

**Analysis of Marketing for Export Products of Coconut Shell Charcoal Briquettes****1<sup>st</sup> Muhammad Syafiqus Sauqy \* <sup>a</sup>****2<sup>nd</sup> Endang Iryanti <sup>a</sup>**<sup>a</sup> Management Department, Economic and Business Faculty, Universitas Pembangunan Nasional "Veteran" Jawa Timur, Indonesia**Abstract**

This research contains an analysis of the marketing mix strategy towards the export of coconut shell charcoal briquette products. This research, which uses a qualitative study method, aims to provide information to briquette charcoal business actors on the export potential of briquette charcoal with a marketing mix strategy approach and SWOT analysis results. The results of this study provide the convenience obtained in marketing briquetted charcoal products effectively and efficiently.

*Keywords: Marketing Mix Strategy, Export, Briquette, SWOT Analysis*

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**1. Introduction**

Marketing is a form of activity carried out by business actors in maintaining and developing their business. Marketing is a form of a company activity that directly interacts with consumers. Marketing according to (Istanti et al., (2020) means business with a predetermined market in order to realise potential exchanges with the aim of satisfying human needs and desires. According to Varadarajan (2010) marketing is an overall series of business activities that focus on planning, pricing, promoting and distributing both in the form of goods and services that satisfy needs to existing or potential buyers.

According to Kalaigannan et al., (2021) marketing is an activity to identify things to meet the needs and desires of consumers which will later generate profits for the company. Marketing is not an easy thing to do, business people must understand the marketing concept which is a benchmark for the company's success. According to Shepherd (Shepherd, 1986) marketing has several core concepts, including the first core concept, where the first core concept includes wants, needs and demands. Desire itself is defined as a need that is formed by the community itself while needs are basic human needs in general, namely the need for clothing, food and shelter. Demand is a form of consumer desire to buy a product. The next core marketing concept is where business actors can identify the needs and direction of consumer desires because consumers have their own tastes. Business actors can identify this through market segmentation analysis such as psychographic, demographic and consumer behaviour. The third core marketing concept is an explanation of offers and brands. A company must prioritise products that have high value to consumers. The value includes such as the product itself, experience and offerings. Brands provide their own value offerings and benefits to consumers. Of course, if the company has a high-value brand and product, the product of a company is easily recognised by consumers.

The purpose of marketing in general is to increase sales that can produce results in the form of profit by offering satisfying needs to the market on a long-term scale (Reinartz & Kumar, 2000). The company certainly has its own marketing division, the existence of the division is assigned to manage existing resources within the company to run more effectively and efficiently.

According to Strange (1990) Export is an effort to sell commodities contained in a country to other countries in accordance with government regulations with a payment system in foreign currency and communicate using a foreign language. Export activities also have an impact on a country's economy. A country will export its own products with the support of cheap and abundant production factors that are sustainable.

For exporters, the existence of export activities is very profitable because it can increase national income and faster development processes and economic growth. When the demand for products is higher, the labour and investment components expand and increase domestic economic growth. When a country can produce a large number of products that are not owned by other countries, it can be called a country that is able to compete in specialisation. This specialisation is a measure of the performance of fast or slow economic growth of a country. This is in accordance with the research activities of Maudina et al., (2022) which explain that export activities have a positive and significant impact on economic growth. One of Indonesia's leading export commodities is charcoal briquettes.



**Table. 1** Indonesia ranks as the first exporter of charcoal briquettes in the world by 2022

Select your indicators													123456
HSR	Country/area	Value exported in 2022 (USD thousand)*	Trade balance in 2022 (USD thousand)	Quantity exported in 2022	Quantity unit	Unit value (USD/unit)	Annual growth in value between 2019-2022 (%)	Annual growth in quantity between 2019-2022 (%)	Annual growth in value between 2021-2022 (%)	Share in world exports (%)	Average distance of importing countries (km)	Concentration of importing countries	
	World	1,405,188	-371,291	2,844,730	Tons	562	6	3	7	100	8,548	0.34	
10	Indonesia	340,768	340,188	488,370	Tons	705	4	-2	24	23.5	9,083	0.07	
10	Low Income's Democratic Republics	85,890	58,897	100,530	Tons	852	27	67	100	9.5	3,888	0.37	
10	Poland	83,114	48,250	110,117	Tons	752	-3	-7	-14	8.3	953	0.16	
10	Philippines	81,440	81,158	118,531	Tons	687	17	-2	2	5.8	2,796	0.48	
10	China	80,888	-100,350	49,989	Tons	1,620	2	-4	-27	5.4	5,797	0.13	
10	Ukraine	71,318	88,982	129,767	Tons	587	1	-6	-3	4.8	1,229	0.17	
10	Viet Nam	68,281	68,298	88,982	Tons	769	2	-4	-9	4.7	4,889	0.21	
10	Norway	66,888	66,528	262,278	Tons	254	28	18	28	4.5	8,494	0.12	
10	Canada	60,950	60,912	176,783	Tons	345	13	14	27	4.1	8,352	0.08	
10	India	55,418	47,280	180,354	Tons	308	28	18	23	3.7	1,585	0.85	

