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The Implementation of Marketing Mix Strategy for Medical Hazardous Waste Processing Companies During Competition Existing Companies over PT. Kelola Lingkungan Kita

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The increasing production of B3 medical waste produced in Indonesia has not been accompanied by the growth of B3 medical waste processing companies. There are less than 10 companies that offer B3 medical waste treatment services in Indonesia, with big names companies such as WASTEC, PLIB and Java Medivest was being the main players in this industry. In this study, we discuss the NICE (Networking, Interaction, Common Interest, Experience) concept of the marketing mix, how to operate, where the business will go, and who should be involved in PT. Kelola Lingkungan Kita, B3 medical waste processing company in Indramayu Regency, West Java, Indonesia. The implementing a marketing strategy starts with analyzing the overall situation of the company. The company must perform a SWOT (Strength, Weakness, Opportunity, Threat) analysis on the company. Apart from SWOT, Segmenting, Positioning is also needed to classify the market to be targeted. In this paper, SWOT analysis can be used to understand the company's business mechanism to become a better and also competitive condition for company strength and to prevent threats.

Keywords: SWOT, STP, Marketing Mix and NICE.

1. INTRODUCTION

The potential business of B3 medical waste processing in Indonesia, based on the data presented, is still very prospective and continues to grow. Based on data from the Association of Indonesian Hospitals (PERSI) in 2018, the estimated heap of medical waste reached approximately 366 tons per day. The hospital that produces the waste comes from 2,813 units [1, 2, 3]. Here, only 86 of them have own incinerators that meet technical standards to treat approximately 68 tons of medical waste per day [3, 4]. Hospitals in Indonesia continue to grow at an average of +5.2% from 2012 to 2018 with the largest majority of growth in region 1 which includes DKI Jakarta, West Java, Central Java, DIY, East Java, and Banten [5, 6, 7]. This study aimed to analyze a strategy of a B3 medical waste processing company, namely PT Kelola Lingkungan Kita, in carrying out a B2B sales strategy. To analyze the result, we use the SWOT, STP,

and Marketing Mix methods to analyze business opportunities for B3 medical waste to face competition from competitors. Finally, this paper is expected to be a business model for B3 medical waste companies to -strengthen business strategies.

2. METHODOLOGY

A. SWOT Analysis

Analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT) is a methodology for analyzing a company from an internal and external perspective to produce a strategy for the company [8, 9]. We have identified internal and external factors that will affect the company's future performance in the competitive B3 medical waste treatment business. Company strengths and weaknesses are internal factors. Opportunities and threats are related to factors outside the company's factors (see Table I).

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Table I. SWOT for The Business of PT. Kelola Lingkungan Kita

SWOT	
Strength	Opportunity
1 Has its own B3 waste collection vehicle.	1 The government policy regarding B3 waste including medical waste emphasizes that every waste producing company must report its waste treatment periodically.
2 Has a waste management tracking system and routine reports based on website observation.	2 The growth of hospitals not accompanied by the growth of medical waste treatment, which currently only number 7 companies.
3 The discount system for PO / work contracts is in surplus.	3 There are still business entities (hospitals) that dispose of waste according to procedures.
4 The factory location is in the Industrial area of Indramayu Regency.	4 Community Social Institutions report business entities (hospitals) that dispose of waste carelessly.
5 Using a machine that has passed the trial phase according to KLHK standards.	5 Changes in air conditions (climate) due to CO2 and greenhouse gases can cause air pollution around industrial areas which results in pollution of the surrounding residential environment.
6 Reprocess the remaining residue into brick and paving blocks.	6 Incinerator machine with minimum human intervention and minimum residue.
7 Initial investment capital is offer with several investment schem for potential investors.	7 Create a tracking system for treated waste that makes it easier to monitor and more transparent
8 Recruiting fresh graduate employees and providing certification training so that they can be empowered to become operators and technicians.	

SWOT	
Weakness	Threat
1 The company does not have regular customers.	1 Getting a permit as a medical waste management company must go through a difficult process. The process of testing B3 / medical waste management by the State Ministry of the Environment takes a long time.
2 The company has to lease several assets because it requires more capital to buy all the machines right away.	2 The entry of local governments into the hazardous medical waste business makes the competition even tighter
3 Purchase additional machines to use untreated waste to turn into bricks and paving blocks.	3 Community Social Institutions can provoke the surrounding community that a waste processing company is present in the community to help and protect the environment and not damage the environment.
4 Large initial venture capital.	4 Implementing an online waste manifest system requires that waste management companies have adequate IT infrastructure.
5 Fresh graduate employees have minimal skills and experience.	

