered to the market to get attention, acquisition, use, or consumption that can satisfy wants or needs. Products include not only physical objects, but also services, events, people, places, organizations, ideas or a combination of these entities. Services are basically intangible products consisting of sales, benefits provided or satisfaction, such as banking services, hotels, tax preparation and home decoration. The product is more than a real set of functions. Each product or service provided to customers can be viewed from three levels. Core customer values encompass the core interests that consumers seek to solve problems when buying products.

Products are the physical, psychological and social satisfaction that buyers derive from purchasing, ownership and consumption, and products are key elements of products across markets. Marketing mix planning begins with manufactured products that provide value to target customers. This product forms the basis for the company to build profitable customer relationships. A company's market quotes usually include tangible goods and services. In extreme cases, market products may contain items that are purely tangible, such as soap, toothpaste or salt; There are no support services for this product.

According to (Lamb et al., 2018) A product is everything a person obtains in exchange, whether it is favorable or unfavorable. Products are everything, both profitable and unfavorable, that a person receives in exchange. High quality product refers to a product that makes customer satisfaction with the product exceed their expectations, and this product makes people want to buy the product even more. According to (Perreault et

al., 2017) Product means the need-satisfying offering of a firm. A product means an offer that satisfies the needs of a company. The product idea as a potential customer satisfaction or benefit is very important. Many business managers are involved in the technical details involved in producing a product. But most customers think of a product in terms of the total satisfaction it provides. That satisfaction may require a "total" product offering that is truly a combination of excellent service, physical goods along with the right features, helpful instructions, a convenient package, a trustworthy warranty, and perhaps even a familiar name that satisfies consumers. . in the past.

From the various opinions which the experts above can synthesize, the definition of a product is a finished product that is able to offer functions that consumers consider useful or satisfying so that companies are ready to exchange money, or other units of value to get it.

Business Resilience Strategy

According to Umar in (Arta & Hamsal, 1387) Strategy is a gradual (continuous improvement) and continuous operation, which is carried out based on the customer's view of future expectations. The world of business is constantly changing, and organizations that manage to manage change effectively can continue to adapt their bureaucracy, strategy, and organizational culture to these changes, so that companies can withstand the impact and succeed against the deadly forces of their competitors.

According to Haryadi in (Nurbaiti & Gunawan, 2015) Business strategy is defined as a method used by companies to compete, including achievement, achievement, and maintaining a competitive advantage in the industry. Business strategy is very important in an organization or company, because without a clear strategy a company or industry cannot compete with other companies or industries. Therefore, companies are required to carry out careful calculations in choosing the business strategy to be implemented, because this also makes an important contribution to improving company performance.

Companies that want to survive must be able to develop business strategies that are in line with market developments in their environment. In this case the company must continue to excel and foster an innovative culture by continuing to build lines of communication and complement each other. In this case, the company must find a strategy for improvement, development and enhancement of innovation as well as new strategic dynamics in the company's business (Dewi Faeni, 2015).

In essence, the company must have reliable abilities from both managers and employees in order to complement and cover up the weaknesses of each party. In the long run, customers and markets need higher value and greater profits from the products produced by the company. If the company players are able to meet these expectations, the company can dominate the fundamental business arena. In essence, corporate actors need to foster a culture of innovation in business conditions, product innovation and foster value and benefits for both new and existing customers. At the initial level, company players can produce products at lower prices and also make offers with values and profits that are higher than the price offered. In essence, companies need to differentiate between prices and costs so that they can build a customer base that believes products are made by qualified employees.

Strategy formulation is the same as formulating a vision and mission, breaking down opportunities and external threats facing the company, understanding the internal strengths and weaknesses of the company, formulating long-term goals, looking for alternative strategies, and choosing certain strategies to achieve goals. The strategy formulation framework is divided into three (three). The stages are: the input stage, the matching stage and the decision-making stage. In a decision phase involving only one technology, the matrix uses input information from stage 1 to objectively evaluate the alternative strategies identified in stage 2. The matching phase focuses on creating alternative strategies that make sense for a variety of factors. -Main external and internal factors. The input phase contains the basic input information needed to formulate a strategy. The matching phase focuses on creating a wise alternative strategy by considering the main external and internal factors. 3) The decision-making phase involves only one technology, namely the Quantitative Strategic Planning Matrix (QSPM), which shows the relative attractiveness of various strategy alternatives. This provides an objective basis for choosing alternative strategies (Fitrio, 2019).

