

# VALUE-ADDED ANALYSIS AND MARKETING OF TENGGIRI FISH (CASE STUDY: TEKWAN CALLAZ, CIBIRU DISTRICT, BANDUNG CITY, WEST JAVA)

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## KeyWords

Hayami, market segmentation, penetration pricing, culinary, promotion

## ABSTRACT

This research aims to analyze the added value of mackerel which is processed into tekwan products and to analyze the marketing of "Tekwan Callaz" products produced by Micro, Small, and Medium Enterprises located in Cibiru, Bandung City, West Java - Indonesia. The method used in this research is the case study method. Data were obtained through direct observation and interviews with business owners. Data analysis was carried out descriptively, for added value calculated based on Hayami et al (1987) method. Based on the results obtained, the added value of mackerel fish processed into tekwan is Rp. 430,000.00/kg with a value-added ratio of 71.7%. Product marketing "Tekwan Callaz takes geographic market segmentation. Identified competitors are substitute competitors. The product pricing method is based on penetration pricing. Promotions are carried out by placing advertisements on Whatsapp stories, banners posted in front of business shops, and word of mouth (WOM) marketing.

## INTRODUCTION

Culinary business is one of the oldest business sectors, where business in this field was known in ancient Egypt in 512 BC. At this time culinary has become an inseparable part of modern human life, so the existence of a culinary business becomes a necessity. Currently, the cooking business is a growing business in Indonesia. The emergence of a variety of distinctive culinary delights, culinary tourism, and culinary trends with the emergence of people's lifestyles is proof that this business is growing rapidly (Perbawasari and Dida 2016).

According to Ali in Setyanti (2012), the culinary business is the choice of many people, because it is considered easier to do when compared to other businesses. The culinary business is considered a difficult business because it requires a lot of innovation and continuous creativity. Therefore, the marketing strategy plays an important role in being able to continue to compete in this industry, even though it is a small business. It is believed that the products made in the culinary business have high added value.

Added value is the added value that occurs due to a commodity undergoing a process of processing, transportation, and storage in a production process (using/providing functional inputs). Added value can be influenced by technical factors as well as non-technical factors. The information obtained from the analysis of value added is the amount of added value, the ratio of added value, the margin, and remuneration received by the owners of the factors of production (Hayami 1987).

One of the culinary products in Indonesia is Tekwan. Tekwan is a traditional fish structure product, originating from South Sumatra which is consumed using shrimp broth. Tekwan is processed through several stages including grinding fish meat, mixing ingredients (fish, tapioca flour, water, and salt), forming and cooking with a boiling process (Danar and Dasir 2017). Tekwan is a processed fish product that is the same as pempek but differs in presentation. Tekwan has a high moisture content ranging from 50-60% wet weight of the material. High water content can trigger enzymatic reactions and microbial activity so tekwan can only be stored for 27-33

hours at room temperature (Karneta et al. 2013). This research aims to analyze the added value of mackerel which is processed into tekwan products and to analyze the marketing of the product "Tekwan Callaz" produced by Micro, Small, and Medium Enterprises located in Cibiru, Bandung City, West Java - Indonesia.

## RESEARCH METHODS

The method used in this research is the case study method. A case study is a study of the status of the research subject concerning a specific phase of the whole personality. The study was conducted in September 2022. Data were obtained through direct observation and interviews with business owners. Furthermore, the data obtained were analyzed descriptively, for added value was calculated based on Hayami et al (1987) method. This method has the advantage that it can determine the amount of added value and output and can determine the amount of remuneration to the owners of production factors (Suprpto 2006).

## RESULTS AND DISCUSSION

### Product Manufacturing Procedure "Tekwan Callaz"

The ingredients for the product "Tekwan Callaz" consist of 3 groups, namely the main ingredients (Table 1), additional materials (Table 2), and complementary materials (Table 3).

Table 1. The main raw materials used in the manufacture of Tekwan for 1 time of production

No	Ingredient	Amount
1	Mackerel mashed meat	5 kg
2	Egg whites	20 eggs
3	Tapioca flour	3 kg
4	Water	2,5 liters
5	Salt	0,05 kg
6	Sugar	0,02 kg

Table 2. Additives used to make spices

No	Ingredient	Amount
1	Vegetable oil	0,5 liters
2	Garlic	1,2 kg
3	Shallot	0,75 kg
4	Pepper	0,01 kg
5	Mushroom Flavor	0,02 kg
6	Seasoning	0,01 kg
7	Ebi	0,3 kg
8	Shrimp	2 kg
9	Sugar	0,01 kg
10	Salt	0,02 kg

Table 3. Supplementary materials from tekwan:

No	Ingredient	Amount
1	Soun (Noodles made from rice flour)	5 kg

2	Mushroom	3 kg
3	Tuberose flower	1 kg
4	Lime	2 kg
5	Sambal (lamb chili)	3 kg
6	Fried onions	0,5 kg

The steps taken in making Tekwan Callaz are as follows:

