

Communication Strategy and Marketing Strategy of Supervised SMEs under PT. Chevron Geothermal Indonesia, Ltd. (PT. CGI) Darajad Garut Improving Product Competitiveness of SME's Businessman in Samarang and Pasirwangi

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Abstract: The growth of various local products may give benefit in the development of human and natural resources in particular area, other than the income for the society and the regional government. The emergence of various local products from remote areas in both food processing and creative product is real evidence that SMEs is growing positively as the result from CSR program. This reality is what happens to SMEs in Kecamatan Samarang and Pasirwangi under the initiative of Chevron Geothermal Indonesia, Ltd. in cooperation with Perkumpulan Peningkatan Usaha Kecil (PUPUK-Association for Small Enterprise Improvement) Bandung. Until recently, the products from the SMEs in both Kecamatan are not easily accessible in terms of the marketing processes, in either local or regional level. Therefore, various strategies are necessarily attempted by businessmen in order to improve their local products to be the competitive products. This research implements qualitative research. Case study method applied in this research is aimed at describing that the given marketing and communication strategies are the concepts of communication and marketing that are created and processed continuously. Professionalism through partnership under the supervision of PT. CGI and PUPUK is acknowledged as the cooperation that can improve society's condition in Samarang and Pasirwangi Village.

Key words: Corporate social responsibility, communication strategy, marketing strategy, Samarang, applied

INTRODUCTION

Background to the study: Basically the growth of local products can provide benefits in the development of natural resources and human resources in particular area as well as bring in revenue for the community and government. The emergence of various local products from remote areas, in both food processing and creative product becomes real evidence that is taken into account by PT. PT. Chevron Geothermal Indonesia, Ltd. (PT. CGI) Darajad Garut.

In the unstable national economic condition due to world financial crisis, Small Medium Enterprises (SMEs) are faced into hard challenges in improving their businesses. With highly optimistic spirit, PT. Chevron Geothermal Indonesia, Ltd. (PT. CGI) Darajad, Garut is committed to implementing its Corporate Social Responsibility (CSR), through the activities carried out in the operating area with environmentally friendly operations. The operation itself is intended to to prosper and encourage the development of sustainable activities.

As one of the largest energy companies in Indonesia, PT. CGI always upholds the environmental values by providing benefits to the surrounding community, namely by performing its social responsibility program. Additionally, PT. CGI also attempts to make people revive and change their economic downturn as well as tries to help improve the quality of life of the communities around its operations.

PT. CGI is committed to strengthen SMEs in order to survive under the oncoming obstacles to improve economic growth to provide job vacancy to decrease poor level and to increase society's prosperity. SMEs play an important role in supporting sustainable economic growth of Indonesia and the society in Samarang and Pasirwangi Villages. Therefore, it provides many new economic opportunities that can be made use by the society.

The growth of SMEs in Kecamatan Samarang and Pasirwangi relates closely to the communication strategy and marketing strategy implemented by PT. CGI in cooperation with PUPUK and surrounding society. In the given communication strategy, what goals to be achieved

and what materials that are important in contributing to the stated goals are indicated. In reality, this strategy involves one who delivers the message (encoding) which is the processing of ideas (stimulus) based on perception and interpretation of the communicator. This process comprises one who receives or listens to the message; the message itself; media (transmission through channel) and responses over the message delivered (feedback). The effective communication strategy between PT. CGI and the people of Samarang and Pasirwangi Village significantly determines the success and continuity of the SMEs activities in order to improve the products into competitiveness.

Marketing strategy: is another issue that cannot be neglected and is complementary to the formulation of a communication strategy. Together with the growth of SMEs; indicating positive progress, businessmen need to put effort on the marketing strategy in order to elevate local products that are competitive. Therefore, it can expand the market for SMEs products in Kecamatan Samarang and Pasirwangi.

This research aims: At capturing the communication strategy and marketing strategy in the implementation Corporate Social Responsibility (CSR) through the SMEs activities. This serves as an effort to elevate the local products into competitiveness in Samarang and Pasirwangi Village. This research analyzes the communication strategy and marketing strategy conducted by the SMEs businessmen in Samarang and Pasirwangi Village whose activities are under the supervision of PT. CGI Darajad Garut.

SMEs are an important part of the economy of a country, particularly in Indonesia. It has an important role in improving the economic welfare of the people, so that it can provide benefits and opportunities in the workforce. SME is a business unit managed by community groups and families who are businessmen. SMEs are easily found in almost all regions in major cities in Indonesia even to suburban or rural areas. SMEs have a strategic role in building the national economy because it contributes to the economic growth since it can absorb workforce force in large numbers.

The low level of technology mastery and entrepreneurial skills among SMEs businessmen becomes an issue that is often heard or complained now a days. The partial development of SMEs does not yield maximum results on improved performance of SMEs and economic development. Broadly speaking, it leads to the lower level of competitiveness in Indonesia, compared to neighboring countries. Thus, the policies applied for

SMEs are not because of its small size but due to its low productivity. Increased productivity in SMEs will have broad impact on improving the welfare of the people, for SMEs is a place where many people rely their source of living. One of the alternatives in increasing the productivity of SMEs is by modernizing business systems and systematic policy tools that will provide a wider impact in improving regional competitiveness. PT. CGI Darajad Garut is one company that also adopts the SMEs through the creation of a conducive business climate; creating safety and security in doing businesses as well as simplifying business licensing procedures. Through a financial unit (koperasi) established by PT. CGI, SMEs can obtain a special credit scheme with the requirements that are not burdensome in order to increase its capital base. In addition, the koperasi can provide the businessmen with cooperative joint partnership between SMEs with a third party in order to expand their market share. Communication strategies and marketing strategies are required in order to achieve a more efficient business. Thus SMEs will have the strength to compete with other business people both locally, regionally and nationally.

