



**ANALYSIS OF STRATEGIES USED BY PT SEMEN INDONESIA Tbk.
IN ACHIEVING INTERNATIONAL MARKETING**

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ABSTRACT

This research discusses the role of international marketing strategy in the global expansion of PT Semen Indonesia Tbk using SWOT analysis. The research focuses on the utilization of the company's internal strengths, such as a positive reputation and integrated supply chain, in supporting expansion measures in international markets. The case study covers the acquisition of the Thang Long Cement plant in Vietnam, which expanded the company's market coverage in several countries including Vietnam, Singapore, and Bangladesh. Despite the success, political and legal risks in some countries posed challenges that needed to be addressed through risk diversification strategies and local partnerships. A deep understanding of cultural differences and consumer preferences in various markets was also identified as a key factor in achieving international marketing success for the company.

Keywords: Strategy, International Marketing, Strategic Alliance, SWOT Analysis.

A. INTRODUCTION

Indonesia as one of the countries in Southeast Asia has great potential and opportunity to increase the national economy by conducting international marketing. International marketing is a marketing activity that crosses the boundaries of more than one country. International marketing is the application of marketing management concepts, principles, activities, and processes to channel ideas, goods, or services of companies to consumers in various countries (Keegan & Green, 2012). The development of international marketing also has an impact on the development of business which is tight and full of competition. The company has a good strategy to be able to maintain its reputation. One of the products in international trade originating from Indonesia is cement. Marketing strategy is categorized into two aspects: marketing strategy formulation and marketing strategy implementation (El-Ansary, 2006). The process of marketing strategy formulation is built on three pillars namely customer, company, and competitors (Ferdinand, 2002).

PT Semen Indonesia (Persero) Tbk. is the largest cement producer and is listed as the first Multinational State-Owned Enterprise in Indonesia That has overseas subsidiaries which now consistently realizes business development programs to strengthen its position in the market. Companies need to conduct international trade because businesses cannot remain stagnant in certain fields and competencies so they must advance, otherwise others will lead (Zahid & Shah, 2016). In addition, PT Semen Indonesia (Persero) Tbk was finally made by the Ministry of BUMN as a Holding Company for other cement companies under the auspices of the Ministry of BUMN. Holding is a strategy of merging companies from various business lines in the form of a holding company that at least controls a dominant interest in one or more other companies so that it is possible to dictate their policies through voting power. (Black, 1968).

B. RESEARCH METHODS

Research Design

In this study, researchers used a qualitative approach. According to Denzin & Lincoln (1994) in (Anggito & Setiawan 2018) Qualitative research is research that uses a natural setting

to interpret phenomena that occur and is carried out by involving various existing methods. The research method used in the preparation of this paper is the literature study research method (Library Research) and is included in qualitative research. This research is aimed at the Inside Outside Circle learning model which is related to activeness in learning activities. According to Rosyidhana (2014) in (Rusmawan 2019) literature study is a method of collecting data by searching and reading existing written sources such as books or literature that explain the theoretical basis. It is the same as collecting data and information by exploring knowledge or knowledge from sources such as books, papers, and several other sources that have to do with the object of research (Dewi in Rusmawan, 2019).

Data Collection

According to Sugiyono (2009) in qualitative research, the instrument or research is the researcher himself. Qualitative research as a human instrument functions to apply the research focus, select information as data sources, conduct data collection, assess data quality, analyze data, interpret data, and make conclusions on its findings. The research instrument that researchers use in this research is documentation studies which include books and journals. Documentation according to Sugiyono (2019) is a method used to obtain data and information in the form of books, archives, documents, written figures, and descriptions in the form of reports and information that can support research. Documentation is used to collect data and then reviewed. The documentation used in this study includes books and journals. (Arifin, Pratama, & Utomo, 2023)

Qualitative Data Analysis

Data analysis is a series of activities to process previously collected data into a set of results, both in the discovery of new research and in the form of hypothesis truth (Sugiyono, 2019). The data analysis technique in this study is a qualitative data analysis technique based on literature data on research variables. The research steps in the literature study are as follows:

1. Determine the formulation of the problem
2. Theoretical foundation
3. Data collection
4. Literature study data analysis
5. Presentation of analyzed data
6. Conclusion of literature study data analysis

Then in this study, the strategy that will be used is SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). SWOT analysis is a strategic planning technique that is useful for evaluating strengths and weaknesses, opportunities, and threats in a company, especially in the strategies used. This is important for companies to determine strategy development, product sales, and new business ideas in the future.

