



The New Product Line Strategies in Maintaining the Sustainability of SMEs

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ABSTRACT

The role of product lines is very important in increasing the growth of SMEs. Through a variety of product lines sold, the problem of existing market saturation can be resolved, the emergence of new product lines can expand existing products. PKM activities aim to help MSMEs understand new product line strategies in running a business and maintaining survival in the future. The activity is engaged in a culinary business, with the Pempek Lita located in Jambi that provides various kinds of pempek. In its activities, it faces various problems, especially in carrying out product line strategies, this is due to the lack of knowledge about things related to product lines. For this reason, PKM programmes aim to help improve the business partners' knowledge. The method offered in this activity is online training/socialisation through Zoom meetings. The material to be delivered includes: basic introduction to product lines; product line strategies and others. The results of the activity show that the problems that arise in partner businesses will be resolved, partners can understand the importance of product line strategies for business sustainability.

Keywords: Strategy, Product Line, Entrepreneurship, SMEs

1. Introduction

MSMEs (Micro, Small and Medium Enterprises) are the most widespread businesses in Indonesia. Every business needs product line development. New product line strategies generate added value for consumers and will attract consumer interest. With a new product line, it will provide new solutions and choices for consumers' lives and is also a major source of growth for businesses.

Product line is a strategy for the growth of a company by offering new products or modified products into the current market (Kotler & Keller, 2016). Product lines are created by companies as a marketing strategy to capture the sales of consumers who already buy brands (Kaliappen et al., 2019). The operating principle is that consumers are more likely to respond positively to brands they know and like and will be willing to buy new products based on their positive experiences with brands in the past (Luo & Park, 2001). According to Jiao et al. (2011), the first step of a product line strategy is to understand/recognise the product, such as what is offered in each item in the product line, then make sure that each product has different features and meets different customer needs.

Kotler & Armstrong (2008) explains that product lines offer different versions of the same product or service, but at different price points, which can help fill the product line based on consumer shopping preferences and affluence. Product line decisions are concerned with the combination of individual products offered in a particular line. The product line manager oversees several product managers who are responsible for individual products in the line (Assauri, 2011). Decisions about product lines are usually incorporated into marketing plans at the divisional level. Such plans specify changes in product lines and allocations for

products in each line. In general, product line managers have the following responsibilities: (1) considering the expansion of a particular product line; (2) considering candidates for deletion from the product line; (3) evaluating the effect of product additions and deletions on the profitability of other items in the line; and (4) allocating resources to individual products in the line based on marketing strategies recommended by the product manager.

Product line decisions are important so that companies do not rely on existing products (Draganska & Jain, 2005). Many companies fail in the product line process (Long & Vickers-Koch, 1995). The failure of this process makes it difficult for the company to compete with competitors who have successfully passed their obstacles. Product line strategy in a company is something that must be done in order to survive and develop. Line development must include determining quality, size, shape, attractiveness, naming, marking, packaging, and others according to consumer tastes. (Abubakar & Mohammad, 2019).

The partner that become the destination of the activity is the Lita pempek culinary business, which is a business engaged in providing pempek food. The business owner is called Mrs. Yurmalita, and this business located at Purimasurai 2 Rt 23, Mendalo Darat, Muaro Jambi. Through the type of potential that this business partner has, it is supposed to be able to continue to improve and develop the products that have been created through sustainable marketing. However, this business does not have the knowledge of product line development that can increase sales growth. For this reason, the PKM Untar team aimed to do the transfer knowledge about product line strategies that she needs to have in running a business.

The results of observations made to partners about the product line strategy, the team found the main problem of this business in developing existing product lines. This has an effect on existing products that are increasingly experiencing a decrease in interest by the consumers, as well as the large number of competitors that exist. To maintain business sustainability and maintain existing products, the PKM untar team feels the need to do the transfer knowledge to partners in maintaining survival through the introduction of product line strategies. Thus, the main problem to be solved is how to optimise partners' knowledge about things related to product line strategy in maintaining business survival. The model specification is given to SMEs as a provision to add insight into the product line. The target of this PKM activity is an increasing knowledge for the business partners in maximising the product line offered to consumers.

2. Methodology

Socialisation conducted to provide briefing to partners in understanding the product line strategy. Many things are factors for partners to carry out product lines. Starting from finding product modifications until the product is launched to end consumers. To carry out this socialisation activity, there are several steps that need to be taken.

- a. PKM organisers prepare materials that will be delivered to partners.
- b. PKM organisers as tutors contact related parties, namely business owners to ask permission to conduct socialisation.
- c. PKM organisers as tutors coordinate with the owner to participate in socialisation activities.
- d. PKM implementer as tutor coordinates with the student who supports the activity.
- e. The PKM organiser as a tutor delivers the socialisation material through lectures, discussions, and questions and answers through zoom meeting.
- f. PKM organisers explains what must be done in product development.
- g. PKM organisers invite the business partners to ask questions if they do not understand the material presented.
- h. PKM organisers as tutors answer the partners' responses about the material that has been delivered.

3. Results and Discussion

3.1. Profile and Location of Partner Businesses

The partner that is the place of activity is a brand namely Lita pempek as a culinary business, which provide pempek. The business owner is Mrs. Yurmalita. This business is located in Purimasurai 2 Rt 23, Mendalo darat, Muaro Jambi. The types of products sold are pempek and tekwan which are packaged with vacuum plastic packaging.

