SUMMARY

STEVAN GNEISSANDA HAGE. Strategic Formulation to Increase White Tea Competitiveness (Case study : Research Institute for Tea and Cinchona, Gambung, West Java). Supervised by ARIEF DARYANTO and SAHARA.

White tea is a new product in Indonesia’s tea industry. It is a product developed by Research Institute for Tea and Cinchona as one of many tea producers in Indonesia in order to revive Indonesia’s tea industry. White tea has a uniqueness in its relatively high price and high market demand. The increasing number of Indonesian upper middle class’ income could also become white tea’s new potential consumers because they put quality and health first than the price. White tea’s high price and demand attract new players in this industry. The appearance of new competitors make this industry more competitive. That’s why it’s necessary to find a way to win the competition and to keep the domination in the white tea industry through strategic formulation. Therefore, the purpose of this research is to formulate strategies and provide the best strategies to increase the competitiveness of the company’s white tea product.

This research conducted in Research Institute of Tea and Cinchona in Gambung, West Java. This research used expert judgement as respondent. There were three steps in strategic formulation used to produce the strategies. The first is analyzing the company environment using Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE). The second is using Internal and External (IE) matrix and Strength Weakness Opportunity Threat (SWOT) analysis. The third is to choose the best strategy using QSPM (Quantitative Strategic Planning Matrix). IE matrix showed the position of company using information from IFE and EFE. SWOT analysis produced strategies using information from the company’s strength, weakness, opportunity, and threat. IFE and EFE showed that the company has strong internal power and good respond to external factors. IE matrix showed that company is in grow and build stage. IE matrix and SWOT analysis showed that the alternative strategies for the company are market penetration, market development, product development, forward integration, backward integration, and side integration.

QSPM matrix showed the best strategies chosen is market development, product development, forward integration, and backward integration. The implication of this strategies consists of price, place, promotion, and product. The implication based on price is the reduction in production cost through innovation in the production processes. Reduced in costs would increase the company’s profit margin from white tea products. The implication based on product were the innovation in end products such as ready-to-drink white tea and the addition of new flavor to the existing white tea products. The other innovation that could increase the value of the product is the addition of quick brewing effect and the visual improvement after brewing white tea. The implication based on promotion are the promotion efforts to the community of tea lover and of the middle class income as the new market segment of white tea. Magazine and internet could be used as white tea’s promotion media. Implication based on place are the increase
In sales outlets in various locations and decide to focus whether to meet the demand on packed or bulk white tea.

Keywords: competitiveness, Internal External, strategy formulation, SWOT, QSPM, white tea.