C. RESEARCH RESULTS AND DISCUSSION

Company Acquisition

According to the article published by (Pratiwi, 2014) PT Semen Indonesia acquired one of the cement factories in Vietnam in 2012 the reason for this acquisition was to reduce business risk, this is according to the interview conducted by (Pratiwi, 2014) with the President Director of PT Semen Indonesia:

"In managing a business, what must be understood is the existence of business risk. When we only play in one place, the business risk is 100% influenced by that place. If the place is doing well, the business is good. But if it is not good, there is a crisis, for example, it will immediately collapse. Therefore, in business risk, don't just put your eggs in one basket."

According to (Zahid & Shah, 2016) businesses cannot remain stagnant in certain fields and competencies so they must advance, otherwise others will take the lead. With this

acquisition, PT Semen Indonesia will also open the market with surrounding countries such as Laos, Cambodia,

"Of course, Vietnam itself. Roughly 60-70 percent is marketed domestically. 30-40% is exported to Laos, Cambodia, Singapore, and even Bangladesh."

The strengths possessed by PT Semen Indonesia (Persero) Tbk in the process of acquiring companies in Vietnam lie in financial strength and then having strong experience in the cement industry and a good brand image. This strength takes advantage of existing opportunities, namely the country's economic conditions that are in crisis so that it will get a relatively low price and the condition of the company that needs fresh funds so that it can continue to operate (Parrangan, Kumadji, & Yulianto, 2015). Companies that are successful in building brand image will make it easier for consumers to recognize their needs for the brand so that it will increase consumers' desire to use the brand (Hsieh, Pan, & Setiono, 2004). Brand image is an important foundation in building Brand Equity so the formation of Brand Image will have a positive effect on Brand Equity (Zia, Younus, & Mirza, 2021). Brand Equity is very important in increasingly fierce market competition, especially for similar products, so that companies can survive in competition (Saidarka, 2019)

In addition to acquiring companies in Vietnam, PT Semen Indonesia also acquired a cement grinding company in Bangladesh, this was reported by (Asmara, 2014) the acquisition carried out was in the form of a merger, the merger carried out by PT Semen Indonesia was a horizontal merger, a horizontal merger is a merger process that combines two or more companies where the type of business is still the same (Pachulia, 2018).

Strategic Alliances

Strategies according to Ariyani, Darim, Megasari, Siswanto, & Pratama, (2022) that can be done by companies to carry out strategies to face existing competition. In addition to acquiring companies, another strategy undertaken by PT Semen Indonesia is to build a factory in Myanmar with an investment value of Rp 2 trillion. To realize this plant, the company is collaborating with a local partner or joint venture. A joint venture is a business created by two or more parties, generally characterized by shared ownership, shared returns and risks, and shared governance. Companies usually do joint ventures because they want to access new markets (Reuer & Leiblein, 2000) with this joint venture it can be said that PT. Semen Indonesia is making a strategic alliance in conducting international trade so that by making an alliance, the parties involved must produce something better through a transaction With an alliance, there is cooperation or collaboration with the aim of synergy (Mowery, Oxley, & Silverman, 1996).

Export Products

For its hard work in 2013 PT Semen Indonesia was included in the Forbes Global 2000 or a list of the 2000 best-performing public companies worldwide. The list of The World's Biggest Companies is published annually since 2004 by Forbes, a leading economic media based in the United States The Forbes Global 2000 assessment is based on four financial performance indicators-namely, sales, profits, assets, and market value. Forbes Global 2000 has become one of the references for business people and investors to find out the performance of a public company listed on stock exchanges in various countries in the world.

We are a large-scale manufacturer specializing in producing various mining machines including different types of sand and gravel equipment, milling equipment, mineral processing equipment, and building materials equipment:

"Semen Indonesia is focusing on working in the South Asian and Southeast Asian markets, such as Bangladesh, India, Sri Lanka, Maldives, Philippines, and Timor Lest. In 2019, the company succeeded in expanding its export network in the East Asian region, including China, which is experiencing a shortage of cement production."

Exports are carried out because the export destination country lacks cement supply in the country, one of the causes is environmental issues over the presence of cement factories. Based

on data from the Indonesian Cement Association (ASI) in 2019, the current national cement capacity reached 113.1 million tonnes. This number is higher than expected because several players have just completed their factory projects (Nuryadi et al., 2023). So, it can be concluded that the company's export performance is excellent, this can happen because the company has a positive perception of export activities (Shoham & Pfajfar, 2016). In addition to company profits, exports will also have a positive impact on economic growth in a country (Kartikasari, 2017).

