



## Proposed Marketing Strategies for CNG Product from PT Migas Hilir Jabar

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**ABSTRACT:** The demand for fuel in Indonesia is currently on the rise due to population growth. Among the fuels experiencing increased demand is CNG (compressed natural gas), which is derived from natural gas. This surge in demand has led to intense competition within the CNG market. PT Migas Hilir Jabar is facing challenges in competing in this market, primarily due to higher product prices compared to competitors and limitations in terms of human and financial resources. At present, PT Migas Hilir Jabar has only one customer, Grand Hotel Preanger. Consequently, it is crucial for the company to analyze the reasons behind potential customers not choosing them as their CNG supplier. The research conducted employs a descriptive qualitative method and involves interviews utilizing the AIDA model. The selection of companies for this study aligns with the target market of PT Migas Hilir Jabar. The gathered data is subjected to various analytical techniques, including 4P marketing analysis, competitor analysis, consumer analysis, PESTEL analysis, SWOT analysis, and TOWS analysis. The research findings underscore the necessity for the company to enhance sales efficiency. Collaborating with strategic partners who can optimize the operationalization of CNG business, ensure the availability of supplies according to customer demand, and build brand awareness for increased recognition.

**KEYWORDS:** Marketing Strategy, Purchase intention, SWOT Analysis, TOWS Analysis

### INTRODUCTION

Based on population data from the Indonesian Central Statistics Agency [1], Indonesia's population has been continuously increasing from 2010 to 2035, with an average annual growth rate of +3%. Along with population growth and the need for industrial production, fuel consumption, particularly gas, will continue to rise for production and transportation activities. This growth also has an impact on the environment in Indonesia, with high levels of pollution prompting the government to start educating people about the use of more environmentally friendly fuels. The strong population growth trend indicates that Indonesia will face increasingly greater challenges in meeting the country's energy needs. Increased energy consumption, along with population growth and industrial activities, demands efficient and sustainable solutions. In Indonesia, the consumption of natural gas has experienced significant growth in recent years. Rapid economic growth, industrialization, and government policies to reduce dependence on conventional fossil fuels have driven the increased consumption of natural gas in the country. Data from the Indonesian Ministry of Energy and Mineral Resources shows that natural gas consumption in Indonesia has increased significantly over the past decade. In 2019, natural gas consumption reached 2,034 billion cubic feet per year, an increase of approximately 76% compared to the year 2000 [2]. The increase in natural gas consumption in Indonesia can be explained by several factors. Firstly, natural gas is considered a cleaner fuel compared to conventional fossil fuels such as coal and petroleum. The use of natural gas in power generation has increased significantly as part of efforts to reduce greenhouse gas emissions and address air pollution. Secondly, the use of natural gas in the industrial sector has also seen an increase. Natural gas is used in petrochemical industries, steel production, and other manufacturing sectors. Its flexible and efficient nature makes natural gas an attractive choice for the industry sector [3]. Natural gas, especially in the form of Compressed Natural Gas (CNG), presents a promising alternative to address these challenges. The use of CNG as an industrial energy source can provide significant benefits in reducing dependence on increasingly scarce and environmentally harmful conventional fossil fuels. By replacing conventional fuels with CNG, Indonesia can reduce greenhouse gas emissions and air pollutants that contribute to climate change and public health issues. Additionally, Indonesia's abundant natural gas resources make CNG a sustainable choice with the potential to reduce dependence on fossil fuel imports. CNG (Compressed Natural Gas) is a compressed and cleaner alternative to gasoline or diesel. It is made from methane extracted from natural gas sources. CNG has a high energy density, allowing for more gas to be stored in a smaller space, making it efficient for transportation and storage. The gas is