III. RESEARCH METHOD

In the data analysis will be described how to process data, presentation of data and statistical analysis. The data analysis used is by Matrix BCG method.

In performing data processing and data analysis, researchers used SPSS program version 17.00. SPSS is used to make it easier to process data, so that the results are fast and precise.

Boston Consulting Group (BCG) analysis method is a method of drafting a strategic business unit plan by classifying the company's profit potential (Kotler, Putra, 2014). The BCG matrix contains 4 quadrants. This quadrant describes the location of business units based on market growth and market share. The four quadrants or categories are:



1. Dogs have a low market share and low growth rate, so it will not make or consume much money. These departments usually "break even" and make small amounts of money to maintain business market share. In the dog position, the market share of this product is low and the market conditions are growing slightly. This position requires investment, because due to weak internal and external positions, human resources and finances are very low, so businesses are usually liquidated, divested or laid off. When a department becomes a dog, dismissal is probably the best strategy that can be done, because after cutting costs and assets drastically, many dogs return and become a viable and profitable business.

2. Question Mark This category has a relatively low market share, but competes in a fast-growing industry. Usually these companies have high cash requirements and low cash income. This business is called a question mark because organizations have to decide whether to reinforce these differences by implementing intensification strategies or selling them. This business unit requires a lot of capital to retain its share, let alone add it. Management should seriously think about which question marks are trying to be stars and which ones should be thrown away.

3. Star (Stat) This category provides long-term growth and the best profit opportunities for organizations. Sectors with relatively higher market share and higher levels of industrial growth should receive substantial investment to maintain and consolidate their dominant positions. This category is the market leader, but that doesn't mean it will provide positive cash flow for the company, as it has to spend a lot of money to win the market and anticipate competitors.

4. Cash Cow/Dairy Cows This category has a relatively high market share, but competes in slow-growing industries. They are called dairy cows because they make more money than they need, so they are often milked. It has a relatively high market share but competes in slow-growing industries. Since many of today's dairy cows are past stars, it is necessary to strive to maintain the status of the dairy sector for as long as possible. This well-known and successful SBU requires a small investment to maintain its market share. This SBU generates large amounts of funds, which companies use to pay bills and support other SBU that need to invest.

The relative market share position is placed on the X axis in the BCG matrix. The Y axis is used for the growth rate of industrial sellers. The numbers on the X and Y axes above are often used, but for certain companies in certain conditions and situations the figures can be changed according to needs, for example due to changes in industry standards or changes in the economic situation.

information:

- a. The vertical axis (market growth rate) indicates the annual growth rate at which products or services are sold.
- b. The horizontal axis (market share relative) represents the market share of SBU (Strategic Business Units) relative to the larger part of the competitor market.

IV. ANALYSIS AND DISCUSSION

The calculation of pt Fitria Jaya Lestari's market share analysis is measured by comparing the sales volume of rubber products at PT Fitria Jaya Lestari with its competitors, pt BSQ and PT YKT. The data used to calculate the market share is the data on the sales volume of PT Fitria Jaya Lestari products in 2020 and the sales volume of competitor clothing products in 2019. Market share data of PT Fitria Jaya Lestari and PT BSQ and PT YKT companies are presented in the following table:

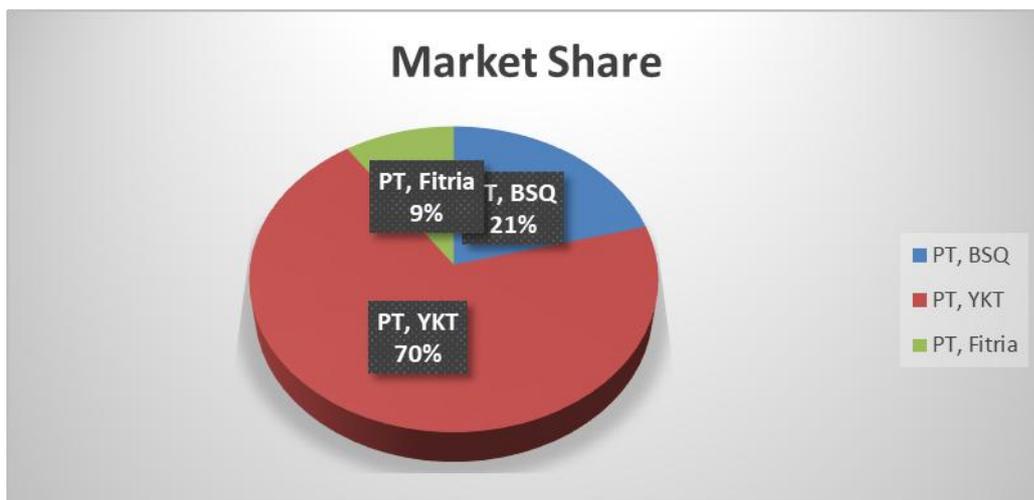
Table 4.1 Market Share of PT Fitria Jaya Lestari

| Perusahaan | Tahun | | | | | |
|------------|----------------|--------------|------------------|--------------|----------------|--------------|
| | 2018 | Market Share | 2019 | Market Share | 2020 | Market Share |
| PT, BSQ | 7,200,000,000 | 20.9% | 7,200,000,000 | 23.2% | 6,500,000,000 | 24.3% |
| PT, YKT | 24,000,000,000 | 69.6% | 21,000,000,000 | 67.7% | 18,000,000,000 | 67.4% |
| PT, Fitria | 3,296,564,515 | 9.6% | 2,800,522,850.00 | 9.0% | 2,202,058,025 | 8.2% |

Source : Data processed, 2020

Based on the results of the data analysis in the table above shows that the market share of PT Fitria Jaya Lestari in 2020 is very low at 8.2%. The low market share in rubber products companies is thought to be due to the increasing number of competitors who offer cheaper prices and quality compared to PT Fitria Jaya Lestari products. The condition is feared to jeopardize the company's growth over the next few years. In contrast to the higher market share conditions of PT YKT and PT BSQ when compared to PT Fitria Jaya Lestari which is 67% and 24% in 2020 and in 2020 there is also a corona pandemic that affects the rubber industry sector where many partner companies working with rubber sector companies are experiencing the impact of decreasing rubber goods production orders. The distribution of market share of both companies for each year can be seen in the following explanation:

- a. Market share of PT Fitria Jaya Lestari and its competitors in 2018
The market share of PT Fitria Jaya Lestari and its competitors in 2018 is presented in the following figure.