At the international marketing stage, PT Semen Indonesia Tbk. has implemented a comprehensive SWOT analysis to guide its strategic steps. SWOT analysis is an important approach that identifies a company's strengths, weaknesses, opportunities, and threats in the context of the global market. In the context of PT Semen Indonesia, these factors play a crucial role in shaping effective marketing strategies in different countries. Through the SWOT approach, the company has understood the extent to which internal and external aspects can positively or negatively impact its international marketing objectives. The following will outline the key components of the SWOT analysis that have informed the company's strategic decisions in achieving success in its global expansion.

Tabel. 1 SWOT Matrix

	Strength	Weakness
	<ul style="list-style-type: none"> - Good Company Reputation - The quality of the product is unquestionable. - Have an integrated supply chain 	<ul style="list-style-type: none"> - High dependence on the domestic market - Lack of experience operating in international markets
Opportunities	Strategi (S-O)	Strategi (W-O)
<ul style="list-style-type: none"> - High global demand for Infrastructure materials - New market opportunities - Risk Management and Income Diversification 	<ul style="list-style-type: none"> - Leverage the Company's good reputation to fulfill high global demand. - With recognized product quality, PT Semen Indonesia Tbk, can diversify its market, which can be a strategy to mitigate revenue risk. 	<ul style="list-style-type: none"> - Opening up new markets to attract consumers globally. - Doing exports - Collaborate with companies in the target country to facilitate operations.
Threats	Strategi (S-T)	Strategi (W-T)
<ul style="list-style-type: none"> - Political and Legal Risks - Environmental Uncertainty - Limited supply of cement raw materials 	<ul style="list-style-type: none"> - Establish strategic partnerships and alliances to mitigate political and legal risks, and to deal with the uncertainty of the foreign environment. - Expanding supply chain reach to multinational realms to maintain raw material stability 	<ul style="list-style-type: none"> - The existence of turmoil in a government policy, will potentially change new regulations and harm the company. - A limited supply of raw materials will potentially prevent a company from producing goods and will reduce company revenue.

Based on the SWOT matrix, strategies can be formulated that can be recommended:
Strategy (S-O)

Corporate reputation is one of the most important elements in the business world. Because good or bad the company's reputation is an important indicator of the company's success. Corporate reputation is complex, but if managed well, it can be very valuable. Some important issues in reputation management and society's view of reputation. According to Afdhal, in Roy Marthin Tarigan's journal, company reputation is an intangible asset. The state of reputation will depend on what the company does as an entity. Furthermore, it will depend on the communication and signs that are chosen to be given to the market. The symbol of reputation, the company name, if managed well, will present the company to be supported by society. It will even be valuable to consumers.

Fombrun in Rani Sherly Fajrina's journal reputation is a manifestation of a person's experience with the product, or service they get. A good reputation will increase credibility, making consumers more confident that they will get what has been promised to them. Reputation is a guarantee that what consumers get will match the expectations they have.

As carried out by PT Semen Indonesia which succeeded in reaching the International Market, namely because of the success of the company in the local market. PT Semen Indonesia under the auspices of BUMN succeeded in bringing the company's name to the international arena with strategies and ways that have been done so that consumers believe in the brand of PT Semen Indonesia in front of the Indonesian public, especially in terms of building. The success of PT Semen Indonesia in acquiring the Thang Long Cement company made the company participate in becoming one of the local cement producing companies that participated in meeting the needs of consumer demand in the international market, especially in the cement industry.

The success of PT Semen Indonesia in reaching the international market will increase brand reputation and consumer views of the products offered by the Company so that in the future it is hoped that consumers will always be able to believe in the quality of goods produced by the company, and not only in cement products.

Strategy (W-O)

The achievements that have been made by PT Semen Indonesia can give a good view in front of consumers globally. The company will likely be able to carry out more export activities to various countries, which will allow the company to cooperate with the destination country. In the company's strategy, exporting is one way for the company to increase brand awareness and be able to sell products internationally, this is a good opportunity for the company to attract more consumers and is expected to be able to meet the needs of the consumer market in the destination country. Companies need to determine in advance which countries will be their export destinations, and know the target market in that country, this needs to be done so that the marketing activities carried out later will be appropriate. Sometimes in a company expanding its products by exporting, there will usually be a lot of challenges that will be faced, one of which is related to regulations in the country, which can be in the form of legal provisions, operations, and so on. Therefore, companies that will export are expected to cooperate with foreign companies in the country, because this will be beneficial for the company itself in the future. This is evidenced by the success of PT Semen Indonesia, one of which is the acquisition of the Thang Long Cement plant in Vietnam, which aims to attract wider consumers and facilitate the company's operations in an effort to meet cement consumption in the country.