compressed by increasing its pressure and stored in strong containers designed to withstand pressures up to 200 bar. CNG offers environmental benefits, economic advantages, and efficient storage, making it a viable option for clean and sustainable energy [4]. PT Migas Hilir Jabar, as a company operating in West Java, actively participates in the CNG (Compressed Natural Gas) industry. Recognizing the growing demand for gas, PT Migas Hilir Jabar acknowledges the potential in capitalizing on this increasing need. However, as the demand rises, it is expected that new competitors will enter the market to seize the opportunities presented by this industry. Hence, it becomes crucial for PT Migas Hilir Jabar to develop an effective strategy that enables them to maintain their competitiveness in this business landscape. To formulate these marketing strategies, a comprehensive assessment of the existing marketing environment in Indonesia will be undertaken. This assessment will encompass competitor research, internal analysis, customer analysis, and external analysis, aiming to identify potential opportunities for PT Migas Hilir Jabar to differentiate their CNG product from competitors and establish a robust market presence. The successful execution of the proposed marketing strategy for CNG in Indonesia will yield multiple benefits for PT Migas Hilir Jabar. Not only will it drive increased sales, but it will also enhance the company's brand equity and establish a sustainable competitive advantage within the Indonesian market. By capitalizing on Indonesia's expanding population, the rising fuel consumption, and the growing awareness of environmentally friendly energy solutions, PT Migas Hilir Jabar can unlock new growth opportunities and solidify its position as a key player in the energy sector. This thesis endeavors to serve as a valuable resource for the marketing team of PT Migas Hilir Jabar by offering practical insights and recommendations to steer the success of CNG marketing in West Java. By embracing the proposed strategy, PT Migas Hilir Jabar can proactively address the needs and desires of their CNG customers, capitalize on the correlation between the escalating demand for fuel and the growing awareness of environmentally friendly fuel options, and achieve sustainable business growth in the Indonesian market. Through the effective implementation of these strategies Compressed Natural Gas can emerge as the primary fuel choice for companies in Indonesia, particularly in West Java.

## BUSINESS ISSUES

The CNG industry in West Java has been growing and has seen a lot of competition between the companies operating in this field. Some of the companies operating in the CNG industry in West Java include PTPGN Gas Niaga, PT Artha Anugrah Energi 87, PTPertamina Gas, PTMigas Hilir Jabar and several other private companies. Competition in the CNG industry in West Java takes place through a number of strategies, such as offering competitive prices, improving service quality, developing infrastructure and innovating products. In the competition of the CNG industry in West Java, each company tries to attract the consumer's attention and win the competition with the right strategy. This is what makes the companies operating in this industry have to have a competitive advantage in order to compete. The business issue addressed in this thesis is that PT Migas Hilir Jabar is facing difficulties in acquiring new customers for their CNG product. Currently, PT Migas Hilir Jabar only has one customer, which is the Grand Hotel Preanger. Relying on a single customer makes PT Migas Hilir Jabar's revenue highly dependent on the total absorption/purchase of CNG by the Grand Hotel Preanger, resulting in fluctuating revenue. Based on the interviews conducted by the author with Mr. Komar (an expert from PT Migas Hilir Jabar), the company is currently implementing their marketing strategy through door-to-door sales in the industry cluster, with the expectation of establishing direct connections with potential customers. However, this strategy has proven to be ineffective as the potential customers approached by PT Migas Hilir Jabar have not made any purchases of their CNG product. Based on the existing marketing strategy implemented by PT Migas Hilir Jabar, it is found that the company has not conducted research on the reasons why potential buyers are reluctant to purchase their CNG product. Analyzing the reasons for purchase is crucial as it helps address the company's issues regarding customer expectations for the product they sell. By understanding the factors desired by customers, the company can determine the necessary marketing strategies to improve sales of their CNG product. Analyzing the factors that drive customers to purchase CNG products from PT Migas Hilir Jabar will assist the company in developing their product to align with customer expectations. The author also discovered that the reason for not conducting research on this matter is that they were not aware of the importance of understanding potential buyers' purchase intentions. After analyzing the 5 Whys, it is evident that the primary challenge faced by PT Migas Hilir Jabar in acquiring new customers is their ineffective marketing strategy in attracting potential buyers. A key factor contributing to this issue is their failure to recognize the significance of understanding the reasons behind potential buyers' reluctance to choose their CNG product. To address this, the author of this thesis intends to conduct interviews with prospective CNG buyers from PT Migas Hilir Jabar, employing the AIDA model, which encompasses Awareness,



Interest, Desire, and Action. The objective is to identify the factors influencing the purchase intention towards PT Migas Hilir Jabar's CNG product and devise an effective marketing strategy accordingly.

