

Purple Ocean Strategy Implementation by Millennial Dairy Farmers in Malang, Indonesia

Jaisy Aghniarahim Putritamara¹, Siti Azizah¹, Umi Wisapti Ningsih¹, M B Hariyono¹, Ahmad Ridwan²

¹Socioeconomics Department, Faculty of Animal Science, Universitas Brawijaya, Malang

²Student of Socioeconomics Department Student, Faculty of Animal Science, Universitas Brawijaya, Malang, East Java, Indonesia-65145

Abstract— *The research aims to project a purple ocean strategy for dairy products in agro-tourism in the digital marketing era. The research method used explanatory case studies. This type of research was qualitative and reviewed the implementation of digital marketing with the Instagram platform. The analysis results show that the purple Ocean strategy includes (1) elimination, eliminating prices on the Instagram platform copywriting, hard-selling conversion strategies, and uninstagramable account display. (2) Reduce, reduce the strategy of using useless hashtags, reduce content that was not suitable for the audience as market segmentation, and reduce shadowbanned causes on the marketing platform. (3) Raise, ease the audience inland page copywriting to make it easier to get information on dairy products and become the real buyer, improve the quality of dairy products, improve packaging art that suits millennial consumers, increase Instagram audit capabilities, add agency, increase market segmentation awareness for purchase of dairy products. (4) Create, create personal branding for milk producers based on agro-educational tourism, create competitor relationships with front2al partnerships, create an eye-catching account atmosphere for the audience (blaster, lineup, tone matching), create access to the business delegation on Instagram, create authority related to the branding of dairy products in agro-tourism.*

Keywords— *Agro-tourism; digital; marketing; milk; purple.*

I. INTRODUCTION

Animal husbandry products are a source of animal protein that cannot be replaced by other proteins because they have special properties of amino acids that function for cell regeneration in the human body. One of the livestock products needed by consumers to increase nutrition in food is milk.

The majority of Indonesia's dairy business system is a corporation with dairy and industrial cooperatives so that farmers must deposit milk to cooperatives and cooperatives to sell to industry. This kind of partnership business pattern has both positive and negative impacts on breeders. The partnership provides benefits to farmers to increase business productivity by creating shared value, but it also negatively impacts. Namely, farmers do not have a good bargaining position, resulting in disparities in milk prices. The price of milk at the farmer level is Rp 5,200 - Rp 5,500, - while the highest imported milk price is Rp 4,800 - this is a new problem, where currently farmers have not been able to increase the dairy population to meet the increasing national milk needs, so they have to import. In 2019 the percentage of imported milk reached 80%. Local farmers are only able to meet 20% of the total national need. Therefore, it is necessary to strengthen the strategy carried out at smallholder farmers'

level to reduce dependence on marketing institutions—one of the efforts made in developing a dairy business concept through agro-tourism. In dairy tourism development segmentation, farmers have an excellent opportunity to sell products directly to consumers. However, the facts in the field do not match expectations. Producers do not yet have the ability to determine the marketing concept both offline and online in engaging consumers. Consumers also have low credibility towards local products. Characteristics of consumers in Indonesia that trust is higher in commercial products. This is a new challenge for farmers to get a position in the market.

Milk is a livestock product with almost no market segmentation because milk can be consumed by all ages and groups. This is one of the benefits of producers who produce milk products and their derivatives for the market. To expand market share, producers carry out various strategies in maintaining their products among many competitors.

Several companies with commercial products have adopted several existing strategies, namely red ocean and blue ocean. The red ocean strategy is chosen by the producers to compete for head-on among many competitors. This strategy is known by businessmen to beat other competitors to get a good position in getting consumers of other products to use our products. Meanwhile, the blue ocean is a strategy chosen by producers to gain market share among a small number of competitors. In the blue ocean, producers seek to stimulate consumer demand in new markets. Suyatno (2007) stated that the red ocean strategy considers competing to compete in the existing market space. The blue ocean strategy considers that competing is to create a market space that has no equal.

