Marketing Function Development of Kopi Ser in Badung Regency

I Made Kartika[1], Dwi Putra Darmawan[2], Wayan Windia[3], I Dewa Putu Oka Suardi[4]

[1]Doctoral Study Program of Agricultural Sciences, Udayana University, Bali, Indonesia
[2,3,4]Faculty of Agriculture, Udayana University, Bali, Indonesia

Abstract— *UUP Kopi SER experience difficulties to implemented government policy about marketing process Kopi SER product to customer. A low rank of financial capital, an unoptimalize production tools usage and incapable to fulfill customer needs become a dominant inhibitors factors in marketing process of Kopi SER products. These are indicates that UUP Kopi Ser has serious problems, even lead to a crisis so it's needed some action to recover their business continuity.*

Aim for this research is to make a marketing function model in business process of Kopi SER in Badung Regency, Bali Province. Methodology used in this research are to used UUP performance analysis, continued with stakeholders analysis, obstacles, needs/requirement, and the program objectives of UUP Kopi Ser marketing development using Interpretive Structural Modelling (ISM), as a foothold to produce marketing function model in Kopi SER business process.

The research result is UUP Kopi SER performance overall is still not optimal, so needs to be improved performances. Department of Agriculture, low rank of capital financial, a clear memorandum of understanding (MoU) about price, quantity, quality and continuity, an improved of instructor capability in marketing function, and an improved marketing function in order to promote the brand image are the dominant sub-element that can influence UUP Kopi SER continuity and tenacity. Institutionally, UUP Kopi SER role should get support and strong protection from the local government, especially from Department of Agriculture, Department of Industry and Commerce and also Financial Institution as drivers. UUP Kopi SER marketing model function in business process revealed that company marketing, marketing strategy, product manajemen, product marketing and field marketing are still to developed even more.

Keywords— UUP Kopi SER, marketing function model, Interpretive Structural Modelling (ISM).

I. INTRODUCTION

1.1 Background

The government gives very big attention to Micro, Small and Medium Enterprise (UMKM), this is reasonable because UMKM can be more survived from global crisis exposure than any other enterprises. Many initiatives are always cultivated through States Ministries of Cooperative and Small Medium Enterprise to be more and more person are willing to pursue the entrepreneurial world in the form of UMKM establishment. The activity is in line with government effort in economy recovery acceleration agenda as well as strengthening sustainable development and to realizing justice for all the people of Indonesia.

National economy development not only government responsibilities, but also shared responsibilities, where peoples/community are the development main actors and government have very big role to directing, guiding and create supporting facilities which one can be done is partnership program (Susilowati, et al. 2015).

Agricultural sector always reliably contributes to the aquasiciton of non-oil and gas foreign exchange especially in export reception. That exchange reception primarily derived from plantation subsector (palm oil, rubber, cacao, coffee, tea, vanilla), fishery subsector (shrimp, tuna, seaweed, pearl coral, etc). The existence of food and horticulture showed us that agribusiness and agroindustry sectors are still need to be driven by its growth.

Coffee, that become a main of Indonesia export commodity, because of the world coffee demand are still in high place and rise every year that create export opportunities to fulfill world coffee needs. Indonesia as coffee producers that peoples of the world love because of the taste and flavor has exported to meet the demand of coffee (Astiti, et al., 2017). Production and export Indonesia coffee data can be seen in Table 1.

TABLE 1
PRODUCTION AND EXPORT VOLUME OF COFFEE IN INDONESIA, YEAR 2000 – 2012 (THOUSANDS OF TONS)

Year	Production	Export Volume
2000	554,574	340,887
2001	569,234	250,818
2002	682,019	325,009
2003	671,225	323,520
2004	647,386	344,007
2005	640,365	445,829
2006	682,158	413,500
2007	676,476	321,404
2008	698,016	468,749
2009	682,290	510,898
2010	684,076	432,721
2011	633,991	338,817
2012	748,109	446,279

Sumber: Ministry of Plantation, (2013).

Coaching and development of Bali Province as one of coffee producer in Indonesia are intensified by the government to support Non-Oil and Gas Export Commodity Enhancement in Bali Province. These are the following data from Department of Industry and Commerce in Bali Province about coffee export commodity value in year 2002-2011 (Table 2).

TABLE 2
AREA DEVELOPMENT, PRODUCTION DANCOFFEE EXPORT REALIZATION IN BALI, YEAR OF 2002 – 2011.

No	Year	Area (Ha)	Production (Kg)	Realization	Export
				Volume	US S Value
1	2002	36,819	19.371.000	4.448	20.889,13
2	2003	36,335	40.744.000	2.857	10.689,20
3	2004	36,298	18.772.000	3.541	20.038,14
4	2005	31,426	16.980.375	3.580	21.518,98
5	2006	31,426	15.028.634	5.634	50.838,22
6	2007	31,426	15.780.066	7.823	78.704,12
7	2008	31,426	16.411.269	31.984	103.790,04
8	2009	31,426	18.872.959	29.064	155.305,71
9	2010	32,112	14.901.943	11.698	126.584,40
10	2011	34,120	10.379.413	31.295	215.074,12

Sumber: Department of Industry and Commerce; Department of Plantation Bali Province (2013)

From the data we can see that coffee Bali productivity are still low, the quality are also generally low (grade IV – VI, Dry Processed), so it can't even compete in global market (export). Based on those problem, in last ten years the enhancement coffee quality through improved way of processing from dry processed to wet processed has been executed with the enhancement of coffee quality improvement (from grade IV – VI DP/Dry Processed to grade I – II WP/Wet Processed) become the main object.