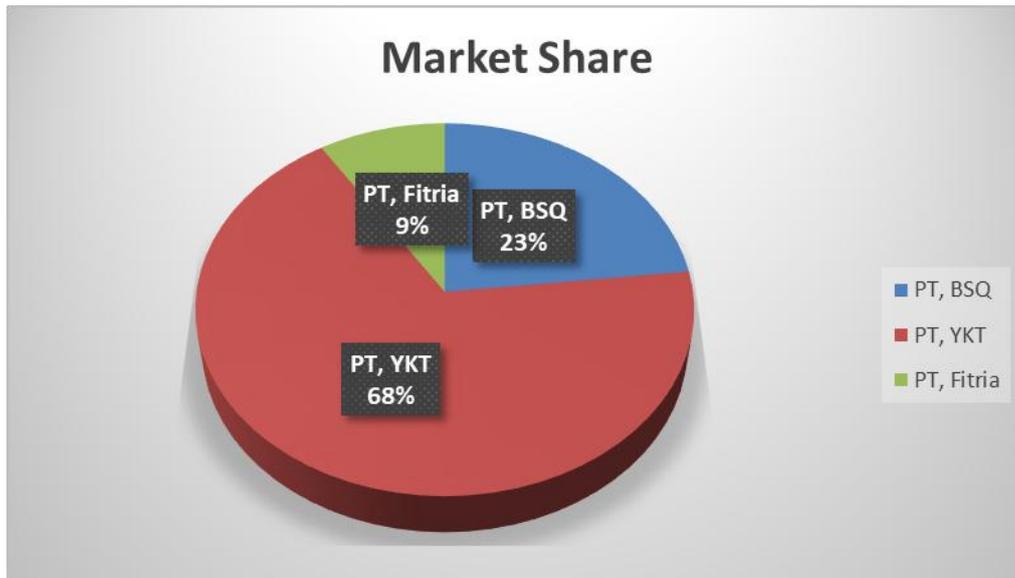
Source : Data processed, 2020

Figure 4.2 Market Share of PT Fitria Jaya Lestari and its competitors in 2018

If seen in the picture above, it can be known that the market share of PT Fitria Jaya Lestari in 2018 is lower (9%) compared to its competitor PT YKT (70%) and PT BSQ (21%).

- b. Market share of PT Fitria Jaya Lestari and its competitors in 2019

The market share of PT Fitria Jaya Lestari and its competitors in 2019 is presented in the following figure.



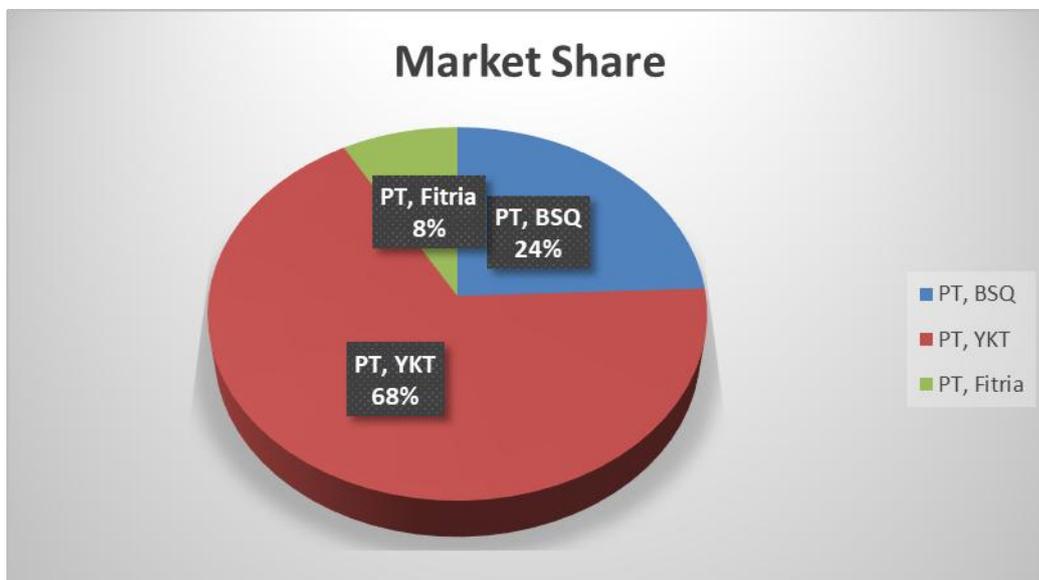
Source : Data processed, 2020

Figure 4.3 Market Share of PT Fitria Jaya Lestari and its competitors in 2019

The results of the above market share analysis show that PT Fitria Jaya Lestari has an unsustainable market share that tends to have no significant movement, from 2018 to 2019 of 9%. While the market share of PT YKT and PT BSQ has a fairly high market share of 68% and 23%.

c. Market share of PT Fitria Jaya Lestari and its competitors in 2020

Here is the market share of PT Fitria Jaya Lestari and its competitors in 2016, where:



Source : Data processed, 2020

Figure 4.4 Market Share of PT Fitria Jaya Lestari and its competitors in 2020

Based on the results of market share calculation in 2020 shows that the market share of PT Fitria Jaya Lestari in 2020 decreased (8%) compared to market share in 2019 and 2018. In contrast, pt BSQ in 2018 increased from 20.9% to 23.2% in 2020. Then to the figure of 24%. The increase in market share was accompanied by an increase in the company's sales volume which also increased.