CSR is a commitment of the company to contribute to the development of sustainable economic welfare by taking into account the corporate social responsibility and focuses on the balance between the company's attention to the economic, social and environment. Some companies make efforts to improve the welfare of local communities, such as those made by the Aqua Danone Company with their economic empowerment for forest villagers. Some of the activities have been implemented in Dusun Gamoh, Dusun Guthean and Dayurejo Village. The activities results in positive impacts such as the help in providing 4 Cattles for the forest caregivers, the cultivation of 5,000 seedling betel, the training to manufacture essential oils, the provision of first distillation equipment as well as the manufacture of charcoal from wood waste. The activities were conducted through multi-stakeholder partnership model. This activity aims to improve the community economy gradually and to prevent the tee logging for charcoal. After implementing the activity, the results are very encouraging; the number of citizens making wood charcoal maker are increasingly reduced (<http://aranda-luangkaly.blogspot.co.id/2012/11/kegiatan-csr-perusahaan-aqua.html>, Minggu, 25 September 2016, 12.35 WIB)

The term corporate social responsibility basically shows that companies and public relations are not only seen in the context of economic relations but also in the form of social relations (Ruslan, 2004). Any activity

conducted by the company on the environment and society is no longer limited to just creating good relation through the provision of aids, medicine, clean water source, free entertainment, incidental gifts or groceries but further on the active participation of companies in solving environmental problems. One of the programs indicated by the company to establish a harmonious communication with the public outside the company (External public) that is relevant to the existence of the environment surrounding the company or community is CSR activities. The CSR activities are an attempt by the company to foster interaction with the community in creating mutual understanding, belonging and mutual benefit so that the company understands the needs of the environment and society (Servaes and Tamayo, 2013). Otherwise, the environment and society also benefit from the presence of these companies in their region, so as to create a prosperous life with the increasing competitiveness of SME local products.

Any relationship or interaction between companies and communities is based on communication since the ability to communicate is an essential requirement. The dynamic human relations may lead to the changes and development of the society whenever the communication or relationship reaches its concrete forms; corresponding to social values in a community (Ardianto and Dindin, 2011). The interactions will undergo processes. They are referred to as a communication strategy which leads to the thought of how to make the local products of the SME businessmen to orientate in positive progress. This is where a marketing strategy is required.

The awareness on the importance of communication strategies and marketing strategies among businessmen, consumers and communities may cause the community as the businessmen, to be maintained as a whole. This is due to the fact that every society forms its own communication system. This communication system is part of a social process. Social interaction is the key to all social life; without social interaction there can be no togetherness. Social interaction is also a key condition for the occurrence of social activities. Social interaction is a dynamic relationship, concerning the relations between individuals, between groups of people and between individuals with groups of people and between the groups with the company. Within the social interaction, there may occur positive and negative interactions.

Literature review

Communication strategy of businessmen in company SMEs: Communication is an important skill required in the management of the company. In principle, communication activities are the exchange of message or ideas. Simply

saying, communication activities are understood as the activity of delivering and receiving messages/ideas from one party to another party, aiming at reaching a common view on the ideas exchanged.

In its history, the scientists from various disciplines develop communication science. Therefore, they define communication according to their own points of view. Sarah Trenholm and Arthur Jensen in Wiryanto define communication as a process in which the source transmits messages to receiver through various channels. Hoveland in Wiryanto argues that communication is a process in which individual transmits stimulus to change the attitude of other individuals. Gode in Wiryanto defines communication as a process that makes togetherness for two or more individuals; one or several individuals initially govern the process. Raymond S. Ross in Wiryanto defines communication as a process of sorting out, selecting and sending symbols in such a way so that the receivers can access the meaning or make responses from their minds to meet the intentions of the communicator.

The aims of communication relate with the efforts to change the target attitude after the communication is made. The aims must comprise target, scope of the target and the intended attitude change. Operational plan is conceptional description regarding the sources required in managing particular program or project. Communication management is a basic thing required in particular activity of social communication, specifically intended to introduce or market products. After understanding the planning processes and communication elements in particular organization, several issues relating to communication management can be discovered. Communication planning must be performed carefully and precisely in order to determine who is talking what is being talked and what channel is used (Tutani and Willard, 2016; Yucel and Halis, 2016).

Public relations and Corporate Social Responsibility (CSR): Particular company or organization should communicate and make harmonious relationship with the public inside the organization and the public outside the organization. PT. CGI Darajad Garut sees the importance of caring the surrounding public because they may contribute to the success or failure of the company. Public relations as one of the functions in management, manage to develop understanding, sympathy and support from both internal and external public for their personal, institutional and society goals. In line with the definition stated by Fraser P. Seitel in his book “the practice of public relations, public relations” is.

A distinctive management functions which help establish maintain mutual lines of communications, understanding, acceptance and cooperation between and organization its public; involves the management of problem or issues; help management to keep informed on and responsive to public opinion; defines responsibility of management to serve the public interest help the management keep abreast of and effectively utilize change, serving as early warning system to help anticipate trends and uses research and sound and ethical communication techniques as its principal tool's.

The definition of public relations according to Cutlip *et al.* (2006) is: the function of management that establishes and maintains good and useful relationship between the organization and the public which influences the success or the failure of the organization.

Public relations can also be defined as management function in which the efforts made are dedicated to develop society's understanding, sympathy and supports that relate or may have relation with the company. As stated in the International Public Relations Association (IPRA) in Effendy (2002) that public relations is.

"Public relations is management function of a continuing and planned character, through which public and private organizations and institutions seek to win and retain the understanding, sympathy and support of those with whom they are or may be concerned by evaluating public opinion about themselves in order to correlate as far as possible, their own policies and procedures to achieve by planned and widespread information more productive co-operation and more efficient fulfillment of their common interest."

The implementation of CSR activities that relate with society empowerment at PT. CGI is under the Department of Policy, Government and Public Affair (PGPA). This department has sub divisions of social investment, public relations, government and media relations. The employees at these sub divisions are responsible for the implementation. The PR division of PT. CGI is directly under the command of Team Manager of Policy, Government and Public Affair at Darajad. The Team Manager is responsible to PGPA Manager in Jakarta.

The goal of public Relation of CSR is to prove that the company is a good organization that they do not perform any CSR programs on behalf of particular individuals. The goals of public relation regarding company's assistance according to Monroe in Effendy (2000) are: to prove the good citizenship of the company, to improve business climates to introduce free company, to strengthen society's freedom and to fulfill the needs of fund that is no longer provided through humanistic activities individually.