Badung Regency is one of coffee producer region in Bali, this arabica coffee named SedapEnakRasanya (SER) that produce especially in Badung Regency that has got the certificate of geographical indication so its has been recognized with unique characteristic for both national and international. In 2012, coffee in Badung are developed become Coffee Segar EnakRasanya which is shortened to SER (coffee powder). The uniqueness of Balinese arabica coffee are developed through arabica and robusta coffee cross which produce specialty coffee named "kopyol" that has it own uniqueness from taste and aroma/flavor that has been tested in Jember by the coffee expert and coffee lovers tourist. Coffee specification in Badungare: 1) organically grown, 2) management with environment friendly technology, 3) red picking harvest (GM), and 4) planted on different soil quality and climate from another regions. And from that characteristic, coffees that are produced in Badung Regency are including in MPIG Regions (Masyarakat Perlindungan Indikasi Geografis).

With those unique characteristic, it still can't develop optimally because of the quality of the coffee are not equal with customer wanted and marketing activity, in packaging particularly, that couldn't through the premium market. It supported by an interview with Bali Star businessman from Japan, the acceptable product terms by his/her company as processors and

suppliers are a guarantee for continuity, quantity, quality (red picking), wet processed coffee (Kopi Labu) and Kopi OC (roasting).

Obstacles encountered by UUP Kopi SER are weak processing system, weak marketing function, lack of customer service and lack of market information. Besides there are also product packaging that not meet environmental criteria for a premium product, unavailability technology for farmers, lack of farmer organization processing management, lack of farmers entrepreneurship and ability to get a market opportunities are still motivated by the local government.

1.2 Research Purposes

Aim for this research are to create a marketing model and marketing plan Kopi Bubuk SER in Badung Regency, Bali Province.

II. LITERATURE REVIEW

2.1 Marketing Strategy

Strategy is some tools to achieve it goals and it always developed recently. It showed by many different concepts about strategy in the last 30 years. According to Porter, strategy is one kind of a toll that very important to reach competitive advantage (Rangkuti, 2004).

According to Kotler and Amstrong (2007), marketing strategy are marketing mindset that used by business unit to achieve their goals. The strategy contains specific strategies for goal market, positioning, marketing mix, and the amount of marketing spending (Purwanti, 2012). Warfield (2006) said integrated marketing plan would gives them direction about what action that they will do to achieve their corporate marketing goals, basis action that give them direction about marketing action in ever-changing competitive environment that will lead them to achieve their goals. A fundamental tools which always been planned to achieve business goals by developing competitive advantages through market goals and marketing programs.

In the context of strategy formulation, marketing has two dimensions, recent and future dimension. Recent dimension related to a relationship between the company and the environment. In other hand, future dimension contain a relationship in the future that which are expected to happen according to the program that can make it happen. Marketing strategy consist of basic principles that underlying management to achieve their business and marketing goals in the market, marketing strategy contain basic decision about marketing, marketing mix and marketing allocation (Kotler and Amstrong, 2004; Darmawan et al., 2017).

2.2 Five-Core Marketing Function

In some business unit, five-core marketing function just as important as R&D (Research and Development), operation and financial. The marketers need to think again what they have learned in business school, or to review their experience about business failure (Setiadi, 2003; Darmawan et al., 2017). The following are explained briefly about five-core marketing function in business process.

1. **Corporate Marketing:** This function has a global marketing domain to establish and implement brand standard, to decide global infrastructure for public relation, investor relationship, advertising, corporate communication, event strategy, user community program and product in strategy across all marketing.
2. **Strategic Marketing:** This function sets strategy for growth, to rate the competitiveness landscape, coordinate with technique and product manajemen to analyze the gap, to do a make vs buy analysis, to propose and do the due diligence for merger and acquisition target, to create, develop, and maintain partner program, maintain key relationship to support the technical requirement and any other strategy needs.
3. **Product Management:** This function directed the owner of the product and their long-term strategy (multi release – end-of-life) and in the recent time (next release), to articulate innovation so it can be build and marketed.
4. **Product Marketing:** This function sets to build and to motivate product release plan and service offerings, to fix the position and rough massages (receive from Product Manajer in accordance with Market Requirements Document) become a sharp value proportition, to motivate training program to sell the product and service tactics. Product marketing is operated with product life cycle.

5. **Field marketing:** this function has dotted-line report or direct matrix to division organization and geographical distributed organization.

2.3 Interpretive Structural Modelling (ISM)

Many theories has been developed for strategic planning where qualitative and normative information dominate the policy input (Warfield and Cardenas, 1994; Warfield, 2006). The one of them are "Interpretive Structural Modeling" which is descriptive modeling technique that one of structurization tools for a direct relationship (Saxena et al., 1992; Eriyatno, 2003; Shahabadkar et al., 2012; Darmawan, 2017).

The program can be divide by nine elements : 1) affected peoples, 2) program needs, 3) main problems, 4) possible change, 5) program goals, 6) benchmark to judges every goals, 7) activity required for action plan, 8) involved institution in program action, and 9) certain elements(Saxena et al., 1990; Saxena et al., 1992).