Growth Analysis of PT Fitria Jaya Lestari

The higher market share of the company can affect the growth rate of the market, where the market growth data of both clothing products companies are presented in the following table:

Table 4.2 Market Growth of PT Fitria Jaya Lestari

| Perusahaan | | | | |
|------------|----------------|-------------------|----------------|-------------------|
| | 2019 | Pertumbuhan Pasar | 2020 | Pertumbuhan Pasar |
| PT, BSQ | -496,041,665 | 0.0% | -598,464,825 | -9.7% |
| PT, YKT | -3,000,000,000 | -12.5% | -3,000,000,000 | -14.3% |
| PT, Fitria | -496041665.00 | -15.0% | -598,464,825 | -21.4% |
| | | | | |

Source : Data processed, 2020

In more detail, the amount of market growth of both companies for each year is described as follows.

- a. Market growth of PT Fitria Jaya Lestari and its competitors in 2019
 Here is the market growth of PT Fitria Jaya Lestari and its competitors in 2019.



Source : Data processed, 2020

Figure 4.5 Market Growth of PT Fitria Jaya Lestari and its competitors in 2019

The above market growth analysis shows that PT Fitria Jaya Lestari experienced market growth of 0% while its competitors PT YKT and PT BSQ also did not experience market growth from PT Fitria Jaya Lestari of -15% and -12.5%.

- b. Market growth of PT Fitria Jaya Lestari and its competitors in 2020

The results of market growth analysis from PT Fitria Jaya Lestari and its competitor companies in 2020 are presented in the following figure.



Source : Data processed, 2020

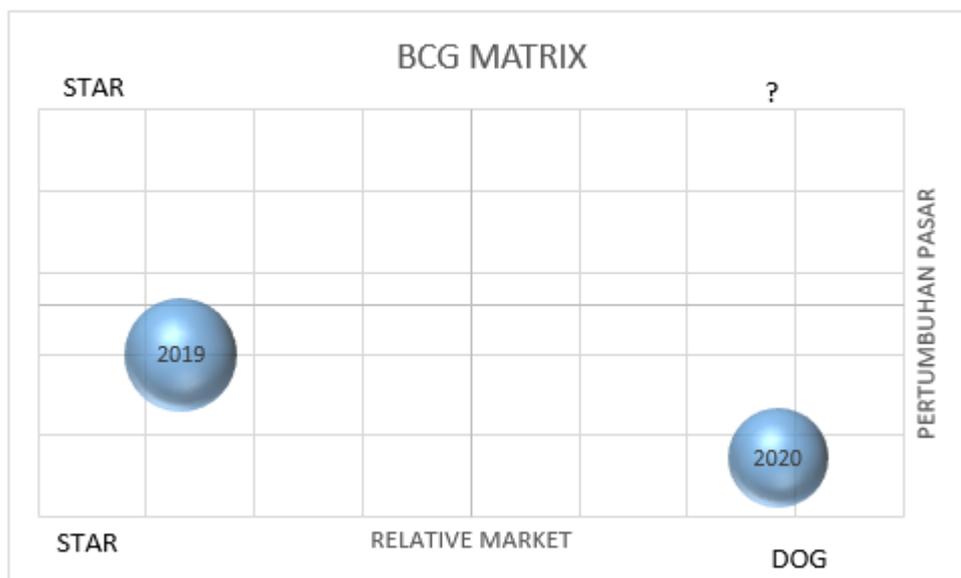
Figure 4.6 Market Growth of PT Fitria Jaya Lestari and its competitors in 2020

Figure 4.6 above shows that PT Fitria Jaya Lestari has experienced a decrease in market growth in 2020 of -21%. The magnitude of the decline in market growth is thought to be caused by the impact of pandemics and diversification of products that have not entered the market when the coronavirus outbreak and caused sales can not run well. Furthermore, for the market growth of competitor companies, namely PT YKT and PT BSQ, the company decreased to -14% and 9.7% in 2020.

Table 4.3 Growth Data of PT Fitria Jaya Lestari

| year | MARKET SHARE | RELATIVE MARKET | MARKET GROWTH | Revenue |
|------|--------------|-----------------|---------------|---------------|
| 2019 | 9.0% | 0.13 | -15.0% | 2,800,522,850 |
| 2020 | 8.2% | 0.12 | -21.4% | 2,202,058,025 |

Based on market share data and market growth of PT Fitria Jaya Lestari and PT YKT can be known the position of the company is seen from BCG Matrix below.