- a) Ingredients such as mashed mackerel meat, water, tapioca flour, salt, sugar, and egg whites are stirred together to form a dough and shaped into balls, and then put into boiling until the tekwan balls float. After that tekwan was removed and cooled. Then put it in a plastic container.
- b) The next step is to make a fine seasoning made of oil, garlic, shallots, pepper, mushroom flavor, seasoning, peeled shrimp, ebi, sugar and salt. The ingredients are mashed together until soft and put into another plastic container. For complementary materials such as ear mushrooms and tuberose flowers are put in the same plastic. For the vermicelli, chili sauce, limes, and fried onions, each is put in a separate plastic bag. All ingredients, starting from the dough, spices, and complements are put in a plastic pouch that has been labeled.

Mackerel which is converted into tekwan can provide added value for each processor. The added value of fish tekwan can be calculated based on one production. Value-added analysis can be used as a description of the production process based on the contribution of each factor of production. The basis for calculating raw materials uses 5 kg of mackerel/production which will produce about 200 packs of tekwan per production with a weight per pack of 200 grams. The selling price of one pack of Callaz tekwan is priced at Rp. 15,000.00. The following is an analysis of the added value of mackerel fish tekwan processing as shown in Table 4.

Table 4. Analysis of Calculation of Added Value of Mackerel Fish Processed into Tekwan

DESCRIPTION	VALUE
<b>I. OUTPUT, INPUT, PRICE</b>	
1. Output (Kg/prod)	40.00
2. Fish Raw Material (Kg/prod)	5.00
3. Employee (HOK/prod)	1.35
4. Conversion Factor (1/2)	8.00
5. Employee Coefficient (3/2)	0.27
6. Output Price (Rp/Kg)	75.000,00
7. Average Employee Wage (Rp/HOK)	-
<b>II. INCOME AND PROFIT (Rp/Kg of raw materials)</b>	
8. Prices of Raw Materials/Inputs (Rp/kg)	Rp. 115.000,00
9. Other Input Donations (Rp/kg)	Rp. 55.000,00
10. Output Price (Rp) (4x6)	Rp. 600.000,00
11. a. Value-added (Rp) (10-9-8) b. Value-added Ratio (%) (11a/10)	Rp. 430.000,00 71.7
12. a. Employee Rewards (Rp) (5x7) b. Employee Section (%) (12/11a)	- -

13. a. Profit (Rp) (11a-12a) b. Profit Rate (%) (13a/11a)	Rp.430.000,00 100%
<b>III. REPLY TO THE OWNER OF THE PRODUCTION FACTOR</b>	
14. Margin (10-8) (Rp/kg) a. Direct Employee Income (%) (12a/14) b. Other Input Contribution (%) (9/14) c. Entrepreneur's Profit (%) (13a/14)	Rp. 485.000,00 - 11.3 88.7

Based on Table 4, 5 kg of mackerel mashed meat raw material used in tekwan production can produce 200 packages weighing 200 grams or a total of 40 kg. The conversion value of the mackerel fish tekwan product is 8.00. This value shows that every 1 kg of mackerel processed as the main raw material can produce 8 kg of tekwan products. The output is calculated not only for the tekwan dough but also calculated by adding complementary ingredients (soun, mushrooms, tuberose flowers, limes, chili sauce, and fried onions).

The calculated workforce is all labor that plays a direct role in the tekwan production process. The workforce in the Tekwan Callaz industry is two industry owners (women and men), without using the services of employees. In one production, the workforce works for 6 hours, so the value is 1.35 HOK and the coefficient of labor is 0.27 HOK/kg. In tekwan production, the owner is assisted by her husband and does not use the services of employees, so there are no figures for labor wages.

The price of mackerel mashed meat as a raw material is Rp. 115,000.00/kg and the contribution of other inputs such as ingredients used for seasonings and complements is Rp. 55,000.00/kg. Price The added value obtained from tekwan is Rp. 430,000.00/kg which is obtained from reducing the value of output with the contribution of other inputs and the price of raw materials. The value-added ratio obtained is 71.1% which is obtained from the added value divided by the output value and multiplied by 100%. The value-added ratio of Tekwan Callaz's production is classified as high value-added according to Hayami (1987) which states that the added value category is determined by the yield criteria, namely the ratio 15% meaning low added value, the ratio value ranges from 15-40% including the value added. medium added and the ratio value > 40% means high added value.

The amount of profit obtained from the processing of mackerel is Rp. 430,000.00/kg where the profit rate is 100%. This happens because in carrying out production, the owner does not use employees and is only assisted by her husband so no expenditure is needed as labor wages. A margin of Rp. 485,000.00/kg distributed for other input contribution factors of 11.3% and owner's profit of 88.7%.