The red ocean and blue ocean strategy have advantages and disadvantages. The red ocean strategy can stimulate producers to understand consumers' characteristics in the short term and innovate continuously. Still, the disadvantage is that producers must continue to do an intense competition to beat other competitors at high costs. The blue ocean's advantage is that producer can stimulate consumers to products that do not have high competitors, such as the red ocean. Manufacturers create new spaces for segmentation in certain products (Alam and Islam, 2017).

In the millennial era, where there are two types of consumers, namely consumers who are innovative to technology and avoiders of technology, these two strategies, namely red ocean and blue ocean, are separately less relevant

in getting consumers among many dairy product competitors, even producers who have commercial products and consumer behavior that changes according to lifestyles and awareness of the consumption patterns of nutritious products. Also, farmers face many difficulties if they have to create new markets because it requires high costs. Therefore, a strategy is needed that utilizes two strategies that are considered more flexible to be implemented in the millennial era, namely the purple ocean strategy. Purple Ocean is a concept that combines two strategies, namely red and blue. The purple Ocean strategy is easier for farmers to implement to compete with other producers but can still innovate to create new markets and exploit consumer segmentation.

Social media is an alternative to expand the market, where internet penetration is increasing, and millennial consumers spend more time buying products through social media: Instagram. This is in line with Andes and Sunaryanto (2020) research, which stated that Instagram could increase product sales because it can share images and access several available features to support marketing functions. Instagram was chosen to be the main platform for engaged consumers through a funneling strategy because the preferred features are visual-based. During the pandemic, the tourism sector was affected by covid so that producers took strategies to increase sales through social media, which was Instagram.

The Instagram feature is also a row model to increase the credibility of consumers and non-consumers in trusting the image of local brands to get products from farms directly, even though they don't use modern technology as in industry. Instagram has a design that is easy for the audience to visit. The Instagram feature becomes a profile that can represent the introduced product image, so when the audience is landing on the Instagram page, the hope is that Instagram will be able to provide a short story that can represent the personal branding of Nusa Pelangi Agro Tourism.

Therefore this discussion is more directed at implementing the purple ocean strategy for farmers in the millennial era through Instagram; with this, it is easier for farmers to compete with competitors, so on this occasion, the farmers have a strong bargaining position.

II. METHODOLOGY

The research was conducted in Nusa Pelangi Agro Tourism Malang in June 2020. This type of research uses action research to directly take action with farmers in determining the appropriate purple ocean strategy implemented in agro-tourism. Respondents were selected by purposive sampling method with two categories included in consumers and producers. The consumer category consists of consumers with purchases less than three times, consumers who have purchased once, and consumers who have never purchased dairy products from agro-tourism. The producer category consists of farmers, managers of Nusa Pelangi, and distributors. The research method is descriptive, where the researcher looks for facts with an appropriate interpretation of the facts in the field so that the research action is more relevant. The data collection method used was structured and non-structured interviews and questionnaires. Data analysis

uses a 4-step framework and the Elimination-Reduce-Increase-Crete Scheme adopted by Yellow Till.

There are four key questions to challenge the strategic logic and business model of industry, namely:

- What factors should be eliminated from the factors that the company has taken for granted?
- What factors should be reduced to below company standards?
- What factors should be raised above the company standard?
- What factors have not been offered by the company that must be created? (Kim and Mouborgne, 2005).

In table 1, when Yellow creates a framework for making alternatives and observations aimed at non-consumer beverage products. Both data analyzes are more applicable to producers in making purple ocean strategies, almost the same as the blue ocean. Still, with this framework, the goal is to keep competing with a high number of competitors.

TABLE 1. The Yellow Tail Framework

Elimination Special terms and designations Quality ages consumers Above-the-line marketing	Raise Usual product prices Retail store engagement
Reduce Process complexity Product variations Agricultural prestige	Create Ease of consumption Ease of choice Fun and adventure

Source: Kim dan Mauborgne (2005)

A four-step framework is recommended to consider alternatives in formulating strategies applied by producers according to consumer conditions. The Yellow framework helps producers work effectively to approach consumers without overdoing it with high costs and influencing the consumer level's selling price. It is not only related to costs. The framework is also made as a strategy in optimizing customer satisfaction.