Assistance provided by the company as a form of CSR activity is voluntary, not based on the demand from the surrounding societies. This means that the activity is based on the company (Aid, 2004; Rahman, 2009; Abdulsalam and Seyi, 2013; Carroll, 1991, 1999; Masmuh, 2010) awareness and willingness to follow the applicable law and regulation because they feel that the society and their environment deserve their assistances.

The goals of CSR for mining companies are commonly; to improve community prosperity; particularly the local communities around the company operational scope so that harmonious relationship can be achieved, to create an effective two-ways communication with the stakeholders, particularly with those communities whose goals are to maintain conducive situation and condition for the company operations (Davis, 1973). This is done in order to maintain and create positive image and reputation of the company that is care to its surrounding communities. The mining companies should establish the CSR activities that lead to the sustainable development and company's core businesses.

According to researchers, if mapped, the relatively easy, understandable and operational CSR definition for audit is by developing a concept of triple bottom lines and adding it with one additional line; the procedure. Therefore, CSR can be understood as.

"The concern of companies that set aside a portion of their profits (Profit) for the sake of human development (people) and environment (planet) in a sustainable based on procedures (procedure) the right and professional".

In its application, this 4Ps concept can be combined with the components contained in the ISO 26000. The concept of planet clearly relates with the aspect of the environment. The concept of people refers to the concept of social development and human rights that deal not only with society's economic prosperity (providing capital for business, job skill training) but also with the social prosperity (social security, society access to health and education, improved capacity on social institutions and local wisdom). The concept procedure may comprise the concepts of organizational governance, labor practices, fair operating practices and consumer issues.

Community relations as the foundation of CSR: Community is a group of individuals who live in the same place have the same government and have the hereditary culture and history. People living in the community together with the institution in the community have high dependency to each other. They cannot enjoy the good life without the institutions. Similarly, the institutions can only live with the permission and support from the community and society.

Community and society contribute the institution with skillful work forces, personal management, capital for investment and the use of goods and services produced by the institutions/companies.

Those reasons demand the company to accept and perform their social responsibility to the community where they operate the businesses. Not only provide job opportunities and pay tax, the company should also actively participate within the live of the community, follow the culture leadership, help society's education, improve economic life and prosperity, improve society's health, eliminate law violations and provide various recreational infrastructures. These concepts are then elaborated at practical level into community development and eventually results in CSR concept.

The role of CSR in developing society: Generally, society is defined as a group of individuals who share similar goals in order to comply particular needs, who live nearby and who interact regularly. Shared hopes are set for every member of the group; the responsibility is generated from the hope. The groups respect each other and consider other's individuality in the society. Most importantly, there is prominent figure responsible for the success of every event of the community, depending upon the society's need and individual's feeling itself. This prominent figure is individual who influences other to take the responsibility over their actions, achievements and prosperities.

Developing society refers to the initiatives performed by the society through partnership with the companies or external organizations in order to empower the individuals and group of the society. This can be done by providing the groups with the required skills in order to make changes to the community.

Overview on marketing communications: Terence A. Shimp defines "marketing communication is an important aspect in the overall mission of marketing as well as serves as marketing determinants of success". Marketing communications can also be understood by describing the two main elements, namely communication and marketing.

Communication is the process of thinking and understanding ideas conveyed between individuals or between organizations and individuals. Marketing is a set of activities in which companies and other organizations transfer values (exchanging the values) between them and the customers. Marketing communications is the communication activities undertaken by the buyer and the seller. It is also an activity that helps in decision making in the field of marketing and directs the exchanges to be more satisfying in a way that may open the mind of all parties involved to do better.

The main forms of modern marketers for marketing communications require more than just developing a good product, setting an attractive price and making it affordable. The companies also need to communicate with the parties having current and future importance and with the public as well. Every company must involve themselves as communicator.

Marketing communication (marketing communication) is one of the four major elements of the marketing mix owned by the company. Marketers need to know how to use the marketing tools to communicate the existence of a product or value that can be given to the target consumers.

Overview on marketing strategy: Armstrong and Kotler argue that marketing. "A societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others".

In addition, the definition of marketing strategy according to Armstrong and Kotler is said to be "the marketing logic by which the business unit hopes to achieve its marketing objective". Guiltinan and Paul define marketing strategy as principal statements regarding the impact which is expected to be achieved in terms of demand on the specified target market.

Segmentation as argued by Solomon and Elnora is "the process of dividing a larger market into smaller pieces based on one or more meaningful, shared characteristic". By conducting market segmentation, marketing activities can be made more effective. Through this, the resources owned by the company can be addressed more effectively and efficiently in order to provide satisfaction to the consumer. In addition, the company can perform separate marketing programs to meet the unique needs of each segment. There are three segmentation variables; demography, psychographics and behavior.

Targeting as defined by Solomon and Elnora, target market is "group that a firm selects to turn into customers as a result of segmentation and targeting". After dividing market into segments, the company must determine particular market strategy. The company may select it from the following strategic market coverage: undifferentiated targeting strategy, differentiated targeting strategy, concentrated targeting strategy and custom targeting strategy.

Positioning is defined by Solomon and Elnora as "developing a marketing strategy aimed at influencing how a particular market segment perceives a good or service in comparison to the competition". Determination of market position shows how particular products differ from their competitors. Several positioning are applicable for implementation: positioning based on product