3. RESULT AND DISCUSSION

The term STP marketing refers to the process of segmenting, targeting, and positioning. This series of activities is used by companies in formulating marketing strategies for their business. STP marketing also provides a strong foundation for the company's business development. Although there is no single approach that

can guarantee success in marketing, STP marketing must always be considered in building a company's business in order to increase business competition with competitors.

A. Segmenting

With market segmentation, companies can better understand their customers and target their marketing efforts efficiently and effectively. A market segment consists of a group of customers who have the same needs and wants. PT KLK's business market segmentation, which in its business leads to the B2B sector, is divided into five variables, that is Geographic, Demographic, Operating Variables, Purchasing Approaches, and Situational factors.

B. Geographic

Hospital market segmentation in Indonesia based on geographic location in Indonesia is divided into 5 (five) regions. Region 1: DKI Jakarta, West Java, Central Java, DIY, East Java, and Banten, Region 2: West Sumatra, Riau, South Sumatra, Lampung, Bali, and NTB, Region 3: NAD, North Sumatra, Jambi, Bengkulu, Kep. Bangka Belitung, Kepri, West Kalimantan, North Sulawesi, Central Sulawesi, South Sulawesi, Southeast Sulawesi, Gorontalo, and West Sulawesi, Region 4: Central Kalimantan, South Kalimantan, East Kalimantan, Kaltara, Region 5: NTT, Maluku, North Sulawesi, West Papua, and Papua. Based on data from the Ministry of Health, the number of hospitals in 2019 reached 2,476. (see Table II).

Table II. Number of Hospitals in Indonesia Per Region

Region	Total	Number of Provinces
1 Region 1	1283	6
2 Region 2	355	6
3 Region 3	590	13
4 Region 4	115	4
5 Region 5	133	5

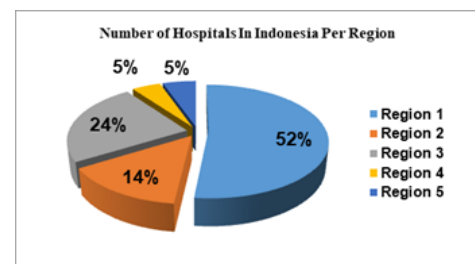


Figure. 1. Number of Hospitals in Indonesia Per Region.

C. Demographic

Hospital accreditation is divided into several levels according to the Hospital Accreditation Commission (KARS), accreditation is divided into 5 (five) type. That is first pass, elementary level, intermediate level, plenary level and main level. Hospitals are required to carry out accreditation in an effort to improve the quality of service on a regular basis every 3 (three) years. Accreditation is mandatory for all hospitals, both public / government

hospitals and private / private / state-owned hospitals. Currently, there are 2,476 accredited hospitals (see Table III).

Table III. Number of Hospitals in Indonesia Based on Accreditation

	Class	Total
1	Main level	334
2	Plenary level	906
3	Intermediate level	383
4	Elementary level	204
5	First pass	649

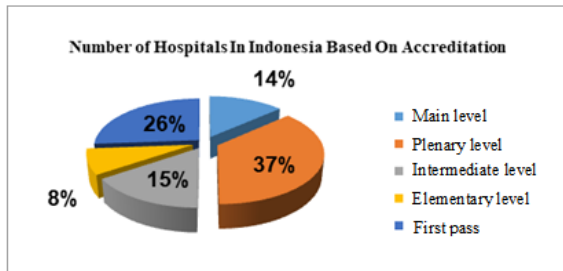


Figure 2. Number of Hospitals in Indonesia Based on Accreditation.

D. Operating Variables

Based on the user these characteristics are classified based on the class of hospital. Hospitals in Indonesia based on their services are divided into General Hospitals (providing health services in all fields and types of diseases and Special Hospitals (providing main services in one area or a certain type of disease based on scientific discipline, age group, organ, type of disease or specificity others). General Hospitals are classified into: General Hospitals Classes A to E, while Special Hospitals are classified into Special Hospitals Classes A to C. Until 2019, 2,476 Hospitals were registered in their class (see Table IV).

Table IV. Number of Hospitals in Indonesia By Class

	Class	Total
1	A	53
2	B	412
3	C	1337
4	D	668
5	E	6

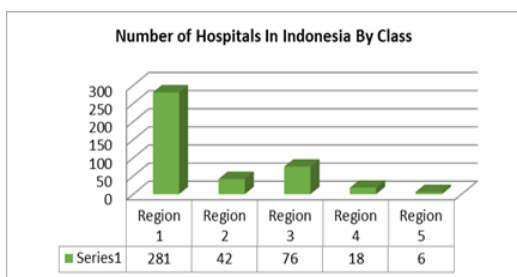


Figure 3. Number of Hospitals in Indonesia By Class.