III. RESULT AND DISCUSSION

Researchers used the framework adopted by Yellow in developing strategies through non-consumer alternatives. This is done by researchers to aim that dairy products in agro-tourism can be accepted by various market segments with stronger personal branding. Besides, the purple ocean strategy focuses more on the Instagram platform because Instagram is the only platform that is concerned with visualization, therefore in this study, the focus is on the purple ocean strategy to engage consumers through Instagram.

Kim and Mauborgne (2005) made a concept with a framework approach to innovation through product differentiation and trade-offs with minimum costs. The four frameworks' preparation is a synchronization between the facts in the field and the producer business model. The following is the result of the framework implemented by the purple ocean strategy in Nusa Pelangi Agro Tourism:

1. Elimination

The process of eliminating unnecessary factors in attracting consumers is important because it costs money for

human resources that must have expertise in digital marketing. The component that needs to be eliminated is the hard selling process by sales to consumers both online and offline. Hard selling is carried out by direct promotion to consumers by providing brochures through other events. Every consumer is asked to provide feedback on the product. Hard selling on Instagram is carried out by managers by directing messages non-consumer. Consumers in the millennial era do not like hard selling in introducing products, especially at the beginning of the emergence of new products. According to Monica and Rosari (2019), the millennial generation is not interested in hard selling and company-oriented ways in terms of accepting marketing efforts.

The second elimination is that managers should eliminate the price lists listed on Instagram. Audiences tend to compare Nusa Pelangi products with competitor products. Therefore it is better not to include prices on the copywriting design. Prices are also likely to change.

2. Reduce

Product introduction to consumers through Instagram can be done efficiently by using hashtags. Raja and Amaravathi (2018) stated hashtag makes a brand have a better reach on the internet. The short definition of a hashtag is when brands related to each other are associated with a hashtag so that they can receive popularity in the market.

Managers need to reduce the use of hashtags that are not relevant to introducing products to audiences. The use of excessive and irrelevant hashtags will make it easier for audiences to skip product searches. Audiences will find it difficult to find specifications for dairy products and their derivatives when producers use hashtags that do not match the object they want to introduce to the audience. Managers of Nusa Pelangi cannot yet develop Instagram management skills. Managers must not use hashtags outside the relevance of objects that are carousels, stories, and feeds.

Managers of agro-tourism must reduce content beyond the focus of tourism promotion and dairy products. This is done to reduce the occurrence of shadowbanned on the Instagram platform. Also, by using content that is following the Instagram profile, consumers are more familiar with and understand the personal branding of Nusa Pelangi. An Instagram account that is easily skipped by audiences is a business account that involves the privacy interests of the account owner so that the audience is confused about recognizing the products offered because the business account and privacy account become one account, so it is better if the business account is separate from the privacy account.

3. Raise

Instagram features are designed as much as possible to facilitate audiences for landing pages (Adhawayah dan Anshori, 2019). It makes it easier to recognize agro-tourism and Nusa Pelangi products. So far, Nusa Pelangi has not developed a strategy for managing features that make it easier for audiences to decide about purchasing products. In the pandemic era, there was a shift in consumer purchasing power so that it impacted functional food products, one of which was

milk. Consumers prefer to consume staple foods rather than supplementary foods. Therefore the landing page strategy is designed to stimulate audiences to become the real buyers, from consumers who need less to become consumers who buy continuously and loyally. The pandemic era is an opportunity for agro-tourism to produce milk and its diversification to boost the immune system during a pandemic.

Managers must always innovate in improving the quality of milk to increase trust audiences even though the products come from small businesses, at least consumers' trust increases like when consumers buy products from industrialization that process milk with modern equipment. Managers should work with stakeholders from the public sector to improve the quality of processed products.