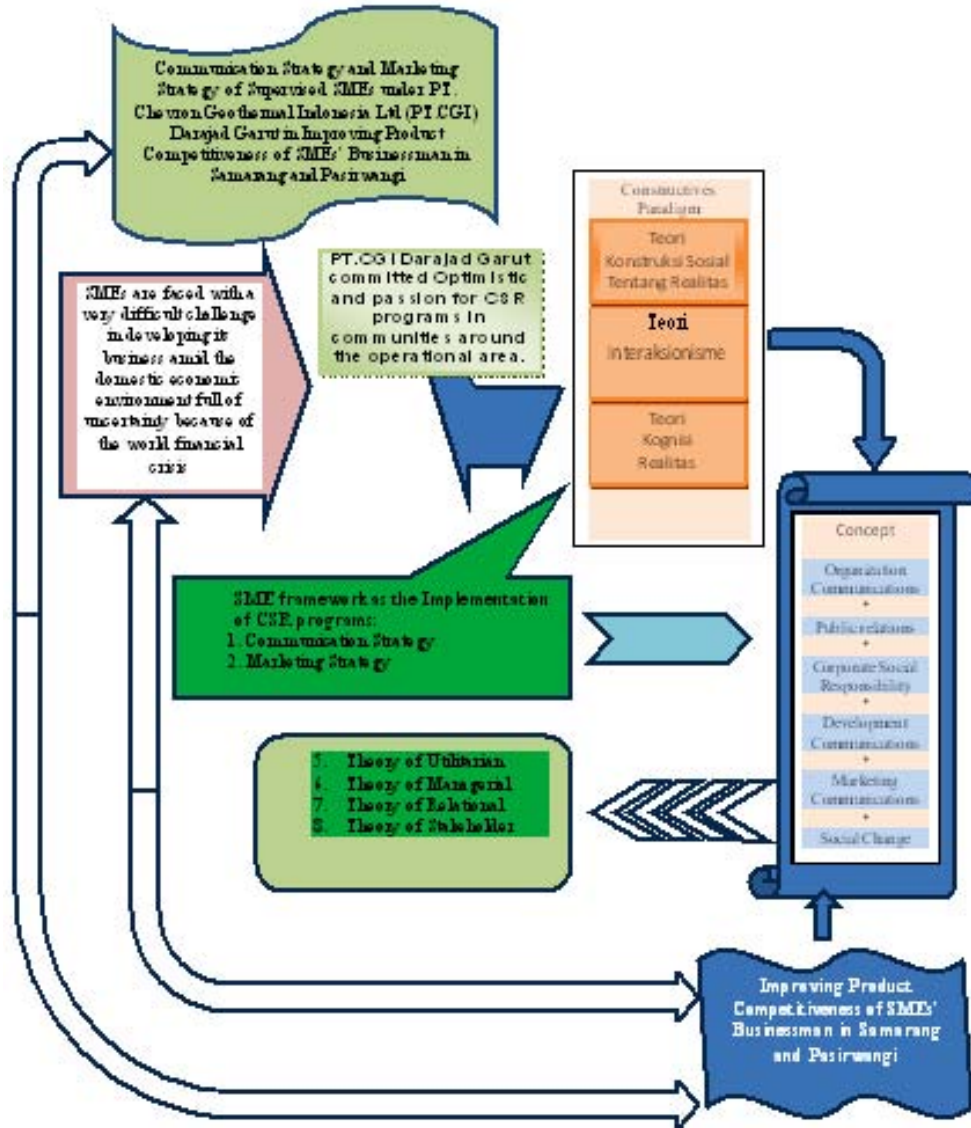


Fig. 1: Model of the research

differences, positioning based on product attributes or the benefit of the product, positioning based on product users, positioning based on product utilization, e. positioning based on competitors, positioning based on product category, positioning based on association generated by the company and positioning based on problem identification.

MATERIALS AND METHODS

The data to be analyzed in this research are derived from the interview performed with the parties related closely with planning, implementation and aspects of

SMEs. Selected informant is determined based on informan selection technique through purposive sampling, also known as consideration sampling. Riduan, M.B.A. in his book *Dasar-dasar Statistik* argues that (Fig. 1).

“Purposive sampling is a sampling technique used by researchers if researchers have certain considerations in sampling or informants for a particular purpose. Only those who are experts and who should give consideration to the sampling/informant needed. Therefore, this sampling technique is suitable for case studies in which aspects of a single representative case are observed and analyzed”.

In order to obtain the data for this qualitative research, the researcher uses informants consisting of two categories; key informant and supporting informant. They are selected based on their activities that may explore their understanding and experience in performing SMEs as CSR program of PT. CGI in details.

Robert K. Yin argues that the key informants are those who not only provide explanation for the researcher but also give input regarding other sources of evidence supporting and creating access towards related sources. Merton states that "... informants will not hesitate to make certain private views known to a disinterested outside observer-views which would not expressed were it thought that they would get back to management; the outsider has 'stranger' value".

This research uses constructionist paradigm because the study focuses on several process and communication management through the approach of organization communication. The development of communication studying the CSR programs performed by PT. CGI Darajad Garut to the society in Samarang and Pasirwangi Villages is intended to improve the society's prosperity and to create and establish harmonious and sustainable relationship between the company and society.

Fundamentally, the reason underlying the use of constructionist paradigm is intended to discover the way the company, Government and the society of Samarang and Pasirwangi Villages provide and receive the understanding on harmonious relationship between them through the CSR programs. In addition, the background in performing the activities, making decision, regulating the communication strategy and disseminating the information are included in the discovery.

Qualitative research is conducted in natural condition and nature finding or exploratory. In qualitative research, researcher is the key instrument. Therefore, the researcher must equip himself with theories and broad knowledge so that he can ask, analyze and construct the object under the research to be clearer. In this approach, the researcher makes complex images, observes words, reports informant's view in details and conducts study in natural situation. In general, the research activities are visualized as follow (Fig. 2).