**METHODOLOGY**

The research methodology employed in this study consisted of both external and internal analyses. External analysis included examining business issues using frameworks such as Porter's Five Forces, PESTEL analysis, Customer Analysis, and Competitor Analysis. Internal analysis, on the other hand, involved conducting STP Analysis, examining the Marketing Mix, and performing VRIO Analysis. Furthermore, a SWOT analysis was conducted by integrating the findings from both the internal and external analyses. To further refine the strategic direction, the output of the SWOT analysis was then subjected to TOWS analysis. The primary data in this study are collected through interview. The author conducted interviews with PT Migas Hilir Jabar's staff, specifically with an expert named Mr. Komar, to gain insights into the company's issues. Additionally, the author interviewed potential customers of PT Migas Hilir Jabar to gather feedback and assist in developing marketing strategies for their CNG products. The author selected two potential buyers, Mr. Ade, the Head of Engineering at Mason Pine Hotel, and Ms. Mayang, the Manager at INKABA, as respondents for the interviews. The data analysis method used in this study is qualitative data collection, following Cresswell's perspective in his book. According to Cresswell [5], qualitative data refers to information obtained through non-numeric methods such as interviews, observations, documents, or field notes. Cresswell emphasizes that qualitative data can provide in-depth understanding of participants' experiences and perspectives. In this study, the author conducted interviews using the AIDA model to understand the reasons why potential buyers do not choose CNG products from PT Migas Hilir Jabar. Additionally, regarding the issues faced by the company, the author asked questions related to the current situation of the company. The following is a list of questions created by the author can be seen in Table 1.

**Table 1.** List of questions

Topics Related	st Questions	rticipant
Current situation in the company	<ul style="list-style-type: none"> <li>• What marketing strategies are currently being implemented by the company?</li> <li>• Who are the customers of the company's CNG products?</li> <li>• What challenges is the company currently facing?</li> <li>• How does the company address the challenges it is facing?</li> <li>• Does the current issue impact the company's revenue?</li> </ul>	<ul style="list-style-type: none"> <li>• MR. Komar (experts from PT Migas Hilir Jabar)</li> </ul>
Customer analysis using AIDA Model	<p><b>Attention</b></p> <ul style="list-style-type: none"> <li>• What makes you interested in using CNG?</li> <li>• Are you aware that using CNG as an energy source can reduce operational costs and environmental impact?</li> <li>• Were you previously familiar with PT Migas Hilir's CNG products?</li> </ul> <p><b>Interest</b></p> <ul style="list-style-type: none"> <li>• Do you want to know more about CNG products from PT Migas Hilir Jabar compared to other energy options?</li> <li>• What factors motivate your company to switch your fuel to CNG?</li> </ul> <p><b>Desire</b></p> <ul style="list-style-type: none"> <li>• What do you expect from the CNG products from PT Migas Hilir Jabar?</li> </ul> <p><b>Action</b></p> <ul style="list-style-type: none"> <li>• Are you interested in purchasing CNG products from PT Migas Hilir Jabar?</li> </ul>	<ul style="list-style-type: none"> <li>• Mrs. Mayang ( Manager From INKABA)</li> <li>• Mr. Ade (head of engineering from Mason Pine Hotel)</li> </ul>



	Is there any advice for the company PT Migas Hilir Jabar?	
Data collection to determine the current position of the company.	<ul style="list-style-type: none"> <li>• Is there a minimum volume requirement for purchasing CNG?</li> <li>• What types of companies typically use CNG?</li> <li>• What is the maximum distance for a company to sell CNG products?</li> <li>• Who are the competitors of PT Migas Hilir Jabar?</li> <li>• What sets PT Migas Hilir Jabar apart from other CNG companies?</li> <li>• What are the advantages of PT Migas Hilir Jabar?</li> </ul>	<ul style="list-style-type: none"> <li>• Mr. Komar (experts from PT Migas Hilir Jabar)</li> </ul>

**RESULT AND DISCUSSION**

**A. Internal Analysis**

**1) Marketing Mix Analysis**

**a) Product**

PT Migas Hilir Jabar currently engages in the gas trading business, specifically buying and selling natural gas for compression purposes at the Compressed Natural Gas (CNG) station in Pasirjadi, Subang Regency. The company has a distribution capacity of 1 MMSCFD out of a total capacity of 4 MMSCFD (from 2 CNG compressors), which began in 2020. Currently, PT Migas Hilir Jabar collaborates with other companies to facilitate the production of their CNG products. This is because the company does not yet possess compressors and operational equipment necessary for selling their CNG.

**b) Price**

The CNG industry falls under cost-based pricing. Cost-based pricing is a pricing strategy that is based on the production, marketing, and distribution costs of a product or service. In the CNG industry, prices are determined by the production, marketing, and distribution costs of natural gas. PT Migas Hilir Jabar has not yet received direct gas allocation from the central government, which requires them to purchase gas from suppliers. Currently, PT Migas Hilir Jabar has a gas supplier that has direct allocation from the central government, but the purchase price of gas offered is still quite high.