Source : Data processed, 2020

Figure 4.7 Matrix BCG Relative Market PT Fitria Jaya Lestari in 2020

PT Fitria Jaya Lestari's position in 2019 is in the Cash Cow position with a market share of 9% is quite high, growth is also relatively very low at -15% but in 2020 there is a quadrant shift that is shifting to the *quadrant of dogs* in Matrix BCG has been proven by a very low market share in 2020 of 8.2% and growth that is also relatively very low by -21.4%. This condition causes PT Fitria Jaya Lestari to carry out an excellent strategy to save the company by minimizing weaknesses and threats by utilizing the company's strengths and opportunities.

4.1 Matrix BCG PT Fitria Jaya Lestari In Product Diversification

Based on the BCG matrix of PT Fitria Jaya Lestari in 2019 and 2020, the following BCG matrix can be created:

4.1.1 Matrix BCG Product Diversification pt Fitria Jaya Lestari Year 2019

| Product | Market share | market share of largest competitor | Relative market share | Product Market Growth | Sales |
|-------------------|--------------|------------------------------------|-----------------------|-----------------------|---------------|
| RB Motor Mounting | 0.8% | 13.8% | 0.06 | 144% | 23,598,000 |
| Wire Bush | 1.0% | 1.2% | 0.78 | 161% | 27,120,000 |
| KWBA | 0.2% | 38.3% | 0.01 | 62% | 1,128,240,000 |
| Gromet24 | 40.3% | 4.7% | 8.65 | 257% | 6,250,000 |



Source : Data processed, 2020

Figure 4.8 Matrix BCG Product diversification of PT Fitria Jaya Lestari in 2019

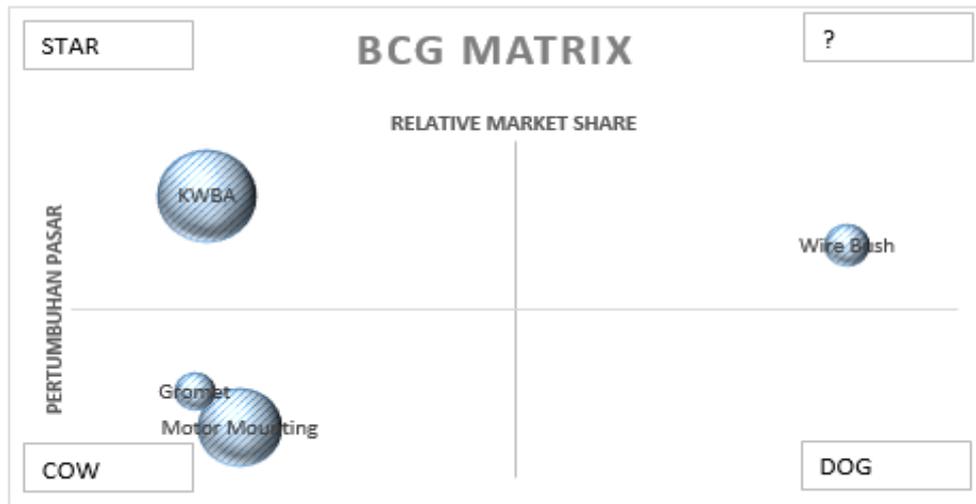
Figure 4.8 shows that the results of bcg matrix analysis on PT Fitria Jaya Lestari products in 2019 there are 2 products in cow quadrant position, namely Grommet products with sales of (6,250,000 000) with market growth of 257% and with a market share of 40.3% and Wire bush with sales of 27,120,000 market growth of 161% with a market share of 1.1 0%, where in this position the product is in the position of the product is developing. there are 2 products that are in the position of Star namely Motor mounting with sales of 23,598,000 market growth of 144% with a market share of 0.8% and KWBA with sales of 1,128,240,000 with market growth of 62% with a market share rate of 0.2% In the Bintang quadrant, strategy that can be done is to maintain product performance by continuing to maintain quality and looking for large investments to maintain and strengthen the dominant position of the existing market.