III. ANALYSIS METHOD

3.1 Types and Data Resources

The data types collected in the research are quantitative and qualitative which comes from primary and secondary data. Primary data obtained directly from the real source which is the respondents. In this case, primary data sources are the collected information from the respondents answer. Meanwhile, the secondary data obtained and reported first by other people or institution other than the researches, examples: government institution note and related institutions involved coffee commodity potentials, price and local government policy about coffee development.

3.2 Data Collection Methods

Data collection methods in this research are done by some ways as follows, interview, documentation and expert meetings.

3.3 Respondent and Research Sample

Respondents are selected purposeful based on criteria and consideration as 1) Understand the selected scope, 2) Figures (Influental Person), 3) Has a broad insight in his/her scope, 4) Competence of the expert/practitioner, 5) Objective recognition from academic environment and wide community, 6) Has a reputation and demonstrated credibility as an expert, 7) Has no direct interest for oneself and 8) Experienced in his scope for at least five years.

Respondent's chosen when the interview do are the hotel and restaurant managers (10 respondents), collecting merchants (one respondent) and wholesaler/exporter (one respondent). Meanwhile respondent's chosen for expert meeting activity are Head of Department of Agriculture, Plantation and Forestry, Department of Industry and Trading, Department of Regional Planning and extension workers in Badung Regency.

3.4 Data Analyze Methods

ISM technique is a group research process where structural model generated to capture complex problems from some system through some kind of pattern that carefully designed using graphic and sentences. With ISM technique, some not clear model will transformed become clear model system, (Thakkar et al., 2005; Olviana et al., 2014).

Based on contextual relationship consideration so that compiled the SSIM (Structural Self-Interaction Matrix) in this cas SSIM symbolized by V, A, X, O where V is $e_{ij} = 1$ and $e_{ji} = 0$; A is $e_{ij} = 0$ and $e_{ji} = 1$; X is $e_{ij} = 1$ and $e_{ji} = 1$; O is $e_{ij} = 0$ and $e_{ji} = 0$, and with description, 1 symbol means there is a connection or there is a contextual connection, meanwhile 0 symbol is there is no connection or there is no contextual relationship between i and j elements. After SSIM are formed, then Reachability Matrix (RM) made by replacing V, A, X, O by 1 and 0 symbol. Next calculated according to transivity where corrections are needed to SSIM until it become closed matrix (Darmawan, 2017).

SSIM modification need an input from the expert with special notes so that their attention are directed to certain sub-element. SSIM and matrix revised results that fulfill the transivity rules requirement will be processed further. Revised Reachability Matrix that has further processed is a ladder choice determination. The processing are tabulative with format filling and it can be helped by computer too. Based on ladder choice, it can be described scheme from every element by both vertical and horizontal ladder. For many sub-element in one element based on Reachability Matrix compiled become Driver Power Dependence (Attri, et al., 2013).

IV. RESULT

4.1 Processing and Quality Control

In last five years, Arabica Coffee trend for HS Coffee in Japan and Europe are increasing by 41%, meanwhile for Ose Coffee increased six times compared with HS Coffee. Based on that data, development prospect for Arabica Coffee is quite big as export commodity. Therefore, quality controlling will be very important to reach and to keep global market opportunity. The more market demand of coffee supply, UUP in Badung Regency also need to increase the quality of their products and needs an appropriate quality control to fulfill what market needs. In this time, Geographical Indication Community Protection (MPIG) Farmers Cooperative Balinese Kintamani Coffee has exporter partner (Korean, Japan and Australia) and in collaboration with UKM.

Wet processing of Arabica Coffee in UUP Badung through this stages :"Perambangan" system sortation, stripping with pulper machine, drying for 14 days (water content 12%), "Penggerebusan" with huller machine, and packaging with gunny sack. Coffee powder making process through roasting, cooling, smoothing with grinder machine and packaging with aluminum foil paper through vacuum press. To maintain the quality of Arabica Coffee in accordance with IG sertification product (IDIG000000001, December 5th 2008), consistent quality controlling are done in UUP start from incoming material, processing quality controlling of coffee powder and rice coffee, and also quality control in final product. Market share expansion with a planning to get a new market share and online marketing system can be an optional development business strategy to think a large production capacity in UPH.

4.2 Engine Utilization and Added Value

Added values are formed if there any transformation from their true shape (Olviana, et al., 2014). Added value establishment are important to do by the UUP workers for increasing their income. Arabica Coffee added value process starting from coffee spindles to HS Coffee, Ose Coffee and Coffee Powder. Engine utilization can help the female workers that dominate the Arabica Coffee production process in UUP Badung to increase their income.

Utilization level in UUP Merta Sari in Badung Regency are in low level, where pukper machine used are only 6,8%, huller machine 6,2%, rasting machine 0,6% and powdering machine 0,7% so that processing machine replenishment are not required. In line with Astiti et al. (2017) opinion, UUP needs to focus in productivity efficiency enhancement of red Arabica Coffee. UUP red spindles coffee to HS Coffee processing activity in Badung Regency already make an added value by Rp. 9.918,-/kg with added value ratio by 58% from the original product price, HS Coffee processing to Ose Coffee generate an added value by Rp. 40.749,-/kg with added value ratio by 85% anf for Ose Coffee processing to coffee powder generate an added value by Rp 118.057,-/kg with added value ratio by 92%.

That sub-optimal condition cause internal business work inhibition and in turn will affected to product marketing to customer. Because of that, Kopi SER marketing function planning program are needed in Badung Regency.