Source: Trademap.org

Table 1 above illustrates the top ten countries in the world where Indonesia is ranked as the largest exporter of coconut shell charcoal briquettes in the world. Indonesia oversees several countries such as Poland, the Philippines, China, Ukraine, Vietnam. Indonesia's coconut shell charcoal briquette producers that have the best product quality are on the island of Sumatra with the support of abundant natural resources.

**Table. 2** List of countries that are among the top importers of briquettes in the world

HSR	Importers	Select your indicators ▾											
		Value imported in 2022 (USD thousand)*	Trade balance in 2022 (USD thousand)	Quantity imported in 2022	Quantity unit	Unit value (USD/unit)	Annual growth in value between 2019-2022 (%)	Annual growth in quantity between 2019-2022 (%)	Annual growth in value between 2021-2022 (%)	Share in world imports (%)	Average distance of importing countries (km)	Concentration of importing countries	Average tariff estimated imposed by the country (%)
	World	1,857,370	-371,291	0	No quantity		5	3	29	100	8,534	0.88	
10	China	181,339	-100,560	857,105	Tons	325	14	8	106	9.8	2,791	0.16	0.3
10	Saudi Arabia	138,811	-138,811	160,606	Tons	788	15	7	87	7.5	7,281	0.34	0
10	Korea Republic of	115,712	-116,325	120,355	Tons	961	-4	-4	35	8.2	4,281	0.25	1.1
10	Japan	113,838	-112,887	123,418	Tons	922	-3	-5	8	8.1	3,889	0.18	0
10	Germany	98,183	-81,198	138,432	Tons	705	-8	-14	-1	5.2	4,277	0.18	0
10	United States of America	95,644	-77,880	124,019	Tons	771	15	8	-29	5.1	5,791	0.28	0
10	France	71,333	-81,841	80,380	Tons	887	3	-10	10	3.8	3,043	0.11	0
10	United Kingdom	65,959	-83,210	87,884	Tons	748	-4	-3	3	3.5	7,952	0.16	0
10	UAE	59,254	59,133	83,980	Tons	687	24	21	45	3.2	7,481	0.80	0
10	Malaysia	44,718	-43,888	52,581	Tons	850	13	4	49	3.4	7,815	0.44	0
10	Poland	44,284	48,850	102,734	Tons	421	-5	-11	-7	2.4	3,372	0.32	0
10	Bhutan	43,873	-43,586	143,900	Tons	306	26	15	26	2.3	1,288	1	0.8
10	Senegal	42,447	-42,435	116,240	Tons	365	562	853	48,045	2.3	7,598	1	4.7
10	United Arab Emirates	39,549	33,198	86,280	Tons	454	1	-1	48	2.1	8,198	0.16	0
10	Greece	38,048	-37,603	62,719	Tons	623	4	-1	33	2.1	7,395	0.15	0
10	Lebanon	38,878	-38,880	43,880	Tons	886	-2	-4	94	2.1	7,848	0.38	4
10	Taiwan	38,845	-38,814	60,837	Tons	635	-4	-15	90	2.1	7,518	0.21	0
10	Netherlands	35,173	-35,381	131,384	Tons	268	-1	8	-18	1.9	8,538	0.1	0
10	Italy	33,782	-32,816	56,851	Tons	594	7	-2	3	1.8	5,378	0.12	0
10	Spain	33,731	-33,480	55,426	Tons	600	12	10	88	1.8	7,538	0.19	0

Source Trademap.org

Referring to table 2 above, China, Saudi Arabia, Korea, Japan, and Germany are among the largest importing countries in the world. Coconut shell charcoal briquettes are an innovative product made from coconut shell charcoal which functions as an alternative fuel that is often used in daily activities such as sisha and barbecue fuel. The characteristics of the use of coconut shell charcoal briquettes in the ASEAN region vary, such as countries in the Middle East tend to use coconut shell charcoal briquettes as sisha fuel, while countries such as China and Japan prefer it as cooking fuel in restaurants. The quality of Indonesian coconut shell charcoal briquettes has been recognised by the world, as evidenced by the many exports of Indonesian coconut shell charcoal briquettes to several countries from both Asian and European countries. One of the advantages of Indonesia's coconut shell charcoal briquettes is the ability to release more heat when compared to coal briquettes or charcoal made from mangrove plants. This makes it a good choice for cooking. In addition, the use of coconut shell charcoal briquettes has other benefits, namely environmentally friendly because the smoke produced is less than ordinary charcoal. Therefore, the presence of coconut shell charcoal briquettes is an appropriate and sustainable solution as an alternative fuel in cooking. With the support of data from this research, we will look at analysing the marketing mix strategy for Indonesian coconut shell charcoal briquettes.