Managers need to improve the packaging design that consumers need and want, of course, with a practical and eye-catching design. Putra, Purwidiani, and Kristiastuti (2020) stated that a product is said to be successful if a package's appearance has appeal. The attractiveness in question is reviewed visually and functionally. The characteristics of millennial consumers in Indonesia prefer packaging designs that are concerned with visualization (aesthetics). Some consumers in certain product segments buy products, not for their core benefits, but because of the product's appearance from an attractive and practical packaging, of course, with a packaging design made from environmentally friendly materials. So far, product packaging designs are still simple and less commercial, so of course, managers must carry out a market test regarding product quality (variations in taste, safety in consumption, and quality of milk) and packaging that consumers want and need without losing the main identity of agro-tourism (branding).

Managers need to add personnel to formulate promotional strategies through social media and increase digital marketing capabilities. Managers in the industrialization era need digital marketing training.

Nusa Pelangi requires an expansion of stakeholders that support the dairy business's development, starting from upstream, on-farm, and downstream. The wider the stakeholders, the easier the promotion process will be. This is one of the strategies for market expansion.

The most important thing and becomes the urgency of the management of Nusa Pelangi is when it comes to determining market segmentation because so far, managers have had difficulties in developing a strategy to determine segments. The Nusa Pelangi area is close to the Bromo Tengger Semeru National Park, so the main market segmentation is tourists with the age category 18-55 years, so to determine the segment, the managers must reclassify the age based on generations, X, Y and Z. Each generation has the attention and different assumptions regarding the valuation of dairy products. One of the efforts supporting this strategy is that the manager expands the agent through tours and travel to collaborate with consumers.

4. Create

So far, managers of Nusa Pelangi has had difficulties in making personal branding. According to Akporivoro, Amos,

Oladipo, and Adewale (2020), branding has added value to the product regardless of the value that already exists in the product. Certainly, branding will be built when the producer already has a niche market, as described in the previous point. Branding is the identity or attachment of the producer so that consumers know the producer from that identity. When developing a branding strategy, a lot of consideration is needed because consumer engagement is once or twice, but producers must continuously survive with many competitors. Of course, this is related to the skills and passion of the Nusa Pelangi managers, which are valuable for consumers. One of them is introducing dairy herd in the national park area. The maintenance process can take pasture, which is close to the Mount Bromo and Semeru areas. This strategy is almost the same as ocean blue, but the purple ocean is considered more daring to compete with competitors, such as the Milk Processing Industry. Through this branding, audiences will get to know more about Nusa Pelangi Agro Tourism and its products. So far, no milk packaging design is tailored for adventurers or mountain climbers in a Tumblr form. This strategy is an alternative for producers in carrying out the purple ocean.

In addition to competing with competitors, in the purple ocean strategy, Nusa Pelangi managers must establish relationships with competitors with a frontal partnership system to monopolize the market for dairy products that have farm-fresh milk characteristics. The competitors are not only from the milk processing industry, but it could also be the retail market that adopts Nusa Pelangi milk products.

Another purple ocean strategy in building product brands is to create attractive Instagram feeds. Dewi (2018) stated that Instagram is a visualization feature so that audiences are attracted through content arranged in feeds with an epic aesthetic. Both in the form of a blaster, line up, and tone matching. The managers of Nusa Pelangi must have creative ideas full of aesthetics in compiling feeds to engage audiences to become real buyers and loyal customers.

The managers of Nusa Pelangi need to create a work atmosphere with the concept of delegation. As far as the research conducted by researchers, Nusa Pelangi has not applied this concept. The assumption is that if the experts delegate their duties to other employees to hone that person's skills, then the work will be maximized if it is done with other people rather than individually. Everyone can form different creativity. If one person produces one creativity, then delegating one content will produce two creativities. This will be considered more effective in implementing the purple ocean strategy.