4.1.2 Matrix BCG Product Diversification pt Fitria Jaya Lestari Year 2020

| Product | Market share | market share of largest competitor | Relative market share | Product Market Growth | Sales |
|----------------|--------------|------------------------------------|-----------------------|-----------------------|------------|
| Motor Mounting | 1.1% | 10.3% | 0.10 | -1.11% | 23,335,800 |
| Wire Bush | 0.3% | 0.7% | 0.41 | -76.40% | 6,400,000 |

| | | | | | |
|--------|------|-------|------|---------|------------|
| KWBA | 0.2% | 34.4% | 0.01 | -97.10% | 32,763,625 |
| Gromet | 1.5% | 9.3% | 0.16 | -16.00% | 5,250,000 |

Source : Data processed, 2020



Source : Data processed, 2020

Figure 4.9 Matrix BCG Product diversification of PT Fitria Jaya Lestari in 2020

Figure 4.9 shows that the results of bcg matrix analysis on PT Fitria Jaya Lestari products in 2020 there have been several changes in position due to economic factors in 2020 is a very difficult year in which in 2020 there is a coronavirus pandemic in which all sectors of the industry are affected as a result of many products in reduced demand, the change results in a decrease in sales and there are 2 products in the cow quadrant position that is motor mounting products with sales of (23,335,800) with market growth-1.11% and with a market share of 1.1% and grommet with sales (5,250,000) market growth of-16% with a market share of 1.5% , where in this position the product is in a developed strategy position that is product development. there is 1 product that is in star position namely KWBA with sales (32,763,625) with market growth that decreased by -97% with a market share rate of 0.2% In the Bintang quadrant , the strategy that can be done is to receive a large investment to maintain and strengthen the dominant position. Furthermore, the Question mark position is Wire Bush products with sales (27,120,000) with market growth that decreased by -76.4% with a market share rate of 0.3% in this position the organization must carry out intensive strategies (market penetration, market development, or product development) or continue to sell its products.

V. DISCUSSION

The results of this study, if viewed as a whole, show that the condition of products processed with BCG Matrix can be known some conditions of the position of the product to be maintained or continued to be produced.

The quadrant position of PT Fitria Jaya Lestari based on the calculation on the basis of market growth rate and market share of PT Fitria Jaya Lestari's business using Boston Consulting Group (BCG) matrix, the quadrant position obtained in the BCG (Boston Consulting Group) matrix in 2020 is in the dog quadrant which means that PT Fitria Jaya Lestari has a relatively low market share of 8.2%.

Furthermore, the results of the analysis of bcg product diversification matrix at PT Fitria Jaya Lestari in 2020 there have been several changes in position because economic factors in 2020 is a very difficult year where in 2020 there is a coronavirus pandemic in which all industry sectors are affected as a result of many products in reduced demand, the change results in a decrease in sales and there are 2 products in cow quadrant position that is motor mounting products with sales of (23,335,800) with market growth-1.11% and with a market share of 1.1% and grommet with sales (5,250,000) market growth of -16% with a market share of 1.5% , where in this position the product is in a position of developed strategy that is product development. there is 1 product that is in star position namely KWBA with sales (32,763,625) with market growth that decreased by -97% with a market share rate of 0.2% In the Bintang quadrant, the strategy that can be done is to receive a large investment to maintain and strengthen the dominant position. Furthermore, the Question mark position is Wire Bush products with sales (27,120,000) with market growth that decreased by -76.4% with a market share rate of 0.3% in this position the organization must carry out intensive strategies (market penetration, market development, or product development) or continue to sell its products.

Based on the results of the quartant processed, PT Fitria Jaya Lestari must adopt a defensive or survival strategy in becoming a company that has a resilient resilience in the face of rubber industry competition, and save the company's position by using its own funds to meet the needs of infrastructure (such as machines used) so that the production process is not limited. The output can be increased in a shorter time. Adding more modern machines can increase PT Fitria Jaya Lestari's revenue and increase its ability to compete with competitors.

PT Fitria Jaya Lestari's next strategy in realizing cash cow is to implement a new policy related to recruitment of workers whose requirements are in accordance with the field of work pursued, starting with educated qualifications, skills and experience of prospective employees, so as to have resources. . Quality, high-performance human resources. The existence of quality human resources will affect the performance and production of employees, the higher the quality of human resources, it is expected that the company's revenue will increase.