A qualitative researcher goes through a series of data collecting activities as shown from the above scheme. Creswell argues that even though data collecting is started from the place (location) where the individual is to be observed, a researcher can collect data anywhere. An important issue is that none of the data collecting steps shall be neglected. At the step of locating site or individual, the researcher selects the company,

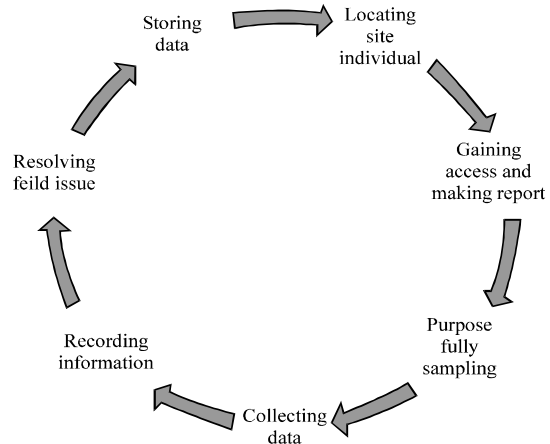


Fig. 2: The design of qualitative research

government and the society of Samarang and Pasirwangi Villages who join in the SMEs as the object of the study. At the step of gaining access and making rapport, the researcher tries to gain access by asking permission from PT. CGI whose headquarter is at Senayan Jakarta. At the step of purposefully sampling, the researcher determines the informant in accordance with the purpose and importance of this research which is purposive. At the step of collecting data, the researcher performs data collection activities through interview, observation and document analysis. Therefore, the form of interview data, document data, literature study and recorded data can be obtained. The forms of observed data or the data itself is in the form of artifacts. At the step of recording informant, the researcher records the data through field records over voice recorder, photos (pictures) and video recording towards the incidents or objects. At the step of resolving field issues, the researcher attempts to obtain general data, particularly those that relate with field issues. This general data is obtained through in-depth interview and observation. At the step of storing data, the researcher attempts to save data in such a way. The data collection activities comprise filing, transcription and filling into computer.

This research applies the method of case study. This means that the method or strategy is used to discover particular case in this research using various data sources (as many as possible). The data can then be used to comprehensively and systematically analyze, describe and explain various aspects of individuals, groups, programs, organizations or events.

Case study research focuses more on the deep understanding over the issues under the study. Therefore, the method of case study is performed intensively, detailed and in-depth over particular symptom

or phenomenon within narrow scope. Despite its narrow scope, the dimension analyzed must be extensive; comprising various aspects so that none of them is left. In this research, the researcher uses exploratory type to reveal in-depth information regarding the communication management between PT. CGI and the society of Samarang and Pasirwangi sub-districts. Information revelation on SME implementation is one of the CSR programs.

The data of the research is collected through observation, interview, literature study, file recording, documentation and internet searching. After that, the data is processed and analysed in accordance with the steps stated by Nasution; data presentation, data reduction, data display and drawing conclusion/verification.

To test the data validity or conclusion resulted from verification; the collected data is rechecked. In the case study of research quality assessment using the criteria of construct validity, multi sources are used, series of evidence are shaped and the key informant rechecks the report draft of the case study. The other criterion is Reliability that uses case study and develops the basic data of the case study. In terms of reliability, Susan Stainback says that:

“Reliability is often defined as the consistency and stability of data or findings. From a perspective, reliability typically is considered to be synonymous with the consistency of data produced by observations made by different researchers (e.g., integrated reliability), by the same researchers at different times (e.g., test retest) or by splitting a data set in two parts (split-half)”.

Reliability relates with the consistence level and data stability or findings. In qualitative research, the findings or data can be said valid whenever no difference exists between what is reported and the actual occurrence of the object under the study. However, it is important to know that the truth of data reliability according to qualitative research is not single in nature, yet plural and dependent upon human construction. The reliability is also shaped in one’s ego as a result from mental processes of every individual having varied backgrounds. Data credibility testing or trust is performed upon the data resulted from qualitative research; they are extending observation, improving diligence during the research, triangulation, discussion with colleagues, analyzing negative cases and member check.

RESULTS AND DISCUSSION

Data analysis: The first research question is how to implement the communication strategy of the supervised

SMEs under PT. Chevron Geothermal Indonesia, Ltd. (PT. CGI) Darajad Garut as the Efforts to improve their local products to be competitive products.

Before outlining the research results on communication strategy undertaken by PT. CGI in cooperation with the Association for Small Enterprise Improvement (PUPUK), the researchers begin the analysis based on Chevron’s fundamental principles.

“We are built under the values that we adopt; this is what distinguishes us from other companies in implementing our activities. We are doing business with social responsibility and ethical manner. We respect the law, uphold human rights, protect life and provide benefits to the communities in which we operate. We are built on the idea of commitment and breakthroughs, there is no problem that cannot be resolved and there is no challenge that cannot be overcome. This is how we look at our work every day” (Interview, March 18, 2014).

The above mentioned vision and principle underlies the need of assessing the communication strategy that must be implemented by PT. CGI and its partners PUPUK. This should be applied on SMEs in Kecamatan Samarang & Pasirwangi as an effort to improve the local products to be competitive products. The above written principle is not an easy step and easy efforts; the process requires long and ongoing efforts. Additionally, the communication strategy is also required to support the implementation of the principle in order to meet the vision, mission and goals of the company.

To realize the above vision and principle, from many activities carried out by PT. CGI in which one of them is through SMEs, PT. CGI uses the term Corporate Responsibility (CR). According to Tig Yulianto, Specialist, Social Investment, Policy, Government and Public Affairs (PGPA) of PT. CGI.

“Corporate responsibility, in which a section called as social investment is included, in its Indonesia terms is often called community development (community development) or CSR. We looked at the programs of community development or CSR as a long-term investment, in order to support our business continuity as well as to improve people’s lives wherever Chevron are” (Interview, March 18, 2014).

Other thing that underlies PT. CGI cooperation with PUPUK in implementing SMEs as their social responsibility in order to achieve the goal of the Strategic Plan of Social Investment Program organized by the company with social objectives to be achieved is to improve the standard of people’s lives and to build community self-reliance in all areas where they operate. This is done in order to create economic growth through capacity building and community investment, so as to elevate the local products businesses into competitive products.

To achieve these targets, the CSR Coordination meeting in Bappeda Jabar, the Head for Policy Government Public Affairs (PGPA) of PT. CGI, Tig Yuliantyo expressed the principles of the Social Investment Program as follows.

“Chevron is committed to contributing to the economic and social development of the communities around our operations by adhering to the following principles: support the vision, mission and strategy of the local government based on the prioritized development (Strategic, yet it does not replace the government programs), focus on active program participation and community development, be transparent, sustainable and well-documented (Yulianto, Bandung, November 22, 2013)” to help generate and increase the income of the people in the operating areas, PT. CGI establishes the main design for the project to be done as follows (Fig. 3).