The products are distributed in residential areas and surrounding areas, as well as serving for Eid and gifts, could be brought across districts and provinces. Ibu Yurmalita started making pempek when she learned from her relatives who started a pempek business, then came up with the idea to start the similar one business. It turned out that consumers enjoyed Mrs. Lita's pempek. Mrs. Lita felt that by running a business, she could ease her husband's financial burden. The business, which started in 2018, now has its own packaging and brand name. Here are some pictures of the partner's products:



Figure 1. The products

3.2. Model of science and technology transferred to the business partners

This community service activity is related to the transfer of knowledge about things that need to be considered by partners to maintain business sustainability through provision of knowledge about sustainable marketing delivered to partners:

3.2.1. Definition of product line.

A product line refers to a group of products intended for uses that are essentially similar and have fairly similar physical characteristics (Joshi et al., 2016). While a company's product line will depend on the particular business segment or industry it operates in, marketing and organisational scholars have identified four different product line classifications based on what is needed to bring that line to market. These include:

- a. New in the world: A new product or invention, often after research & development investment. It can be very risky but also very rewarding if it takes off.
- b. New additions: These are new product lines that companies add to their production, but which are not necessarily new to the world. These arise when competitors enter the market.
- c. Product revision: Replacements or upgrades to existing products are the third category. The iPhone X is a completely different product from the iPhone 4S.
- d. Repositioning: Repositioning takes an existing product and starts marketing to a different audience for a completely different use case.

3.2.2. Product Line Strategy

Product line strategy consists of two types such as product modification and product elimination (Abubakar & Mohammad, 2019):

A. Product Modification

Product modification consists of improving the quality, size, shape or design of an existing product so that it may look almost like a new product. Product modification, according to William J. Stanton, even a product that is slightly changed either in colour, design or quality of an existing product is an entirely new product.

The purpose of product modification is to stimulate new sales or attract new customers. For companies with a patchy product line, modification can be justified as a worthy alternative to developing new products for two reasons; the product is much cheaper and the product often shows a high level of success. Many companies that produce consumer goods have updated their products several times and maintained their share in the market. There are many ways to modify a product. In general, modifications are grouped into four categories (Abubakar & Mohammad, 2019):

Functional changes: Changes that make the product work better or fulfil additional needs. The right change can result in a big jump in product sales.

- 1) Quality changes: The quality of the product can be increased or decreased. Increasing quality involves making the product more attractive to the current market or repositioning it in new and more sophisticated markets. Lowering the quality involves lowering the price of the product to cater to low-income groups.
- 2) Style changes: A change in product style means a change in the appearance of the product. Style plays an important role especially when it comes to goods, which consumers see as a symbol of their prestige.
- 3) Environmental changes: Changes in environmental impact are generally made due to consumer pressure or corporate commitment to social responsibility. These changes may be made to improve the safety of the product or its impact on the environment.

A modification strategy may involve any of the above changes. Sometimes, major changes are also made to reduce risk. The main goal of this strategy is to capture new markets and attract new customers without losing old customers, who may like the product in its original way. Due to this reason, changes are often introduced gradually to avoid replacing loyal customers.

B. Product Elimination:

A company must have a reliable system to end products efficiently. Simply dropping products at night will cause irreparable losses to the company. Therefore, it is necessary to be careful when pulling products. The company should not carry bad products. The product It should be dropped if the unit does not match the audience. Products are often dropped as they become out of date.

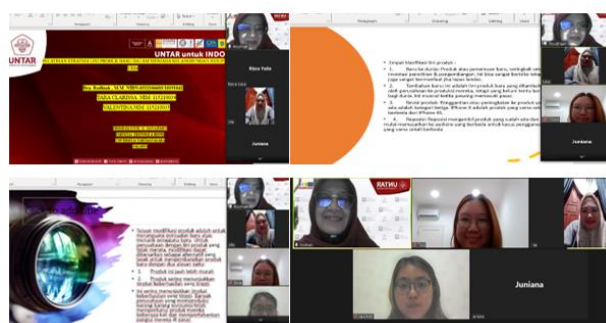


Figure 2. The documentation of the online activity

At the end of the activity, a test was conducted on the delivery of the activity material that had been carried out.

Table 1. Recapitulation of the Responses

Indicator	Category	Answer	Percentage (%)
The material on understanding social media has made them understand	Not clear at all	0	0
	Did not understand	0	0
	Understood enough	0	0
	Understood	0	0
	Understood very well	100	100%
CRM material makes them understand	Not clear at all	0	0
	Did not understand	0	0
	Understood enough	0	0
	Understood	0	0
	Understood very well	100	100%
They understands the material about SCRM	Not clear at all	0	0
	Did not understand	0	0
	Understood enough	0	0
	Understood	0	0
	Understood very well	100	100%
Materials on the main purpose of Social CRM make them understand	Not clear at all	0	0
	Did not understand	0	0
	Understood enough	0	0
	Understood	0	0
	Understood very well	100	100%

The evaluation results of the business partners' answers to the understanding of the material were well understood. It is evident from the answers of partners who 100% can understand the material presented.

4. Conclusion

Training on new product line strategies, covering topics such as product line definition, classification, strategies, and modification and elimination processes, was conducted smoothly. The programme effectively delivered the key concepts and strategies required to manage and develop product lines.

The audience showed high enthusiasm for the materials presented by the PKM team and actively participated in discussions and Q&A sessions during the socialisation process. Evaluation results reflected a thorough understanding of the material presented, with all partners demonstrating a complete understanding of the material presented.

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