**c) Place**

The Pasirjadi CNG Plant, owned by PT Migas Hilir Jabar in West Java, plays a crucial role in the company's CNG sales. With this plant, PT Migas Hilir Jabar has the necessary infrastructure to produce and supply CNG to meet the energy demands of industries in the region. The plant's strategic location allows for efficient distribution, reducing transportation costs and ensuring reliable supply. The presence of industrial zones in West Java creates a high demand for energy, making CNG an appealing alternative fuel for businesses. PT Migas Hilir Jabar recognizes this opportunity and positions itself as a reliable supplier of CNG to meet the energy needs of the industrial sector in the area. By leveraging the Pasirjadi CNG Plant and capitalizing on the industrial potential in West Java, PT Migas Hilir Jabar can establish a strong market presence and expand its customer base. The company's focus on serving the energy needs of industries aligns with its strategic goals, contributing to its growth and success in the CNG sales market.

**d) Promotion**

Initially, PT Migas Hilir Jabar implemented door-to-door marketing within an industry cluster to establish direct connections and personalized relationships with potential customers. However, limited human resources have hindered the effectiveness of this strategy. Insufficient personnel have made it challenging to reach a wide range of prospects, resulting in missed opportunities to communicate the value of PT Migas Hilir Jabar's CNG products. That's because PT Migas Hilir Jabar has a limited budget. To address this issue, alternative marketing strategies should be explored considering the available resources. Options include leveraging digital channels, participating in networking events, or collaborating with industry associations to maximize outreach. Adapting the approach to align with resource capabilities will enable PT Migas Hilir Jabar to overcome limitations and enhance marketing effectiveness.



2) VRIO Analysis

The VRIO framework consists of a set of questions used to assess a business based on the principles of the resource-based view (RBV), which require meeting four conditions for a sustainable competitive advantage: value, rarity, difficulty to imitate, and organization. The outcomes of applying this framework and their implications can be seen in Table 2.

Table 2. VRIO framework

Resource	Valuable	Rare	Costly to Imitate	Support by organization	Competitive Advantages
Support from the governments	Yes	Yes	Yes	Yes	Sustained Competitive Advantage
Memiliki fasilitas CNG plant Pasirjadi	Yes	No			Competitive parity
Bundling Pricing with the construction	Yes	Yes	No		Temporary Competitive Parity

The VRIO analysis conducted reveals that PT Migas Hilir Jabar, as a government-owned enterprise in West Java, possesses a distinctive competitive advantage and strength. This advantage stems from the continuous support and assistance the company receives in selling its CNG products. This support, granted by the government, provides PT Migas Hilir Jabar with a unique position in the market. Furthermore, the implementation of a bundling pricing strategy in the sale of CNG products presents an additional potential advantage for the company. Although this strategy can be replicated by competitors, it offers PT Migas Hilir Jabar an opportunity to differentiate itself and attract customers through attractive package deals or combined offerings. The VRIO analysis conducted on PT Migas Hilir Jabar, a government-owned enterprise in West Java, highlights its distinct competitive advantage and strength. The company benefits from continuous government support in selling CNG products, giving it a unique market position. Additionally, the implementation of a bundling pricing strategy offers further potential advantages, allowing PT Migas Hilir Jabar to differentiate itself and attract customers with attractive package deals or combined offerings.

3) STP Analysis

a) Segmenting

Author and PTMigas Hilir Jabar have made a segment formulation through FGD to select the target market as seen in Table 3.

Table 3. CNG segmentation

Segmentation	Criteria	Attribute	Identified Market
Geographic	Region	Bandung – West Java	Manufacture, Hospitality, Textile and F&B
Demographic	Type of industries	Use boiler to produce steam	Manufacture, Hospitality, Textile and F&B
	Fuel	Coal	Textile
		Diesel	Manufacture
		LNG	F&B
	Fuel Consumption	Minimum 10.000 MMBTU/ Months	
Lower than 1.500 MMBTU / Months – 800 MMBTU / Months			Hospitality



**b) Targeting**

The summary points to be formulated in targeting analysis can be seen in Table 4.

**Table 4.** Summary of targeting strategies

Segmentation	Criteria	Attribute	Identified Market
Geographic	Region	Bandung – West Java	Manufacture, Hospitality, Textile and F&B
Demographic	Type of industries	Use boiler to produce steam	Manufacture, Hospitality, Textile and F&B
	Fuel	Coal	Textile
		Diesel	Manufacture
		LNG	F&B
		LPG	Manufacture
	Fuel Consumption	Minimum 10.000 MMBTU/ Months	Manufactures, F&B, and Textile
Lower than 1.500 MMBTU / Months – 800 MMBTU / Months		Hospitality	
Summary	<b>Manufacture and hospitality are the target market</b>		

Based on summary of targeting analysis, it concluded that manufacture and hospitality is the target market.