Departing from the research that has been done previously, the communication strategy undertaken by PT. CGI in the SMEs activities in cooperation with PUPUK, the following steps are implemented in their

corporate social responsibility: perform an approach to the community leaders and to gain permission from the head of the region (RW or head of the village) through communication and interaction in non-formal and agreed consensus. Perform an approach to the people who have willingness, awareness and ability to implement the program of SMEs so that they can be the agent to encourage their environment. Map the welfare and economic problem of the society from various aspects including data collection on the number of SMEs requiring supervision and training. Perform comparative study to several areas that have been successfully performed the SMEs program. Establish neighborhood committees/working groups in order to make work plans and contribution agreement of the citizens both material and non-material. Conduct training and campaigns intended to increase the understanding and awareness of citizens to improve the welfare and the economy in a sustainable manner. Assistance, information dissemination and continuous monitoring on an ongoing basis to yield products that comply the targets to be

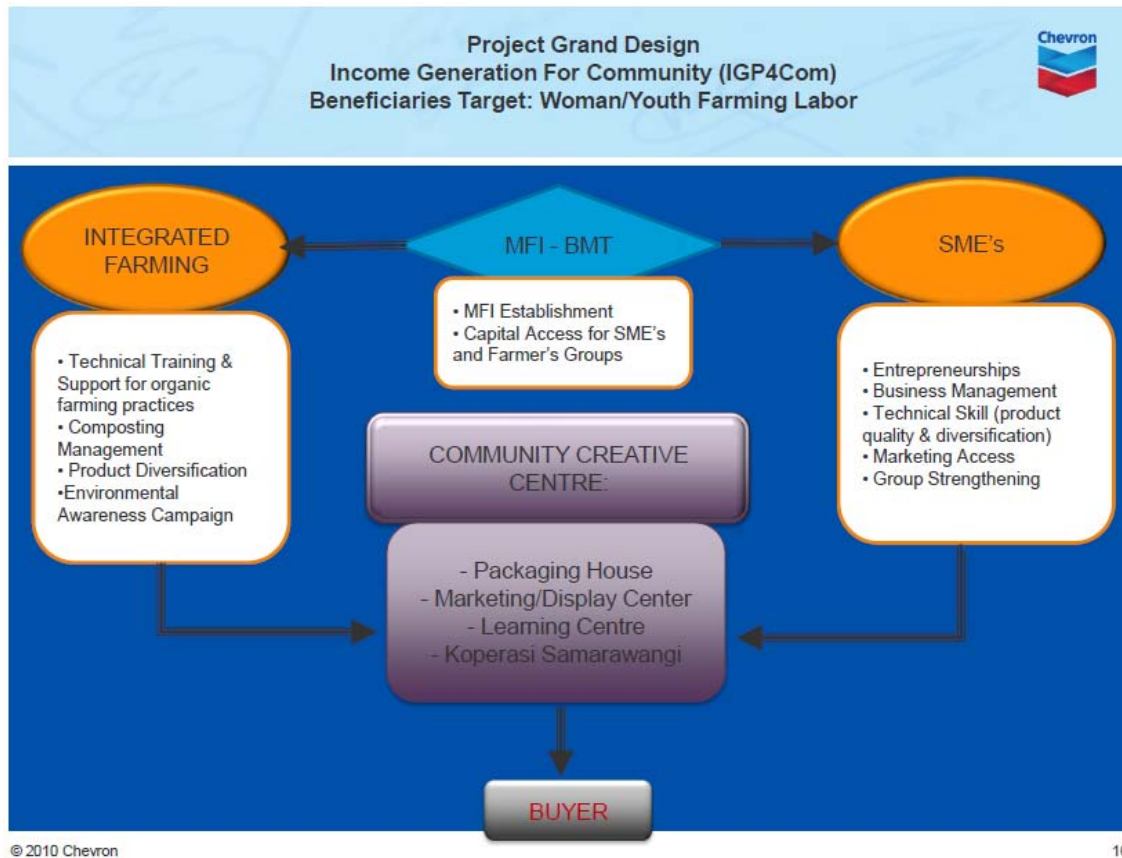


Fig. 3: Main design project for reviving society’s income

achieved. Make coordination with local authorities in order to work together with the management of the welfare system and to improve the economy of the community. Make planning on the marketing of SMEs products in order to attract customers. Direct and motivate SMEs participants to take parts in various competitions.

Whenever gap is found between the inherent competencies and the required one, settlement through good communication strategy and information dissemination through training, seminars or cross functional placement shall be implemented. In its information dissemination, PT. CGI describes the basic competence openly in accordance with the targeted achievements that have been drafted previously to the SMEs participant. The basic competences are reviewed regularly to see whether adjustment and improvement are necessary (interview, March 25, 2014).

The development of SMEs conducted by PT. Garut Darajat CGI is based on cluster and local potential. It has been conducted in Kecamatan Samarang since 2009 until today whereas in Pasirwangi it has been done since 2010 until present. The development of SMEs is conducted to encourage society's self-reliance and economic improvement through technical trainings (entrepreneurship, product diversification, quality improvement and product packaging, market expansion, intensive mentoring and business stimulants). The advantages of the SME program are as follows:

- Contribute in eliminating 75% poor society from 1500 participants
- Improve the income to 40-50%, basis before participating in this program
- Create 100 new products for local SMEs (processed foods, convection, handcrafts and metals)
- Establish 3 R program by utilizing the waste of akar wangi root into paper for paper bag industry and coconut waste into snacks
- Utilize approximately 2 tons of domestic waste per month
- Encourage product certification from the group of IRT Depkes (Health Department), Halal MUI (Indonesia Council of Ulama) and in the future, the certification shall move to barcoding
- Establish SMEs Gallery that markets the products, managed by Samarawangi koperasi
- Help the group of KUBE SARASA and CGI to achieve SMEs Award form Garut District in March 2012 (Yulianto, Bandung April, 20 2014)

The advantages of SMEs program that have been done by PT. CGI Darajat Garut are a phenomenon or a reality of contributions by PT. CGI to the communities in Samarang and Pasirwangi. This certainly contains a

variety of communication strategies that are attractive, unique and valuable since it relates to a variety of individuals, heterogeneous groups in many ways; whether economic, social, educational and others.