4.3 Structure System Analysis

Structure system analyze model that used in this research is ISM methods (Interpretive Structural Modeling). It used to achieve structure models in marketing function development of Kopi SER from elements chosen through community studies. Structure models from the chosen elements will formed into some information's and study materials to do some structure in Kopi SER marketing function development.

Based on discussion result between experts and practitioners in discuss about Kopi SER marketing functions, normatively identified five important components that should studied further. Those elements, which named system elements, are: 1) Program Objectives, 2) Stakeholders, 3) Obstacles, 4) Program Need and 5) Possible Changes.

4.4 Program Objectives Element System Structure

Based from discussion between experts and practitioners to program objectives in Kopi SER marketing development function, it identified there are 11 sub-elements which are : 1) Customer Service Improvement, 2) Increasing Sales Outlet, 3) Identified and Developed New Manufactures Source, 4) Producers Cooperation Improvement, 5) Motivate The Producers to Developed Good Quality Organic Coffee, 6) Maintain Quality In Every Level of Supply Chain, 7) Increase Marketing Function In Order To Promote The Brand Image, 8) Expanding Business Outside Region, 9) Consolidate The MoU in Coffee Marketing Area, 10) Motivate The Local Government To Developed Environment Friendly Plantation Area, and 11) Increase Special Market Segment.

Level 1: E8, E9, E11 ⇧ **Level 2:** E1 ⇧ **Level 3:** E2 ⇧ **Level 4:** E10 ⇧ **Level 5:** E6 ⇧ **Level 6:** E5 ⇧ **Level 7:** E4 ⇧ **Level 8:** E3 ⇧ **Level 9:** E7	Information : 1. Customer Service Improvement 2. Increasing Sales Outlet 3. Identified and Developed New Manufactures Source 4. Producers Cooperation Improvement 5. Motivate The Producers to Developed Good Quality Organic Coffee 6. Maintain Quality In Every Level of Supply Chain 7. Increase Marketing Function In Order To Promote The Brand Image 8. Expanding Business Outside Region 9. Consolidate The MoU in Coffee Marketing Area 10. Motivate The Local Government To Developed Environment Friendly Plantation Area 11. Increase Special Market Segment.

FIGURE 1. Program Objectives Structure in Kopi SER Marketing Function Development Diagram

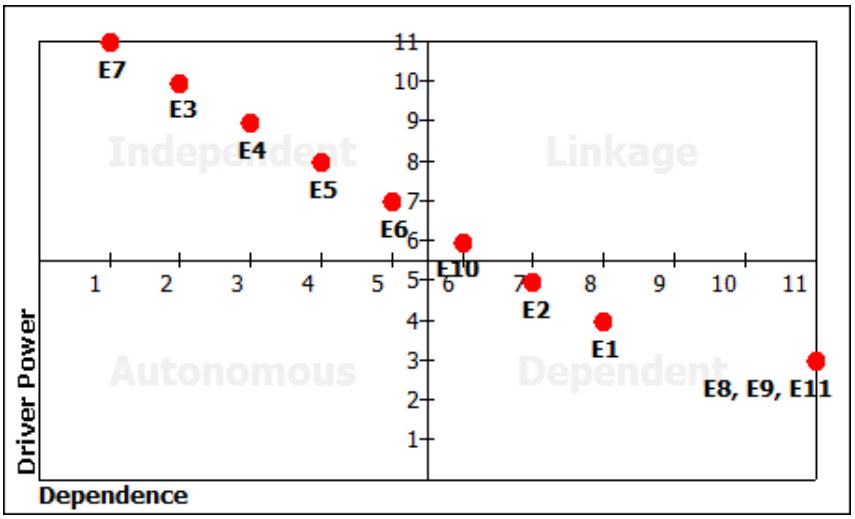


FIGURE 2. Program Objectives Matrix Driver-Driver Dependence

From the Figure above obtained that sub-elements from the strongest to the weakest consecutive are increase the marketing function in order to promote the Brand Image, identified new source of producers, producers cooperation improvement, motivate the producers to developed a good quality organic coffee and to maintain quality in every level of supply chain. The sub-elements that will be the driver which will affect another sub-element that include in Matrix Driver-Driver Dependence are expanding business outside region, consolidate the MoU in coffee marketing area and to increase special market segment.

From the diagram above can be seen that things that should started first is increase marketing function in order to promote the Brand Image, where Brand Image means coffee positioning that owned by the farmers, make premium product image, organic coffee perception, price strategy and marketing strategy (advertisement in television, radio, etc). The next step is to identified and develop market segment that will be entered. Next are to increase the producer's cooperation, motivate the producers to develop a good quality organic coffee, and also to maintain quality in every level of supply chain. All those three sub-elements aim to increase the quantity and quality premium produce in every level from production to marketing process so that product specification still good.

4.5 Element Structure Involved Stakeholder

Based from discussion between experts and practitioners to involved stakeholder element, it identified eight sub-elements that have contextual connection with involved stakeholder in Kopi SER marketing function development which are: 1) Department of Agriculture, 2) Coffee Community, 3) Coffee Exporter, 4) Cooperative Services, 5) Hotel and Restaurant, 6) Farmers Community, 7) Financial Institutions and 8) Extension Agency.