With the current conditions, Indonesia has the opportunity to continue to excel in the international market through one of its flagship products, coconut shell charcoal briquettes. This of course must be accompanied by the selection of marketing strategies that are relevant to current market conditions. Researchers want to learn more

about the marketing mix strategy on coconut shell charcoal briquettes through this research activity. It is hoped that this research has a use in providing knowledge for business people engaged in exports. Indonesia can become a successful country in the international market if it implements the right marketing strategy, one of which is through the 4p marketing mix strategy and SWOT analysis.

## **2. Empirical Literature Review**

### **Marketing Mix Strategy**

According to Kotler Armstrong (1997) the marketing mix is a tactical marketing tool that can be arranged by the company (Fadli et al., 2023). Marketing activities include activities that have a use in producing, developing, distributing goods produced according to the level of demand made by consumers in fulfilling their needs. The marketing mix strategy is also known as the "marketing mix". The marketing mix strategy includes 4 key elements, namely price, product, promotion, and place. The concept of marketing mix strategy was first introduced by Neil Borden in 1949. Initially Neil Borden made 12 key elements as a marketing mix strategy concept, then developed by Jerome McCarthy and simplified to 4 elements. The background of the concept is to provide guidance to companies in managing every aspect of marketing their products or services. The following is an explanation of the 4p marketing mix concept.

#### **1.Product**

In this element, companies focus on the development, design and quality of the products or services offered. This also includes features contained in the product such as design, packaging and innovation. products such as design, packaging and innovation.

#### **2.Price**

Companies set prices on products to achieve the company's financial goals. This involves pricing policies, discounts, and price adjustments according to market conditions.

#### **3.Place**

At this stage, the company determines how to get the product into the hands of consumers. This stage includes distribution channels, sales locations, supply chain management, and distribution strategies.

#### **4.Promotion**

Promotional activities include all marketing activities aimed at increasing consumer awareness of products or services. Promotional activities usually take the form of advertising, sales promotion, public relations, and digital marketing strategies.

### **Export**

Export is a process carried out by individuals/groups with the process of selling goods and services from within the country to abroad with the aim of international trade. The definition of export according to the law of the Republic of Indonesia explains that export is an activity of removing goods from the customs area (Law No. 17 on Customs., 2006). Some of the factors that affect a country's export level include:

1. Currency Exchange Rate  
Exchange rate fluctuations can affect the competitiveness of export products in international markets
2. Global Economic Conditions  
Global market demand, economic growth, and economic conditions in export destination countries also effect a country's figures.
3. Trade Policy  
Some trade policies that can affect a country's export include tariffs, quota restrictions, and other trade barriers.
4. Product Quality  
The quality of a country's should be considered before exporting, because increasingly fierce market competition and the emergence of new innovations also effect competitiveness in the international market.
5. Technological Advancement  
Technology plays an important role in the processing of goods, technology also makes it easier for humans when working on goods. The ability of a country to produce goods is also influenced by the technology adopted, meaning that the more sophisticated the technology in the country, the greater the ability of the amount of innovations also effect competitiveness in the international market.

## Charcoal Briquettes

Briquettes are materials that can be burned with the aim of starting and maintaining a stable flame. There are many types of briquettes, including coal briquettes, charcoal briquettes, bio mass briquettes and peat briquettes. The advantage of briquettes over regular charcoal is that they emit less smoke than regular charcoal. Indonesian coconut charcoal briquettes have huge export potential. One factor is that the quality of Indonesian briquettes is considered the best by the international market.

### Briquetted Charcoal Production Process

1. Raw Material Selection  
Select the desired feedstock, usually using coconut shells, hardwood or biomass waste such as sawdust or other organic materials.
2. Drying  
The selected raw materials need to be dried first so that the water content is low. Low water content affects the yield of superior briquetted charcoal products.
3. Destruction  
After passing through the drying process, the raw materials are then crushed or cut into smaller sizes to facilitate the process of mixing and forming charcoal briquettes.
4. Raw Material Mixing  
Raw materials that have been cut into small sizes are sprinkled with adhesive material, the adhesive material usually used is tapioca flour and starch.
5. Printing  
The mixed raw materials are then processed in a briquetting machine. The machine used produces briquettes of the desired size and shape.
6. Further Drying  
Freshly formed briquettes have a high moisture content. Therefore, the briquettes need to be further dried to reduce their moisture content. This drying process can be done under the sun.
7. Combustion  
The dried briquettes are burned in a furnace or grill. This process does not completely burn the briquettes to ash, but aims to reduce moisture content and increase combustibility.
8. Cooling and Packaging  
After combustion, the briquettes are cooled before being packaged. The packaged briquettes are ready for distribution and use as fuel.