## Value-added Analysis

### Market Analysis

#### - Market Segmentation

The type of market segmentation used by Tekwan Callaz is geographic segmentation. Where geographical segmentation is a grouping of consumers according to the aspect of the consumer's residence. Tekwan Callaz is located in a densely populated residential area and adjacent to the UIN Sunan Gunung Djati campus, which means that the target consumers chosen by Tekwan Callaz are the surrounding community from various circles and students.

#### - Competition

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- Rivalry Among Existing Firms

Competition between similar firms is usually the greatest of the five competitive forces. Strategies pursued by a company can be successful only if they provide a competitive advantage over the strategies pursued by competing companies. A change in strategy by one company may be met with backlashes, such as lowering prices, improving quality, adding features, providing services, extending warranties, and increasing advertising. For competition from Tekwan Callaz itself, there are no similar product competitors in the area. Tekwan Callaz is the only one selling Tekwan around the area.

- The Threat of Substitute Product

In many industries, firms compete closely with producers of substitute products in different industries. The existence of substitute products creates the highest price limit that can be imposed before consumers switch to substitute products. Competitive pressures originating from substitute products increase as the relative price of substitute products decreases and as consumers' costs of switching to other products decrease, the best way to measure the strength of The competitive advantage of substitute products is to monitor the market share gained by these products, as well as by monitoring the company's plans to increase capacity and market

penetration. For competition in the substitution section, there are products such as seblak found in the area.

- **The Threat of New Entrance**

When new firms can easily enter a particular industry, the intensity of competition between firms increases. However, barriers to entry may include the need to achieve economies of scale quickly, the need to acquire specialized technology and knowledge, lack of experience, high customer loyalty, strong brand preferences, large capital requirements, lack of adequate distribution channels, government regulations, tariffs, lack of access to raw materials, patent ownership, unfavorable location, backlash from established companies, and potential market saturation. For the possibility of entering new competitors, there may be new competitors considering that there is only one Tekwan business in the area, namely Tekwan Callaz. Newcomers will of course have a little difficulty getting consumers due to the efforts of Tekwan Callaz, who has had many customers for a long time.

- **Supplier Bargaining Power**

The bargaining power of suppliers affects the intensity of competition in an industry, especially when there are a large number of suppliers, when there are few good substitutes, or when the cost of replacing raw materials is very high. Often the interests sought by suppliers and manufacturers are to provide each other with reasonable prices, improve quality, develop new services and reduce inventory costs, thereby improving long-term profitability for all parties. Companies can pursue a backward integration strategy to gain control or ownership of suppliers. Tekwan Callaz in meeting his raw material needs, of course, has suppliers. Tekwan Callaz has more than one supplier, so if one supplier cannot meet the needs of Tekwan Callaz, there are still other suppliers so that production activities continue to run smoothly.

- **Consumer Bargaining Power**

When consumers concentrate or shop or buy in large volumes, their bargaining power shows a great force that affects the intensity of competition in an industry. The following are factors that affect the strength of the bargaining power of input providers (suppliers).

- 1) The supply industry is dominated by only a few companies.
- 2) The supplier's product has few substitutes
- 3) The buyer is not an important customer for the supplier.
- 4) The supplier's product is an important product for the buyer.
- 5) Supplier products have high switching costs.
- 6) Suppliers have a strong forward integration threat

Buyers of Tekwan Callaz products are not only people or students who buy as many units or who only eat at the place (dine in) but some buys in large quantities as resellers. The price sold to resellers is cheaper than the price sold to regular customers, this can attract resellers to buy more Tekwan Callaz products.

- **Pricing**

In determining the price of Tekwan Callaz, the owner analyzes the market segmentation that is the target consumer. By looking at the environment around the home industry of Tekwan Callaz, which incidentally is dominated by young people because it is close to the campus area, therefore the prices given are adjusted to the pockets of young people. Apart from that, the determination of a price must look at the capital spent, both the cost of food production and also the burden of workers. Penetration pricing: In this strategy, the company tries to introduce a new product at a low price in the hope that it will be able to obtain large sales volumes in a relatively short time.

- **Promotion**

The marketing strategy carried out by the Tekwan Callaz industry owner is an online promotion by placing advertisements on WhatsApp stories while offline promotion by using banners installed in front of business stores and word of mouth (WOM) marketing.

## **Conclusion**

The added value obtained by the processing industry for making tekwan made from mackerel is strongly influenced by the production costs used. The added value obtained from processed mackerel into tekwan is Rp. 430,000.00/kg with a value-added ratio of 71.7%. Product marketing "Tekwan Callaz takes geographic market segmentation. The identified competitors are substitute competitors. The product pricing method is based on penetration pricing. Promotions are carried out by placing advertisements on WhatsApp stories and banners installed in front of business shops as well as word of mouth (WOM) marketing.

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