With the inclusion of CSR program as part of the business strategy, it will be easy for the business units within an enterprise to implement the action plan of the designed CSR program. In terms of social accountability clearly planned through CSR programs, the strategy eventually becomes an ongoing activity that is expected to be implemented based on the expectations from the stakeholders, companies and communities. Employers should conduct business not only for profitability but also for escalating the local products of the SMEs businesses men to be competitive products.

The second research question is how to implement marketing strategy to supervised sMEs under PT. Chevron Geothermal Indonesia, Ltd. (PT. CGI) Darajat Garut as the efforts to improve their local products to be competitive products.

From the research, it can be acknowledged that PT. CGI establishes marketing strategy in implementing SMEs as a form of its social concern for the community. This is an effort to achieve the Program of 13 E in both villages. The results of the cooperation with PUPUK that have been and shall be achieved by PT. CGI are as follow.

The establishment of new businesses: To the end of 2nd year, 13E activities have initiated 22 business groups from the initial plan as many as 14 groups. Therefore, the total there are 33 groups comprising of processed food, fertilizer processing and nursery groups, textile and groceries in Padaawas and three groups of special metal handicraft artisans in Pasirkiamis.

Labor absorption: About 23 new businesses both the existing and the new groups, absorb 564 workforces or 1.67% of the total workforce in Pasirwangi amounted to 33.679 people. Counted from the aggregate, this number increases by 1.01% compared to the previous year.

Increased human resource capacity: Product demand to the businessmen can be used as an indicator for the quality of a product that meets market demand. Quality products are certainly produced by human resources. High intensity of production will increase the competence of human resources, especially the skills in production techniques. Likewise, the business owner shall encourage the human resource capability in managing the business.

Increased value of the transaction: Transaction is an indicator of achievement that occurs in the business groups in Samarang and Pasirwangi. There is an

interesting phenomenon when comparing the value of transactions in 2011 and 2012. The transactions in the first year are influenced by specific events such as school holidays and feast and are still associated with the search for markets. The SMEs transactions in the second year are relatively stable with the tendency of rising. In terms of turnover transactions in the first year of supervision, the amount reached a total of \$22.930.08 whereas in the second year reached the total of \$125.506.53.

Open market access: Product development obtains positive market response including through souvenirs in Targong and through direct sales via Darawisa stalls in the SMEs Centre. In order to achieve wider market, Samarawangi network market is developed through outlets in the tourist area that has been operating since the beginning of 2013.

New product development: Product innovation through research and continuous development is performed simultaneously. This is done in order to yield products that meet consumers taste and are competitive over other similar products. Some new products are developed by SMEs in the second year. Those products are rendang oyster mushroom, dodol and banana sale, cassava chips salad, fertilizers and copper crafts. Some products are responded well by the consumers. Until the end of the second year, the accumulated number of new products reaches approximately 38 pieces; 12 products were produced in the year 2011 and 26 products were produced in 2012. This number exceeds the target of 15% of the initial target with only 21 products.

Establishment of Samarawangi Koperasi and the opening of Samarawangi outlet and cafe Samarawangi as a node for marketing the SMEs products in Pasirwangi and Samarang. The most important advance of the 13 E program implementation is the establishment of Samarawangi Koperasi and the opening of Samarawangi outlet or cafe. For as long it has been, the marketing of SMEs products has always been an obstacle. However, after the establishment of Samarawangi Koperasi, the SMEs in Samarang and Pasirwangi have legal and formal statement to expand its business. With the opening of Samarawangi outlet or cafe, the SMEs in Samarang and Pasirwangi now have a representative place to promote and market their products.

PT. CGI acknowledges that the overall goal to make the 13 E decision above is inseparable from the series of communication strategy and marketing strategy performed. The given series are: to contribute to communications planning, to implement activities of information management, to communicate information on

the program undertaken and to contribute in assessing the results of the performed communications strategy and marketing strategy.

From the research results, it is revealed that the marketing strategy implemented by PT. CGI and its partner, PUPUK, to the businessmen is necessarily to improve local products into competitive products. From various supporting activities conducted by PUPUK Bandung, the tips for creating the local products to be competitive products can be obtained. This may expand the market share for the SMEs products of SMEs in Samarang and Pasirwangi Villages. The tips are as follow.

Make an attractive product package: In order to increase the selling value of the local products, an interesting and beautiful packages can complete the intended goal. This is important due to the fact that consumers firstly see the package that makes them curious about the products and they eventually decide to buy it. In addition, by packing the products exclusively, the added value offered is higher and may possibly escalate the selling price compared to similar products attractively packaged.

In this case, Chevron Geothermal Indonesia, in cooperation with PUPUK Bandung, provides training on how to package a product in order to increase the attractiveness for the consumers so that it may increase the selling value.

Open product sales network for modern market: The second step that can be applied is to develop the marketing network so that local products can enter into the modern stores such as supermarkets, minimarkets, malls and other modern stores. For example is through cooperation by working together with central souvenirs around the tourist sites. In order to support this strategy, PUPUK has facilitated its supervised SMEs to market their processed food products in the leading souvenirs stores such as Primarasa, Chocodot and various other outlets located in the tourist area.

Several supervised SMEs under PUPUK have successfully marketed their products to modern stores such as: KUB, Sarasa from Sukarasa, Kecamatan Samarang and Bujang group from Padaasih, Kecamatan Pasirwangi that market their products to Primarasa and central souvenirs at the rest area in Cipularang. For the creative industry products, PUPUK has successfully managed to facilitate the group of Rian Paper bag, supplying the paper bag souvenir for Chocodot.

Promote products through various events and exhibitions: Not only attractive packaging and marketing the products to modern stores, PUPUK encourages SMEs

to introduce their local products to the public through exhibitions or events organized by either the government or private institution. Through such promotional activities, SMEs can obtain potential customers and expand the opportunities for cooperation in order to increase sales turnover of the local products. Several exhibitions that can be participated such as local expo, exhibition of handicraft products, local culinary fairs and other SMEs exhibitions recently held, in both at district, provincial and national level.