Level 1: E5 ⇧ **Level 2:** E2, E3 ⇧ **Level 3:** E6 ⇧ **Level 4:** E7 ⇧ **Level 5:** E8 ⇧ **Level 6:** E4 ⇧ **Level 7:** E1	**Information :** 1. Department of Agriculture 2. Coffee Community 3. Coffee Exporter 4. Cooperative Services 5. Hotel dan Restaurant 6. Farmers Community 7. Financial Institutions Extension Institution

FIGURE 3. Involved Stakeholder Structure System of Kopi SER Marketing Function Development Diagram

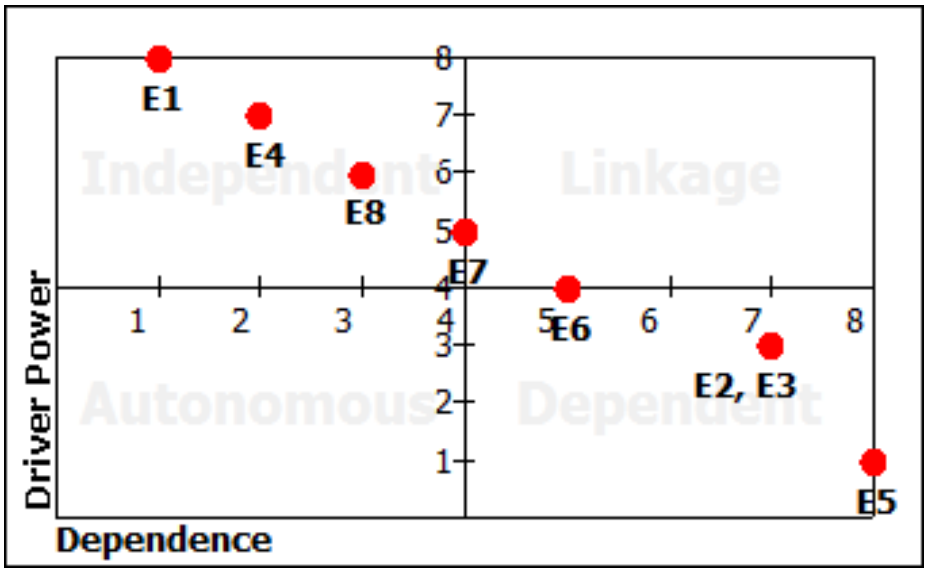


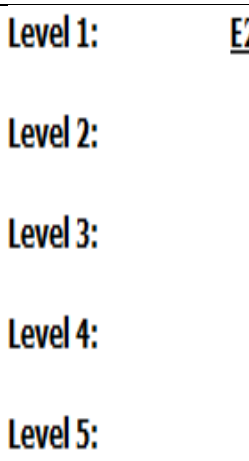
FIGURE 4. Involved Stakeholder *Matrix Driver-Power Dependence*

From the Figure above obtained that sub-elements from the strongest to the weakest consecutive are Department of Agriculture, Cooperative Service, Extension Agency and Financial Institution which will have effect to Farmers Community, Coffee Exporter and also hotel and restaurant which included in Matrix Dependant.

Department of Agriculture as an institution that supervise agriculture part doesn't have collaboration between SKPD (Department of Agriculture, Cooperative Services and Department of Industry and Trade) and third party organization (an association and tourism in marketing) in the development of local coffee framework. The farmers during this time are only prosecuted to developed entrepreneurship in Kopi SER marketing without assistance from the local government to help in Kopi SER marketing in Badung Regency.

4.6 Marketing Function Development Obstacle Structure System

Obstacles/problems are very important issues because it often leads a program/action to failure. Because of that, those aspects must review and identified to find great solutions. Review conducted by experts and practitioners by deliberation determine some aspects which are often encountered and said as main obstacles in Kopi SER marketing function development. Those obstacles are : 1) Production equipment not optimally use dyet, 2) Limited raw materials, 3) Mou is not clear, 4) Has not been able to meet customer requirement, 5) Training is not optimal, 6) Product manajemen is not optimal yet, 7) Competitors, 8) Product quality is not premium yet, 9) Internal business are weak, 10) There has been no order between Kopi SER producers and customer, 11) Less product promotion, 12) There has been no training, organization management, administration, and market segments, and 13) Low capital



Information :

1. Production equipment not optimally used yet
2. Limited raw materials
3. Mou is not clear
4. Has not been able to meet customer requirement
5. Training is not optimal
6. Product manajemen is not optimal yet
7. Competitors
8. Product quality is not premiun yet
9. Internal business are weak
10. There has been no order beetwen Kopi SER producers and customer
11. Less product promotion
12. There has been no training, organization management, administration, and market segments
13. Low capital.

FIGURE 5. Obstacles Kopi SER Marketing Function Development System Structure Diagram

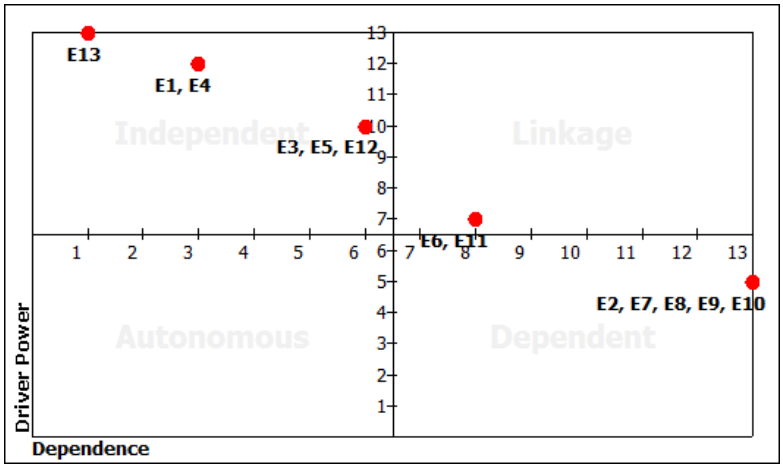


FIGURE 6. Obstacles Element Matrix Driver-Power Dependences

From the diagram obtained that the main obstacles that has more effect consecutive are low capital, production equipment are not optimally used, has not been able to meet customer requirement, MoU is not clear, training is not optimal yet and there has been no training, organization management, administration, and market segments