E. Purchasing approaches

The division of market segmentation is based on purchasing approaches to PT KLK using variable purchasing criteria. The segmentation of segments can be based on the criteria sought by customers, that is: (see Table V)

Table V. Purchasing Criteria of PT Kelola Lingkungan Kita

Purchasing Criteria
1 Customers who consider price as an important criterion in using the services offered by PT KLK.
2 Customers who expect better service quality than competitors.
3 Customers who prioritize the track record of companies offering B3 medical waste treatment services or regular customers of other companies.

F. Situational Factors

Segmentation of situational factors at PT KLK is a product application (see Table IV).

Table VI. Service Data of PT Kelola Lingkungan Kita

Type of Service	Information
Processing	Waste received from customers is processed without using the Company's pick-up / transportation facilities.
Processing and Pick-up	The waste generated by the customer will be picked up using the company's transportation equipment to be processed at the factory.

PT. Kelola Lingkungan Kita's market segmentation is as follows (see Table VII).

Table VII. Segmentation of PT. Kelola Lingkungan Kita

	Segmentation
Geographic	Region 1: DKI Jakarta, West Java, Central Java, DIY, East Java, and Banten, Region 2: West Sumatra, Riau, South Sumatra, Lampung, Bali, and NTB Region 3: NAD, North Sumatra, Jambi, Bengkulu, Kep. Babel, Riau Islands, West Kalimantan, North Sulawesi, Central Sulawesi, South Sulawesi, Southeast Sulawesi, Gorontalo, and West Sulawesi Region 4: Central Kalimantan, South Kalimantan, East Kalimantan, and Kaltara Region 5: NTT, Maluku, North Sumatra, West Papua, and Papua.
Demographic	First pass Basic level Intermediate level Plenary level Main level
Operating Variables	Class A Hospital Class B Hospital Class C Hospital Class D Hospital Class E Hospital
Purchasing approaches	Price Quality Track Record
Situational Factors	Waste treatment Full Package (Waste Pick Up & Waste Treatment)

G. Targeting

The market segment opportunities must be determined how many and which segments should be targeted. Targeting determines which groups the company should serve and how to operate. The company combines several variables to identify a smaller and better target group. This targeting aims to make it easier to reach the segment you want to reach and provide more satisfaction to consumers. From the results of the segmentation analysis, the following is the target of PT. Kelola Lingkungan Kita, then the target market was selected by marketing management. Based on the geographical aspect, the area chosen to build a factory and operate is regional 1, precisely in Indramayu Regency, namely in Patrol District. This is due to its strategic location in accessing customers, some of which are hospitals and are in regional 1. Based on the Demographic aspect, Operating Variables and Purchasing approaches PT KKL will target hospitals with main and complete accreditation because hospitals that have good accreditation will better maintain every aspect of operational support including transparency of B3 waste processing. Based on the operating variables aspect from the user's side, PT KKL will target hospitals that have met class A and B considering that the hospital has a higher volume of B3 waste because it is a referral hospital. PT KKL is also customizing the market where PT KKL will target Class C and D hospitals as its target if the hospital has not collaborated with third parties in terms of managing its waste. As well as collaborating with transporters who have collaborated with hospitals to transport B3 medical waste to the B3 waste manager. PT KKL offers a different service compared to competitors, namely transparency of waste management using the tracking system feature. So for the preferred purchasing criteria are customers who expect better service quality than competitors for situational factors. (see Table VIII)

Table VIII. Targeting of PT Kelola Lingkungan Kita

Targeting	
Geographic	Region 1: DKI Jakarta, West Java, Central Java, DIY, East Java, and Banten
Demographic	Hospital with Plenary and Main Accreditation level
Operating Variables	General Hospital Class A, B, C & D
Purchasing approaches	Price & Quality
Situational Factors	Pick-up + Waste Treatment
Customizing Market	
Collaborating with Transporter	

H. Positioning

Positioning is how we explain the position of the product to consumers. The difference between our products and competitors and their advantages. Currently, the hazardous waste processing business, especially medical hazardous waste, is dominated by bug names players. Two big players in the B3 medical waste processing business are PT. Arah Environment (AE) and PT. Java Medivest (Jamed).

Meanwhile, for a waste processing company that offers a tracking system and transparency of processing and reporting, PT KKL is the only company that offers this, even though the price offered is higher than its competitors, but the features provided are superior. Therefore, the positioning of PT KKL against competitors can be described as follows. We describe the position of PT Kelola Lingkungan Kita (see Figure 4).