The next strategy in the purple ocean is to build authority. The advantages of dairy products must be in the Nusa Pelangi profile. When the audience lands on the Instagram page, the image can tell Nusa Pelangi products' advantages. Also, because millennial consumers' character is more dominant in assessing products emotionally, building a business needs to be presented in Instagram content. There is no need to ask for feedback from the audience if indeed the content is liked through emotional engagements

IV. OTHER RECOMMENDATIONS

It is necessary to research the evaluation of search engine optimization of the purple ocean strategy for dairy products from Nusa Pelangi Agro Tourism.

V. CONCLUSION

The purple ocean strategy includes (1) elimination, eliminating prices on the Instagram platform copywriting, hard-selling conversion strategies, and uninstagramable account display. (2) Reduce, reduce the strategy of using useless hashtags, reduce content that was not suitable for the audience as market segmentation, and reduce shadowbanned causes on the marketing platform. (3) Raise, ease the audience inland page copywriting to make it easier to get information on dairy products and become the real buyer, improve the quality of dairy products, improve packaging art that suits millennial consumers, increase Instagram audit capabilities, add agency, increase market segmentation awareness for purchase of dairy products. (4) Create, create personal branding for milk producers based on agro-educational tourism, create competitor relationships with frontal partnerships, create an eye-catching account atmosphere for the audience (blaster, lineup, tone matching), create access to the business delegation on Instagram, create authority related to the branding of dairy products in agro-tourism.

ACKNOWLEDGMENT

Special thanks to the Institute for Research and Community Service, the University of Brawijaya, for Grant Scheme's assistance to the Novice Researcher in 2020.

REFERENCES

- [1] A. M. Dewi, "Pengaruh Iklan Online melalui Instagram terhadap Kepuasan Pembelian bagi Peningkatan Penjualan Produk Kuliner Lokal, *Ekonika*, vol. 3, issue 1, pages 1-22, 2018.
- [2] A. S. Raja and M. Amaravathi, "The Social Blue Bird Creating an Online Sensation: A Sentimental Analysis with Sensation: A Sentimental Analysis with Reference to Coke Reference to Coke-studio-studio Hashtage," *Ushus-Journal of Business Management*, vol. 18, issue 1, pages 15- 33, 2019.
- [3] K. S. Okpoviro, A. O. Amos, A. O. Oladipo, and A. G. Adwele. "Product Branding and Consumer Loyalty in Telecommunication Industry," *Economic and Culture*, vol. 17, issue 1, pages 94 - 103, 2020.
- [4] M. Suyatno, "Strategi Samudra Biru," in *Revolusi Strategis*, 1st ed., Yogyakarta : CV Andi Offset, Indonesia, 2007.
- [5] N. N. Putra, N. Purwdiani, and D. Kristiastuti, "Analisis Jenis dan Disain Kemasan Snack Keripik Singkong terhadap Minat Beli dan Konsumen," *Jurnal Tata Boga*, vol. 9, issue 2, pages 12-24, 2020.
- [6] R. J. Andes and L. T. Sunaryanto. "Peran Promosi Penuaan melalui Instagram terhadap Penjualan Sayur Organik," *Jurnal Sosial Ekonomi Peternakan*, vol. 16, issue 1, pages 27- 36, 2020.
- [7] S. Alam and M. T. Islam, "Impact of Blue Ocean Strategy on Organizational Performance: A Literature Review Toward Implementation Logic," *Journal of Business and Management*, vol. 19, issue 1, pages 1-19, 2017.
- [8] V. Monica And R. Rosari, "Pengaruh Media Sosial pada Mahasiswa Universitas Kristen Petra Surabaya," *Journal Scriptura*, vol. 9, issue 2, pages 71-81, 2019.
- [9] W. C. Kim and R. Mauborgne., "Creating Blue Ocean," in *Blue Ocean Strategy*, Boston : HBSP, America, 2005.
- [10] Y. R. Adhawayah and M. I. Anshori, "Peran Pemasaran Media Sosial dalam Menciptakan Keputusan Pembelian Melalui Kesadaran Merek, *Tirtayasa Ekonomika*, vol. 14, issue 2, pages 267-281, 2019.