4.7 Program Needs Element Structure

Based on discussion result between experts and practitioners to program needs element obtained eight sub-elements that identified as an aspect which have contextual connection with program needs element in Kopi SER marketing function development, which are : 1) Coaching business actors, 2) Capital guarantee, 3) Market access, 4) Technology development, 5) Development of environmentally friendly plantation areas, 6) A clear MoU about price, quantity, quality, and continuity, 8) Improvement of extension capabilities in terms of marketing function, and 8) Product display.

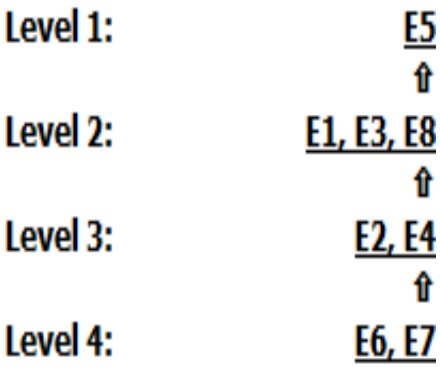


FIGURE 7. Program Needs Kopi SER Marketing Function Development System Structure Diagram

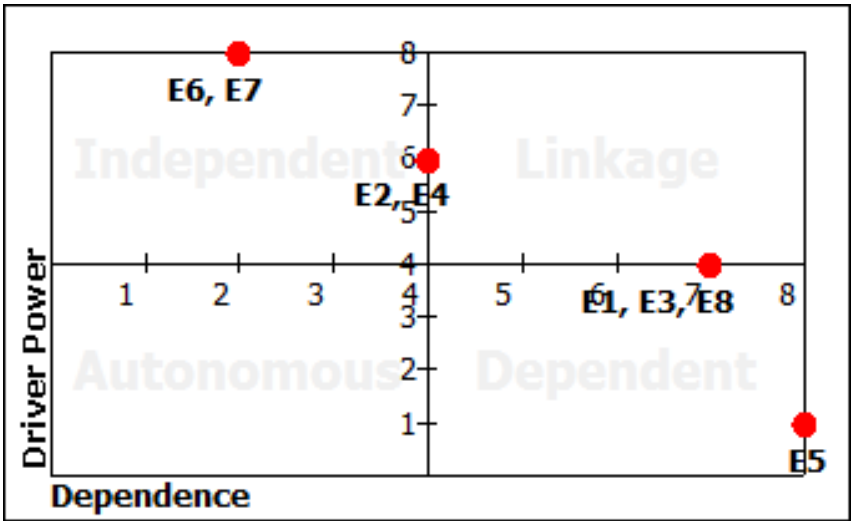


FIGURE 8. Program Needs Matrix Driver-Power Dependences

From the diagram obtained which become the main power in program needs element is a clear MoU about price, quantity, quality and continuity, improvement of extension capabilities in term of marketing function, capital guarantee and technology development where those main force will affect business actors coaching, market access, product display and development of environmentally plantation areas.

Must do first are a clear MoU about price, quantity, quality and continuity and also improvement of extension capabilities in term of marketing function (cooperation between extension workers and experts and also academics). After the two first elements can be met, the other things that must do next are capital guarantee where the main problems are cooperation with financial institution (Bank) and market access opening by the local government to hotel and restaurant which is in Badung Regency.

4.8 Possible Changes Structure System

Based on reviewed results by experts and practitioners to possible changes elements obtained 12 sub-elements that identified as aspect that have contextual connection with possible changes component in Kopi SER marketing function development, which are : 1) Marketing outlet creation, 2) MoU in marketing product creation, 3) Marketing strategy function development, 4) Product manajemen and marketing function development, 5) Product become competitive, 6) Improvement of UUP operational management, 7) Corporation marketing function development, 8) Special market segment creation, 9) Premium Kopi SER product, 10) Human resources improvement in production and marketing area, 11) A source of regional development, 12) Product become market leader.

Level 1:	**E8, E9, E11**	Information :
	⇧	
Level 2:	**E1**	1. Marketing outlet creation
	⇧	2. MoU in marketing product creation
Level 3:	**E2**	3. Marketing strategy function development
	⇧	4. Product manajemen and marketing function development
Level 4:	**E10, E12**	5. Product become competitive
	⇧	6. Improvement of UUP operational management
Level 5:	**E6**	7. Corporation marketing function development
	⇧	8. Special market segment creation
Level 6:	**E5**	9. Premium Kopi SER product
	⇧	10. Human resources improvement in production and marketing area
Level 7:	**E4**	11. A source of regional development
	⇧	
Level 8:	**E3**	Product become market leader
	⇧	
Level 9:	**E7**	

FIGURE 9. Possible Changes in Kopi SER Marketing Function Development Structure Diagram