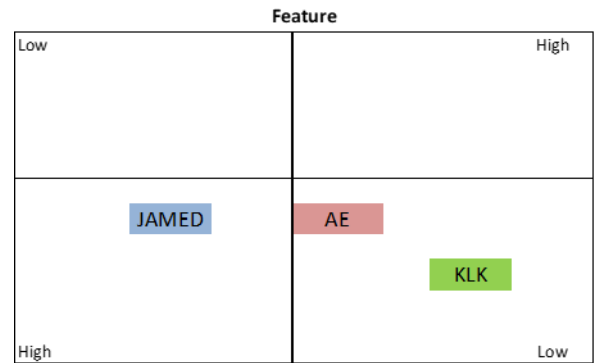


Figure 4. Positioning PT Kelola Lingkungan Kita

I. Marketing Mix

Marketing mix is a marketing strategy that companies use to achieve marketing goals in the target market. PT KKL with a B2B market share then marketing tactics with NICE marketing tactics, namely Networking (Place), Interaction (Promotion), Common Interest (Price), and Experience product (see Table IX).

Table IX. Marketing Mix of PT Kelola Lingkungan Kita

Networking	Interaction	Common Interest	Experience
Entertain Decision Maker by giving Marketing Expenditure	Visiting the hospital directly which is the company's target market to make educational presentations on products and benefits of using the services offered by the company.	Hospitals need transparency in reporting the waste they produce because if the hospital is negligent it will be subject to a fine of up to Rp. 3,000,000,000 (three billion rupiah). PT KKL offers a process tracking system facility and periodic reporting so that the transparency of the waste they produce is better.	PT KKL will provide benefits in the form of a tracking system facility via a website that can be accessed by customers a maximum of 1x24 hours after the waste arrives at the factory. Customers will also get other benefits in the form of a detailed report on waste that is processed routinely, as for the reports that will be received by customers are after-process reports, monthly reports and annual reports without the need to be asked by customers, making it easier for the hospital to make regular reports to regulators
Gatherings and meetings with PERSI will be held regularly to introduce the company and services offered.	Perform entertainment with marketing expenditure or other activities at least every six months.		

J. Comparison index between KLK and competitor based on medical hazardous

The Competitive Profile Matrix (CPM) identifies the company's main competitors and their strengths and weaknesses in relation to the strategic position of the company. Critical Success Factor is filled with the determining factors for the success of a company. The grading scale of the weights is 0.0 - 1.0 which in the end the total weight should be 1.0 (or 100%). The range of ratings commonly used is from numbers 1 to d. 4 where 1 indicates that it is the competitor's greatest weakness and 4 is the competitor's greatest strength. For the assessment is done subjectively but based on the results of benchmarking to competitor companies. Score is the multiplication value of rating and weight. Each company scores on each factor. These values will be added together and will produce a total value. The total value indicates that if the total value owned is very large, the company is stronger than the competitors (see Table X).

Table X. Comparison index between KLK and competitor

Critical Success Factor	Weight	PT KLK		PT WASTEC		PT JAMED	
		Index	Score	Index	Score	Index	Score
Has its own B3 waste collection vehicle.	0.15	2	0.3	4	0.6	4	0.6
Implementation of Tracking System technology and online report on Waste that is successfully processed through the Website.	0.35	4	1.4	1	0.35	1	0.35
Cost discount system for the next contract if the previous contract getting surplus of treated waste.	0.25	3	0.75	2	0.5	1	0.25
Make use of untreated waste products.	0.15	3	0.45	3	0.45	2	0.3
Empower technicians as operators.	0.1	2	0.2	4	0.4	4	0.4
Total	1		3.1		2.3		1.9

4. CONCLUSIONS

Understanding market conditions, internal and external factors is an important factor before designing a business strategy, including in designing a business strategy for B3 medical waste treatment. SWOT can be used as a tool to analyze the strengths and weaknesses and see the

opportunities and threats that exist in the company, it aims to be able to have a clear strategic direction. STP is used to classify the market which is an important aspect of getting the target market and positioning the services that company offers. Marketing mix is also important and very necessary to discuss in detail the factors involved in it for business continuity and competitiveness with competitors. Targeting the B2B sector, PT. Kelola Lingkungan Kita uses the tools mentioned above, namely NICE (Networking, Interaction, Common Interest and Experience) to operate a business concept that has superior capabilities, is competitive and profitable. PT. Kelola Lingkungan Kita's business model is expected to be a solution for B3 medical waste processing companies and other B3 waste processing companies to be able to take advantage of these tools so that their businesses can grow and compete.

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