**c) Positioning**

- (1) Target Segment: Manufactures and hospitality industry that use fuels other than coal are the target market
- (2) Problem: Companies that require an alternative fuel that is cheaper, safe, and of better quality than LPG and coal.
- (3) Consumers' job to be done: Companies using CNG.
- (4) Frame of reference: Other companies selling CNG (PT Citra Nusantara Gemilang, PT Artha Anugrah Energi 87).
- (5) Basic requirements: Companies with gas trading permits, compressors, and GTM.
- (6) Unique value proposition: MRJ is a BUMD (Regional Government-Owned Enterprise) that makes it easier for the company to obtain direct support from the government, such as recommendation letters for the use of CNG.
- (7) Reason to believe: BUMD company, already has an official gas trading permit, and has its own CNG plant.
- (8) Distinction from competitors: MRJ is a BUMD
- (9) Emotional and benefits: Customers get a cheaper price, obtain optimal combustion results from CNG, and feel safer due to the environmentally friendly combustion system of CNG, which reduces the company's risks.

**B. External Analysis**

**1) Porter’s 5 Forces Analysis**

The five Porter forces model is a framework used to analyze the competitive forces within an industry. The summary of Porter’s five forces analysis can be seen in Table 5.

**Table 5.** Summary of Porter’s five forces analysis

Indicator	PT Migas Hilir Jabar
Threat of new entrants	Low
Bargaining power of suppliers	High
Bargaining power of customers	Low
Threat of substitute products	High
Competitive rivalry	Low
Indicator	PT Migas Hilir Jabar



## 2) PESTLE Analysis

### **Political: Opportunity**

Mustafid conveyed the Fuel Conversion Program to Gas in Indonesia. In 2019, Indonesia's trade balance experienced a deficit due to high fuel imports. In terms of electricity, high fuel consumption also led to high costs for electricity provision. "The high fuel consumption necessitates us to start using gas as a fuel, especially natural gas," [6]. According to those news Indonesia's government has been promoting the use of natural gas, including CNG, as a way to reduce its dependence on imported oil and improve energy security. This creates opportunities for the CNG industry in Indonesia. However, political instability, corruption, and bureaucracy can create challenges for businesses operating in the country.

### **Economical: Threat**

The significant increase in natural gas prices has prompted a large-scale shift towards the use of coal instead of natural gas for electricity generation in major markets, including the United States, Europe, and Asia. The increased use of coal, in turn, has led to higher CO<sub>2</sub> emissions from power plants globally [7]. Coal and petroleum products have a strong influence on the price of natural gas, so when natural gas prices rise, the price of CNG also increases.

### **Social: Opportunity**

Since its initial production in 1965, the need for natural gas in Indonesia has witnessed a consistent rise. Presently, more than 60% of the country's gas production caters to domestic requirements. The National General Energy Plan (RUEN) outlines a goal for natural gas to contribute 24% to the national energy blend by 2050. Tutuka emphasized that the availability of gas reserves will play a crucial role in attaining this objective [8]. The data above concludes that the demand for CNG is increasing, which creates significant opportunities for this business.

### **Technological: Opportunity**

So far, CNG has commonly been used as a fuel for transportation and industrial purposes. It has not been widely utilized as a power generation source. The CNG-PLTMG Peaking Sei Gelam - Jambi plant is the first facility that utilizes CNG technology for power generation. In this regard, Rekind has been able to act as a packager, integrating individual equipment into a reliable, safe, and high-quality CNG system. In this project, Rekind serves as the lead contractor responsible for activities such as basic design, detailed design, construction, and commissioning [9]. With advancements in CNG technology, the potential to expand the CNG market is growing significantly. As mentioned in the above news, it is evident that CNG can now be used as a power generation source. This development opens up new possibilities and opportunities for utilizing CNG in the electricity sector.

### **Environmental: Opportunity**

The utilization of CNG as a substitute for fossil fuels such as diesel oil (solar) brings about savings and benefits to nature and the environment (clean energy). It also serves as a solution to fuel scarcity due to the lack of infrastructure [10]. CNG is considered a cleaner fuel than gasoline or diesel, and this can make it more attractive to consumers and the government. The country's efforts to reduce carbon emissions and improve air quality can create opportunities for the CNG industry.