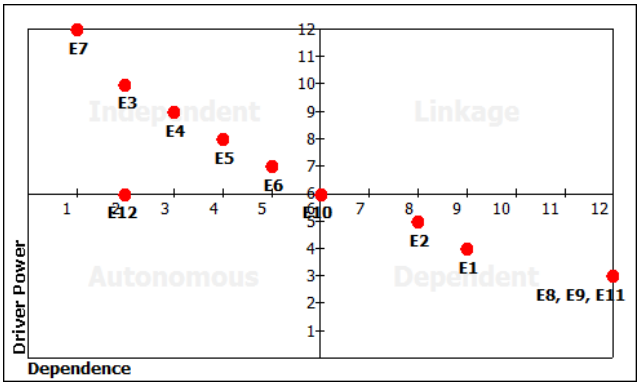


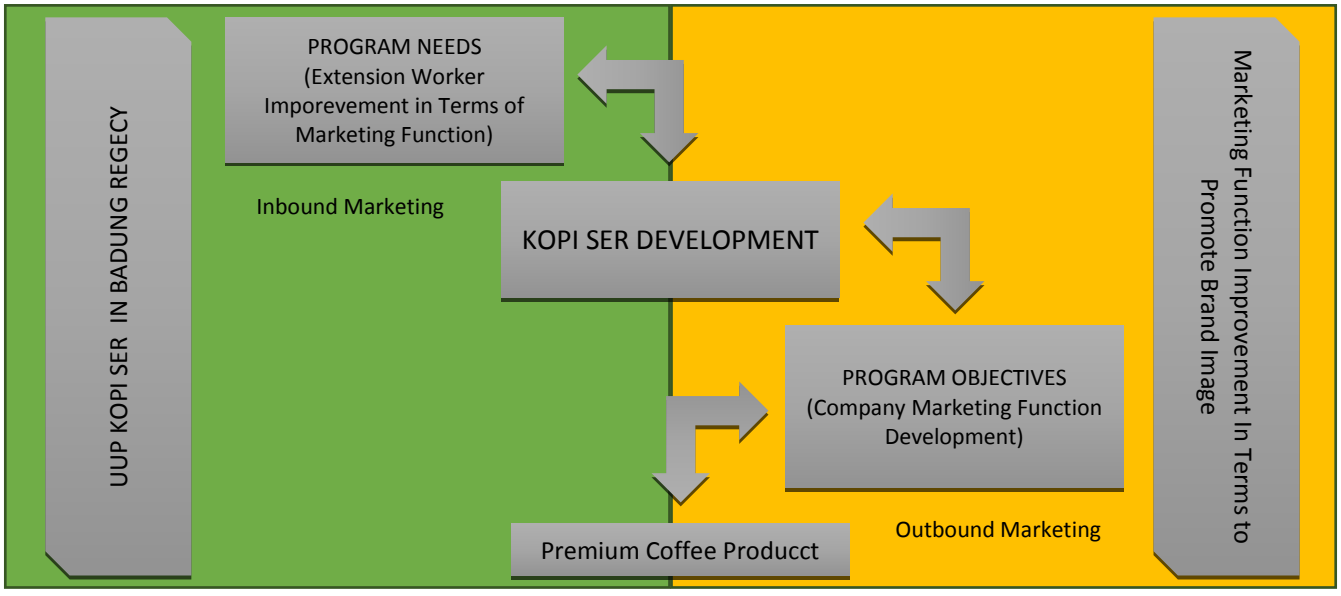
FIGURE 10. Possible Changes Matrix Driver-Power Dependence

From the diagram obtained that from the strongest to the weakness sub-elements consecutive are corporation marketing function development, marketing strategy development, marketing management development and product marketing, product become competitive, improvement of UUP operational management, human resouces improvement in production and marketing and also product become market leader. Those independent elements will affect MoU in marketing creation, marketing outlet creation, market special segment creation, Kopi SER product become premium, and also a source for regional development.

Things that expected to changes are marketing corporation improvement, management and marketing function improvement, product become more competitive, UUP operational management improvement where this include internal corporation problem, human resources improvement in production and marketing term and also make Kopi SER product become market leader.

4.9 Marketing Function Model

Marketing is one of the main activities that must done by UUP Kopi SER to get much profit in terms to market the Kopi SER product in Badung Regency. Based on ISM anaylize, it proposed Kopi SER marketing function model and has been agreed in Focus Group Discussion (FGD) with some revision:



The differences of this research are the producer of Kopi SER marketing function model that involved social enterprise institute (BUMDes) in its business process and oriented in strategy and corporate marketing, marketing and product management and also field marketing, sustained by rural communities' empowerment both as manager and also Arabica Coffee supplier.

Focus is deeply needed to understand complexity and the important of five core marketing function. Incessant information about tactical effort, equipment and a constantly changing social media environment, it's easy to forget the big Figure of five core marketing function to build an sustainable organization in long term way.

4.10 The Importance of Core Marketing Function

Marketing is product or service distribution activity from producer to customer. Product or service distribution involved marketing institution (Saxena, et al., 1990). But Kopi SER marketing has it own uniqueness in its marketing function. Based on research result it's obtained that except the marketing institution, there are government and non-government institution that involved in Kopi SER marketing activity. The institution are, 1) Department of Agriculture and Foods, 2) Coffee Comunnity, 3) Coffee Exporter, 4) Department of Cooperative, 5) Hotel and Restaurant, 6) farmers Comunnity, 7) Financial Institution, and 8) Extension Institution. From all those institutions, Department of Agriculture and Foods is very influential in terms of Kopi SER marketing activity. It is possible because of UUP Kopi SER is plantation business unit that is built by Department of Agriculture and Foods in Badung Regency concerning machinery, product management coaching, product standardization, marketing facilitation also financial accession.