The strategy for PT Fitria Jaya Lestari to be a question mark is to position the company by cooperating with suppliers of raw materials products that still pay attention to the quality and price of raw materials, so that there are no excessive costs. In addition, question marks can also be achieved by expanding the scope of product distribution, while putting product quality first.

Then to get a star position, PT Fitria Jaya Lestari can implement marketing strategies by creating a more quality product design according to the needs of consumers. PT Fitria Jaya Lestari can penetrate the marketing market of its products through advertising on social media and various communication media. This is because the sector has a relatively high market share and a high rate of industrial growth. The strategy formulated is; integration of forward, backward and horizontal; market penetration; market development; product development; and joint ventures. This position provides the best long-term growth and profit opportunities for the organization

This strategy is in accordance with the research (Putra, 2014) The strategy that can be taken is to maintain the position of the star. Variables that affect the growth of public poly visitors include:

1. Product Quality. Increase innovation and maintain product quality, so that the market response to the product is getting better.
2. Quality of service. Improving quality of service from various sides to provide comfort for buyers both for service at the time of purchase and after-sales service.
3. Marketing Communication Improves marketing communication so that the brand image or brand image of the product remains embedded in the consumer's mind.
4. Distribution Network Expands the distribution network.

This is in line with Rufaidah's view in (Sulasih, 2020) that the alternative strategy that the company can use in business resilience is if the company is in one of Matrix's positions at Boston Consulting Group (BCG) then the company's strategy that can be adopted is: if the company is in a star position then the company's strategy is integration. Backward, forward, and horizontal integration. If the company is a star then the strategy applied by the company is backward integration, forward integration and horizontal integration. If the company is in the quadrant of the money tree, the company can use product development strategies, diversification, depreciation or divestment.

VI. CONCLUSION

Based on the results of observation and analysis of the data described in chapter four, the author can give the following conclusions:

1. PT Fitria Jaya Lestari has experienced a decrease in market growth in 2020 of -21%. The magnitude of the decline in market growth is thought to be caused by the impact of pandemics and diversification of products that have not entered the market when the coronavirus outbreak and caused sales can not run well.
2. In 2019 posisi company is in the quadrant of Cash Cow position with a fairly high market share of 9%, growth is also relatively very low which is decreasing by -15% but in 2020 there is a quadrant shift that is shifting to the quadrant of *dogs* in matrix BCG has been proven by a very low market share in 2020 which is 8.2% and experienced an increasingly significant decrease of -21.4%.
- 2) In 2020 in the product diversification analysis there are 2 products in cow quadrant position, namely motor mounting products with sales of (23,335,800) market growth-1.11% and with a market share of 1.1% and grommet with sales (5,250,000) market growth-16% with a market share of 1.5% , where in this position the product is in the position of the developed strategy that is the product development. there is 1 product that is in the position of Star kwba with sales (32,763,625) with market growth that decreased by -97% with a market share rate of 0.2% In the Bintang quadrant, the strategy that can be done is to receive a large investment to maintain and strengthen the dominant position. Furthermore, the Question mark position is Wire Bush products with sales (27,120,000) with market growth that decreased by -76.4% with a market share rate of 0.3% in this

position the organization must carry out intensive strategies (market penetration, market development, or product development) or continue to sell its products.

Suggestion

Based on the conclusions of the results of the study can be put forward several suggestions, as follows:

1. Alternative business strategy of PT Fitria Jaya Lestari really minimizes the weaknesses and threats that exist by utilizing and maximizing the strengths and opportunities that have, can meet the needs of the market, while maintaining the quality of products.
2. It is expected that PT Fitria Jaya Lestari on motor mounting products plans and implements a new product diversification build strategy on mounting engines to further increase the sales volume of products can compete with competitor companies in the market share.
3. It is expected that PT Fitria Jaya Lestari on grommet products in the position of cow maintain product quality continuously and conduct QC checks with good standards
4. It is expected that PT Fitria Jaya Lestari on KWBA products maintains the market and increases sales and is looking for new consumers to mercovery product sales growth.
5. It is expected that PT Fitria Jaya Lestari on Wire bush products is establishing cooperation on the provider of raw materials products that still pay attention to the quality and price of raw materials so that the costs incurred are also not too bloated

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