### **Legal: Threat**

According to the provisions of Article 5 paragraph (10), Article 7 paragraph (2), and Article 8 paragraph (2) of Presidential Regulation Number 40 of 2016 concerning the Determination of Natural Gas Prices as amended by Presidential Regulation Number 121 of 2020 concerning Amendments to Presidential Regulation Number 40 of 2016 concerning the Determination of Natural Gas Prices, the Minister of Energy and Mineral Resources (ESDM) has issued Ministerial Regulation Number 15 of 2022 regarding the Procedures for Determining Specific Natural Gas Users and Specific Natural Gas Prices in the Industrial Sector [11]. Currently, the purchase price of natural gas is highly dependent on regulations set by the government. This situation requires companies to optimize their CNG business in order to maintain a stable selling price.

## 3) Competitor Analysis

Competitor analysis can be seen in Table 6.



Table 6. Competitor analysis

Attributes	PT Migas Hilir Jabar	PT Citra Nusantara Gemilang	PT Artha Anugrah Energi 87
<b>Company Profile</b>	Formed in 2014	Formed in 2005	Formed in 2011
<b>Product</b>	CNG	<ul style="list-style-type: none"> <li>Gasra Industri</li> <li>Gasra Retail</li> <li>Gasra LNG</li> <li>Gasra NGV</li> <li>Gasra Transport</li> <li>Gasra Service</li> </ul>	<ul style="list-style-type: none"> <li>Supplier CNG</li> <li>Manufacturing GTM</li> <li>Piping contractor</li> </ul>
<b>Marketing</b>	Door to door promotion	<ul style="list-style-type: none"> <li>Media Sosial</li> <li>Website</li> <li>Door to door promotion</li> </ul>	<ul style="list-style-type: none"> <li>Media Sosial</li> <li>Website</li> <li>Door to door promotion</li> </ul>
<b>Price</b>	Bundling of gas prices can be achieved by changing the burner or boiler.	Gas prices are separate with burner and boiler modifications	Gas prices are separate with burner and boiler modifications
<b>Operation</b>	The company rents compressors and other operational equipment to facilitate the sale of CNG.	The company owns compressors and other operational equipment.	The company owns compressors and other operational equipment.
<b>Company Type</b>	BUMD	Private Company	Private Company
<b>Alokasi Gas</b>	Doesn't have gas allocation yet.	Already has gas allocation.	Doesn't have gas allocation yet.

4) Customer Analysis

In conducting customer analysis, the author conducted interviews with two potential CNG customers from PT Migas Hilir Jabar. Mr. Ade, the Head of Engineering at Mason Pine Hotel, and Mrs. Mayang, the Manager at INKABA, were chosen as participants due to their significant influence in determining the fuel purchases for their respective companies.

Aligned with the objective of this thesis, which is to analyze the factors influencing purchase intention, the author referred to the AIDA model to formulate questions for the potential customers of PT Migas Hilir Jabar. The author's aim in interviewing these two potential buyers of CNG from PT Migas Hilir Jabar was to understand their motivations, expectations, and reasons for considering switching their company's fuel to CNG from PT Migas Hilir Jabar. From the interviews conducted by the author, several factors influencing purchase intention for PT Migas Hilir Jabar's CNG products were identified. The factors mentioned were the price of PT Migas Hilir Jabar's CNG product, the certainty of supply from PT Migas Hilir Jabar, and brand awareness.

Regarding the price factor, both companies agreed that they wanted PT Migas Hilir Jabar to offer competitive and cheaper prices compared to other companies. However, INKABA also expressed the desire for bundled pricing for gas and equipment modifications. For the demand from INKABA itself, PT Migas Hilir Jabar does have such service. The certainty of supply was a consideration for both companies because if the CNG supply did not meet their expectations, it would result in losses for their businesses. The last factor mentioned was brand awareness. According to the interviewed companies, they were not aware that PT Migas Hilir Jabar is one of the CNG providers. INKABA and Mason Pine Hotel suggested that PT Migas Hilir Jabar create a company website as they found it challenging to obtain information about PT Migas Hilir Jabar.





From the interviews with potential CNG customers of PT Migas Hilir Jabar, it was found that price is not the only important factor in their purchasing decisions. The interviews revealed two other factors, namely the certainty of supply and brand awareness. The certainty of supply was considered crucial because any discrepancies in the CNG supply would impact the companies' performance. Brand awareness was also identified by the author as influential, as potential buyers who are unaware of PT Migas Hilir Jabar as a CNG provider are unlikely to purchase CNG products from them.