4.11 Internal Business Chain Process

A successful business needs three of this things:

a. Make a product or a service

b. To market a product or service to customer.

c. Manage the financial

This simplification will help UUP Kopi SER not to get distracted with the other objects. The understanding about this fact is so helpful to understand value of organization role that differentiated by tactical and specific activity. In this developed model can be used by UUP Kopi SER where it based on valid information which refers to ISM analyze. Following this are explained in summary five core marketing function in Kopi SER marketing process.

1. Corporate Marketing

Based on ISM analyze result, the program objectives mainly in Kopi SER marketing function development are to improve the marketing function in terms to promote the Brand Image. For UUP Kopi SER, promote the Brand Image have very important role in brand development because the brand image involve brand reputation and credibility that will be a "guidelines" for the customer to try or to used some product or services so that cause brand experience that will determine the customer will be the loyalist of the brand or just become some opportunist (easily move to other brand). Brand Image is the representation from whole brand perception and its created from information and knowledge for the brand. Brand Image is related to attitude in beliefs and preferences form about some brand. Positive image customer will more likely to make a purchase (Setiadi, 2003).

2. Strategic Marketing

UUP Kopi SER in Badung Regency does promotion to market their products. To support the promotion strategy, UUP Kopi SER makes a growth strategy. The main of growth strategy based on ISM analyze research is to developed the corporate marketing function.

3. Product Management

UUP Kopi SER has already used machinery to produce customer requirement product, started from drying, sorts between seeds, content and skin, roasting coffee, until at product packaging all using machine that already available in UUP Kopi SER in Badung Regency. But that become the main problem in product management is the customers (restaurant) are more interested with original product form (coffee beans product) because it said powder coffee are less favored by their customer. Because of that, many restaurant customer are more interest with coffee than coffee powder so that the specialty coffee becoming less salable in market.

4. Product Marketing

UUP Kopi SER during the time is depending to Department of Agriculture in term of their marketing activity. When in harvest season, Department of Agriculture conduct business meeting, a meeting activity between coffee producer and businessman who has interest to buy product from producers.

A clear Memorandum of Understanding (MoU) about price, quantity, quality and continuity and also extension workers improvement in term of marketing are must done first. Beside able to provide opportunities for producers to sell/introduce

their products, it also can help UUP Kopi SER to develop their business unit bigger than before so it can able to guarantee the sale of their product. After those sub-elements can be done, next step that become problem are make partnership with financial institution (Bank) and opening of market access by the local government to hotel and restaurant that exist in Badung Regency.

5. Field Marketing

Department of Agriculture of Badung Regency combine eight of UUP exist in Badung Regency with the UUP that exist in Kintamani to do training activities by Department of Agriculture in Kintamani Regency. The training is mutually beneficial in operational, marketing, raw material availability management, etc. With those partnerships and coaching program expected there will be development from better management function and marketing product. And after the development progress becomes real, it will affect the creation of MoU in marketing term, marketing outlet, Kopi SER special market segment, Kopi SER become premium product, and also the source of areal development.

4.12 Social Media with Information Persuasive Ability

Social media, suitable with the five core marketing function, is an anchor to do communication with the customer. Every function must be connected to the customer, like every group in Modern Corporation. The interesting thing is the model showed expanding social media request both inside and outside organization (Darmawan, et al., 2017). The five marketing function based in fundamental business strategy to create, capture and maintain the value that effectively push any kind of social media.

The understanding about expanding social responsibility for this social engagement, and later become an argument against employing one person social media marketing or social media marketing agency. It is not possible to expect an effective performance, positive result or success beyond some direct tactical measure. Social media effort and customer involvement, should be based on five core marketing function.

Social initiative must be integrated to the bigger marketing activity. The company need keep in touch with customer, market and industry so that the highest company objectives that listed in vision and mission will be achieved.

V. CONCLUSION

From the description we can conclude as follows:

1. Kopi SER marketing function development planning program involved five elements, which are Program Objectives with the key element is marketing function improvement in terms to promote the Brand Image; Involved Stakeholders with the key element is Department of Agriculture; Program Obstacles with the key element is low level capital problem; Program Needs with the key element is a clear MoU about price, quantity, quality and continuity and extension worker improvement in terms of marketing function; and the last Possible Changes with the key element is company marketing function improvement.
2. The uniqueness of the research is the generated of Kopi SER marketing function that involving social enterprise institution (BUMDes) in its business process and oriented in corporation and strategy marketing, product and marketing, and also field marketing sustained by rural communities' empowerment both as manager institution and Arabica Coffee supplier.

VI. RECOMMENDATIONS

1. Kopi SER marketing function development requires multisectoral synergies.
2. To ensure marketing function model can be realized through a clear roadmap in midterm involving socialization, capability improvement, institutional establishment, government assistance, institutional managerial improvement, information system preparation, market network, business empowerment and partnership and business independence.
3. The model successful implementation depending on stakeholder comprehensive collaboration and some other things stakeholders long term commitment in running a business plan, leadership and strong business institution management, collaboration between farmers community, BUMDes, UUP and an organized market management, third parties commitment and institutional customer manager to play a role in Kopi SER value chain, product quality improvement and premium level packaging, transaction guarantee and transparent purchase, and also gradual planning and promotion.

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