### Quality Standard of Charcoal Briquettes for Export

In the export process, exporters must pay attention to the quality of their products, usually there are requirements that must be met to ensure product quality. The following are general requirements regarding the quality standards of charcoal briquettes.

1. Moisture Content  
Importers usually prefer briquettes that have a low moisture content because it can increase the calorific value and ensure combustion quality.
2. Carbon Content  
The high carbon content of charcoal briquettes indicates that the ability of briquettes to generate stable heat and produce good combustion results.
3. Ash Content  
Low ash content is usually favoured by importers as it improves combustion efficiency and produces clean charcoal.
4. Size and Shape

Exporters must be consistent in producing briquetted charcoal products, size and shape are also considered in the production process by adjusting the set standards.

## 3. Method, Data, and Analysis

In this activity using qualitative research methods with a descriptive qualitative approach. Descriptive qualitative approach is an approach used in describing and analysing phenomena, events, attitudes, social activities, attitudes, beliefs, perceptions and individuals and groups as explained by (Phung & Wikartika, 2023). Through this research that uses a descriptive qualitative approach in explaining and analysing conditions related to the topic used as research.

Method is a language that comes from the Greek methodos which means way or way while the word "research" is a translation of the word research which means research. In general, research methods are a form of a scientific method used to obtain data with specific purposes and uses. Scientific method means research activities based on scientific characteristics, namely rational, empirical and systematic. In this study the data used is secondary type data. Secondary data comes from data obtained by researchers from existing sources and researchers do not obtain data directly from field data but use intermediary media such as journals, books, websites and other sources. In addition, researchers use SWOT analysis as additional data in this study.

This research requires information related to the marketing mix strategy and SWOT analysis of the export of coconut shell charcoal briquette products.

## Result and Discussion

### 1. SWOT analysis

Performed to identify based on strength, weakness, opportunity, and threat

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>Abundant raw materials favour stock availability for charcoal briquette production</li> <li>Environmentally friendly (does not emit smoke compared to common charcoal)</li> <li>Potential to develop innovations by charcoal briquette exporters in production and packaging</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>People are still not familiar with briquette charcoal products</li> <li>Variable quality results in challenges of charcoal briquettes quality consistency that can affect consumer confidence</li> </ul>
<p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>Increase public awareness of the use of environmentally friendly fuels</li> <li>Getting attention from the government</li> <li>Domestic market expansion</li> <li>Utilising technological advances in the production, distribution and promotion processes</li> </ul>	<p><b>Threat</b></p> <ul style="list-style-type: none"> <li>Many competitors have emerged</li> <li>It takes a long time to change people's habits in using alternative fuels</li> <li>Price competition with other countries</li> </ul>

### 2. Marketing Mix Strategy

Strategies that include product strategy, price strategy, distribution strategy and promotion strategy are carried out to analyse the potential of Indonesian charcoal briquettes to see the strengths and opportunities created and minimise the weakness and threats that occur.

#### 1. Product Strategy

Briquettes produced in Indonesia have proven quality that is recognised by the international market and the abundant availability.

#### 2. Price Strategy

The low price of Indonesian briquettes in the international market with superior quality make consumers look at products made in Indonesia.

#### 3. Distribution Strategy

In the Distribution of goods, many service companies offer or cooperate with exporters to facilitate the delivery of Indonesian charcoal briquette export goods.

#### 4. Promotion Strategy

As technology advances, there are many ways to promote briquette products, such as promotion through social media, creating company website, and participating in export exhibitions such as the Trade Expo Indonesia event

## 5. Conclusion and Implications

Based on the results of the analysis of the marketing mix strategy on charcoal briquettes, it can be seen from the SWOT method which is divided into internal factors and external factors consisting of:

- Strengths and Opportunities: Abundant raw materials can meet the needs of both domestic and foreign countries so that I can attract attention from the government to get support for the briquette industry
- Weakness and Threats: The emergence of many competitors may affect the consistency of Indonesia's briquette industry in the international market and may lead to price competition.

Efforts that need to be made to increase the export market for charcoal briquettes are to maintain product quality and increase promotion both offline and online so that it is increasingly recognised by many people.

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