5) **SWOT Analysis**

The SWOT analysis is conducted by gathering data from both internal and external sources, as compiled by the author. The collected data is then used to populate the Strengths and Weaknesses sections for internal factors, and the Opportunities and Threats sections for external factors in the SWOT analysis table. SWOT analysis helps businesses identify competitive advantages, improvement areas, growth opportunities, and external risks, enabling informed decisions and strategies. SWOT analysis can be seen in Table 7.

**Table 7.** SWOT analysis

<b>Strength</b>		<b>Weakness</b>	
(S1)	Possessed accurate government data related to energy development planning and integrated gas network (ring line) in accordance with the Spatial ( <i>Rencana tata ruang wilayah</i> ) (STP)	(W1)	PTMigas Hilir Jabar does not yet have a Marketing Team to carry out the marketing of CNG (Marketing mix).
(S2)	PTMigas Hilir Jabar will be able to produce and to supply (CNG) as clean and environmentally friendly Energy in West Java. (marketing mix)	(W2)	Does not have a website (Marketing Mix).
(S3)	Located in West Java as central of industry in Indonesia which growing significantly and fast. (Marketing Mix)	(W3)	Do not have a compressor and operational facilities (marketing mix)
(S4)	Privileges as a BUMD that has the potential to obtain an appointment to purchase gas directly even though it still exists fulfillment of the main requirements for make it happen. (VRIO)	(W4)	Limited of Capital (Marketing Mix)
		(W5)	High selling price (Marketing Mix)
		(W6)	Does not have its own allocation (Competitor analysis).
<b>Opportunity</b>		<b>Threat</b>	
(O1)	Strong government support for developing the national industrial zone and bounded zone, export facility and finance facility (Porter 5 forces)	(T1)	Fluctuations in gas prices can affect the demand and price of CNG (Pestel).
(O2)	Government support in the utilization of CNG as an alternative fuel source (Pestel).	(T2)	many competitor (Competitor Analysis)
(O3)	Companies are becoming more aware of the environment and are seeking alternative fuel sources (Pestel and Customer Analysis).	(T3)	There are many substitute alternatives (Porter 5 Forces)
(O4)	Prices for alternative energy materials are still high (Porter 5 forces)	(T4)	Priority for gas supply allocation is regulated by Government (Pestel)



(05) Technological advancements can make operational costs cheaper (Pestel).	(T5) It is difficult to obtain information about the company due to the lack of a website (Competitor Analysis).
(06) Reducing carbon emissions can increase demand for CNG (Pestel).	(T6) Unable to perform operations independently (Competitor Analysis).
(07) High Barriers to entry (Porter)	
(08) There are 2 potential buyers (customer Analysis)	
(09). Synergy among BUMDs (Customer Analysis)	

6) TOWS Analysis

After conducting a SWOT analysis and dividing the data, the TOWS analysis is performed to generate strategic proposals based on the obtained information. These proposals are derived from the TOWS matrix, which helps identify the relationships between internal strengths and weaknesses and external opportunities and threats. By analyzing these interactions, businesses can develop strategic recommendations aligned with their specific circumstances. TOWS analysis can be seen in Table 8.

Table 8. TOWS analysis

		INTERNAL FACTORS	
		STRENGTHS	WEAKNESSES
TOWS MATRIX		S1: Possessed accurate government data related to energy development planning and integrated gas network (ring line) in accordance with the Spatial (Rencana tata ruang wilayah) (STP). S2: PTMigas Hilir Jabar will be able to produce and supply (CNG) as clean and environmentally friendly energy in West Java. S3: Located in West Java as the central industry hub in Indonesia, which is growing significantly and fast. S4: Privileges as a BUMD that has the potential to obtain an appointment to purchase gas directly, even though fulfillment of the main requirements is still pending (VRIO).	W1: PTMigas Hilir Jabar doesn't have a marketing team for promoting CNG. W2: Lack of marketing strategy, including the absence of a website. W3: Lack of compressor and operational facilities. W4: Limited capital. W5: High selling price. W6: do not have gas allocation from the governments
		EXTERNAL FACTORS	SO STRATEGIES
	O1: Strong government support for developing the national industrial zone and bounded zone, export facility, and finance facility. O2: Government support in utilizing CNG as an alternative fuel source. O3: Growing environmental awareness among companies, leading to the search for alternative fuel sources. O4: Prices for alternative energy materials are still high. O5: Technological advancements can reduce operational costs. O6: Carbon emission reduction efforts can increase demand for CNG. O7: High barriers to entry. O8: Existence of two potential buyers. O9: Sinergi BUMD	1. Develop a marketing team to promote CNG as a clean and environmentally friendly energy source supported by government initiatives. 2. Leverage the central location in West Java and government support to establish a strong presence in the national industrial zone, export facility, and finance facility. 3. Collaborate with other BUMD in order to get maximum profit	1. Establish a dedicated marketing team to create awareness about CNG and its benefits, targeting environmentally conscious companies in West Java. 2. Develop a comprehensive marketing strategy, including the creation of a website, to enhance visibility and reach potential customers. 3. Seek strategic partnerships or secure funding to acquire necessary compressor and operational facilities.