Strategy (S-T)

The term strategic alliance arose because of the important role that partnerships play in the large organizational strategies of many companies. In addition to easing the path to new markets, these alliances give the local company more control over its foreign activities than independent agents and licensing agreements. At the same time, all partners in an alliance make the same decisions. Most importantly, the alliance allows the company to benefit from the

knowledge and expertise of its foreign partner. So cooperation is expected to help in suppressing the risks that can later arise.

A supply Chain is a series of business processes that connect several actors to increase the added value of raw materials/products and distribute them to consumers. It should be seen that the main goal of the supply chain is to increase added value. Thus, each actor in the supply chain network will contribute specific inputs or processes that can increase the value of a product. Broadly, supply chains are not only about increasing added value, but also about meeting consumer demand, increasing competitiveness, increasing profits, and building good relationships between actors in the supply chain (Chauhan and Proth 2005; Yao et al. 2008). Thus, it is not true that the supply chain is only concerned with the factory or production process, but other components must be considered, one of which is building coordination and collaboration with other actors along the supply chain. More specifically, Chopra and Meindl (2013) define supply chains as not only limited to factories and suppliers but also need to look at the conditions of distributors, warehouses, retailers, and even need to look at consumer needs. So, with, when a company expands by selling and producing products abroad, the reach of its multinational supply chain must also be well guaranteed, which aims to maintain the stability of raw materials which aims to ensure that consumer needs will be met quickly and efficiently, one of which is the PT Semen Indonesia factory abroad.

Strategy (W-T)

Policies in a country will always be obeyed and followed, as will companies in a country, of course, all policies and regulations will always have to be followed by these companies. If there is a new policy or policy change, it will certainly be followed by all business lines in the country. Likewise, PT Semen Indonesia, which already has factories abroad and can be said to have succeeded in expanding into the international market, all policies within the company will also be adjusted to the laws and regulations that apply in that country. Therefore, if there is a policy change and so on, PT Semen Indonesia will probably only prepare the best, one of which is to invest and establish partnerships with local companies in the country. By doing so, PT Semen Indonesia is expected to be able to mitigate the risks that arise related to changes in government policies in the country.

A new policy in a country can certainly have an impact, either positively or negatively, and this can also have an impact on the cessation of raw material supply and can make cement production stop. Therefore, to maintain the stability of raw materials for the production process, the method taken by PT Semen Indonesia is to have its factory and collaborate with local companies in the country, this aims to avoid the risk of environmental uncertainty that can arise at any time in the country. So that if this happens, PT Semen Indonesia will still be able to produce cement properly to meet the cement needs of consumers in the country.

D. CONCLUSIONS AND SUGGESTIONS

Conclusion

PT Semen Indonesia Tbk has successfully navigated the international market with a comprehensive approach, combining company acquisitions, export initiatives, and strategic alliances. The overseas acquisition strategy has been a smart move, expanding the reach of the business globally while minimizing risk through diversification. The company successfully executed its export strategy, reaching consumers in various countries and expanding its market share on a global level. Furthermore, PT Semen Indonesia Tbk achieved success in international markets through the formation of strategic alliances, particularly through partnerships with local companies in destinations such as Vietnam and Bangladesh. These alliances facilitate the utilization of local partners' knowledge and expertise, create mutually beneficial synergies, and strengthen the company's position in international markets.

In the face of global challenges and opportunities, the company demonstrates adaptability through continuous innovation and focused SWOT analysis. This approach enables PT Semen

Indonesia Tbk to formulate strategies that are in line with its strengths, weaknesses, opportunities, and threats. In conclusion, this journal confirms the company's success in implementing effective international marketing strategies, cementing its position as Indonesia's first multinational state-owned enterprise, as well as making it a key player in the international cement industry. In the context of international strategy, the company actively engages in international trade, opening up new opportunities and supporting revenue diversification. By becoming a Holding Company, PT Semen Indonesia can control its subsidiaries under the auspices of the Ministry of SOEs, giving it greater power and control over its subsidiaries' policies and operations.

Suggestion

As a suggestion, for companies that will make acquisitions, it is advisable to study the approach that has been successfully implemented by PT Semen Indonesia, especially in considering the strategic factors of the location of the acquired company. This allows the company to not only produce for its domestic market but also market its products to surrounding countries. Meanwhile, for PT Indonesia, it is recommended to continue to innovate and improve marketing strategies to face competitors and potential new entrants, especially in capturing market share in Indonesia, PT Semen Indonesia's main market.

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