## C. Business Solution

Through the analysis of TOWS (Threats, Opportunities, Weaknesses, Strengths), ten potential strategies have been proposed for implementation in the CNG (Compressed Natural Gas) business at PT Migas Hilir Jabar. To select the most feasible strategy for implementation, a Focus Group Discussion (FGD) with PT Migas Hilir Jabar is necessary. In the process of determining the strategy, PT Migas Hilir Jabar highly considers the costs to be incurred due to limited capital. This demonstrates the company's significant concern for cost efficiency and capital utilization.

In this context, the FGD can assist PT Migas Hilir Jabar in gaining better insights and understanding regarding potential strategies that align with the existing capital limitations. During this process, it is crucial to involve relevant experts and explore their views on cost aspects associated with each proposed strategy. The outcomes of the FGD will provide valuable information in selecting the most feasible strategy, taking into account PT Migas Hilir Jabar's capital constraints. The chosen strategy should offer the best advantages with the most efficient costs. From the results of the TOWS analysis above, several strategies have been selected which are considered to have a large impact but require relatively low costs.

1. **W2, O5: Develop a comprehensive marketing strategy, including the creation of a website, to enhance visibility and reach potential**
2. **W3, O4: Seek strategic partnerships or secure funding to acquire necessary compressor and operational facilities.**
3. **W6, T4: Engage in proactive discussions with government authorities to secure gas supply allocation and ensure operational independence.**

## CONCLUSION

Based on the research findings, several marketing strategies can be implemented by PT Migas Hilir Jabar to increase the sales of their CNG products. These strategies include developing a comprehensive marketing strategy that includes creating a website, seeking strategic partnerships or securing funding to acquire necessary compressor and operational facilities, and engaging in proactive discussions with government authorities to secure gas supply allocation and ensure operational independence. These three strategies are considered effective in improving the sales of PT Migas Hilir Jabar and enabling them to compete in the CNG business.

## RECOMMENDATIONS

### A. Theoretical Implication

PT Migas Hilir Jabar needs to implement several strategies to overcome the problem of selling their CNG products. Based on internal and external analysis, several factors that influence purchase intention are price, certainty of supply, and brand awareness. In terms of pricing, companies need to offer competitive prices to attract consumers. Supply reliability is also important so that consumers are not worried about the availability of CNG supplies for their companies. PT Migas Hilir Jabar also needs to increase consumer knowledge about their CNG products through effective marketing efforts and clear information. In addition, strong brand awareness will help build consumer trust and influence purchasing decisions. By considering these factors, PT Jabar Downstream Oil and Gas can apply the right strategy to increase sales of their CNG products.

### B. For PT Migas Hilir Jabar

Implementing a comprehensive marketing strategy that includes website development, collaboration with PT MUJ Energi Indonesia, and obtaining government gas allocation will significantly benefit PT Migas Hilir Jabar in resolving their current challenges. The creation of a company website will provide potential buyers with valuable information about the company's products and showcase their portfolio, resulting in increased brand awareness for PT Migas Hilir Jabar. Collaborating with PT MUJ Energi Indonesia will address the financial and operational difficulties associated with selling CNG products, while direct gas allocation from the government will enable PT Migas Hilir Jabar to offer their CNG products at a more competitive price, enhancing their position in the CNG market.

### C. For Future Research

The results of this research were obtained from internal and external analyses, and one of the external analyses conducted in this study was customer analysis. In this study, the author only focused on two potential buyers of CNG from PT Migas Hilir Jabar.



From these two companies, it was found that factors influencing purchase intention towards CNG products from PT Migas Hilir Jabar were allocation certainty, price, and brand awareness. Therefore, the author suggests that future researchers should explore more companies to discover new findings regarding the reasons why potential buyers do not choose PT Migas Hilir Jabar as their CNG provider.

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