At the level of Garut District, PUPUK has been including their SMEs group to participate in the annual event of Garut Festival since 2011. Additionally, PUPUK also participates any events held by institutions or other event organizers such as Aspartan whose nature is to promote or exhibit products.

Establish SMEs gallery as the center for product marketing Chevron Geothermal Indonesia, Ltd. in cooperation PUPUK, Bandung, establishes SMEs Gallery in the tourism areas or central souvenir areas. The SMEs Gallery serves as the central marketing for SMEs products because the gallery opening the local product marketing activities become more optimal and may accommodate all potential business products. This strategy can be used to uphold the local products. The SMEs Gallery is almost the same as stalls, yet its flagship commodities originate from the group of supervised SMEs assisted, either in the form of processed food or creative production.

Some of the marketing strategies described above will certainly not apply as expected if there is no support by appropriate communication strategies and supports from relevant stakeholders both at the village, sub-district and district level.

The establishment of stalls and outlets Samarawangi serves as a realization for marketing the SMEs products because the marketing of excellent products from Samarang and Pasirwangi sub-district is constrained in its marketing process both at local and regional levels. Therefore, this barrier becomes the focus of attention of the program to establish a central marketing for the SMEs products from Pasirwangi and Samarang. Through this, the products then can be widely marketed. Through the approach of 13E Pasirwangi and LED Samarang, SMEs are encouraged to continuously innovate their products.

It is important to yield varied and quality products so that they are highly demanded by both local and regional consumers locally and regionally. An example is rendang oyster mushrooms produced by a group of SMEs from Padamulya. This product was originally marketed from traditionally from one person to another with a very simple packaging. Now, under the supervision and

certification of Rinjani (the name for the product), it starts to become widely known not only in Garut District. Along with the improved quality of the products, the demand is also increasing. This has cause a condition where many consumers from outside Garut who have difficulties in getting the product. In addition Renjati products, there are many other quality products from Samarang and Pasirwangi Sub-District requiring representative marketing center to ease consumer's access in buying them.

On the basis of these ideas, Warung Darawisa and Outlet Samarawangi were established to accommodate and market the SMEs products from Samarang and Pasirwangi. Darawisa stall is located in SME Center of Padasuka, Jl. Raya Pasirwangi whereas Samarawangi Outlet is located at Jl. Raya Tarogong Garut which is a Shopping Center for Garut particular souvenirs. Darawisa is especially markets the SMEs products from Samarang and Pasirwangi. On the other hand, Samarawangi is business-oriented in nature, encouraged to be a trading house for SMEs products from Samarang and Pasirwangi in particular or Garut particular products in general. Other than traditional offline marketing methods, online marketing through Samarawangi websites and social networks such as facebook and twitter are being developed.

At this time, Darawisa has been opened to public every working day. It is expected that Warung Darawisa and Outlet Samarawangi can lead the marketing of SMEs products from Pasirwangi and Samarang.

The results from field research show that the theory of social construction of reality that is used to clarify the primary data over the realities associated with the social data will be confirmed in order to support the ongoing research. This theory is applied to gain an understanding on the communications strategy and marketing communications on the SMEs activities as the implementation of the CSR program by PT. CGI in collaboration PUPUK. This should be acknowledged as the efforts to improve the local products of the SMEs in Samarang and Pasirwangi to be the competitive products. This theory is based fundamentally on the constructivist paradigm that sees social reality as a social construction created by a free and individual man. The SMEs businessmen as individuals are determinant in the social world constructed by his will. They are, in many ways, have the freedom to act beyond the limit of controlling structures and their social institutions in which PT. CGI and society go through the responses within the stimulus-response in their cognitive world. In the social process, the representative from PT. CGI and society are seen as the creator of social reality which is relatively free in their social world.

The need for analytical tool in analyzing the phenomenon of social reality was previously assumed to be influenced mostly by the notion of thoughts in the study of social sciences such as social construction, imaging and intercultural communication. They all shall narrow down on the study concerning society phenomenon in their process of communication that may create and develop symbols and meanings. These symbol and meaning are to be exchanged during the implementation of communications strategy and marketing strategies within the CSR activities over the SMEs. This CSR from PT. CGI in turn shall be understood as goodwill or “political will” for creating harmonious relationships. Mead’s philosophical thought is basically a view of the “pragmatism”. The development of this symbolic interactionism, according Manford Kuhn, can be divided into (2) periods. The first period is a period of oral tradition and marks the early development of the basic premises of the symbolic interactionism. The experts known for this theory are Charles Cooley, John Dewey, L. A. Richard and George Herbert Mead. Mead works on “Mind, Self and Society” (Thought, Self and Society) is the main premises of the fundamental thought.

Cognitive argumentation theory can be used as a tool to analyze the process of problem solving in the discussions involving PT. CGI, its partners PUPUK and supervised SMEs businessmen which may involve different opinions. The quality of life of PT. CGI and society is largely determined by how they communicate in which within the communication itself may involve complex aspects of communication.

CONCLUSION

Increased productivity in SMEs impact greatly on people’s welfare because it becomes a place in which many people rely their source of living. One alternative in increasing the productivity of SMEs is by modernizing the business system and systematic policy tools. Thus, it may give wider impact in improving regional competitiveness. PT. CGI Darajad Garut is one company that also adopts SMEs as one of the CSR activities. The benefit of this CSR has been well perceived by the society in Pasirwangi and Samarang sub-district.

The communication strategy and marketing strategy as PT. CGI’s social responsibility through SMEs activities in Samarang and Pasirwangi are applied by drafting the Program of Social Investment Strategic Plan. The objective of the program is to improve the welfare, living standards and community independency in every region in which they operate. The program is intended to create economic growth through capacity building and

increased public investment. From the research results, PT. CGI is dedicated to collaboration and innovation in order to support its commitment to be a partner of choice. This results in achievements by their branch companies for the quality operation in Indonesia including PT. CGI Darajad Garut. The achievements are: Proper Hijau (Green) for KLH (Living Environment Category) in 2 years and Gold in 3 years, CSR Award from the Government of West Java in 2011, 2012 and 2013, the SMEs Award from the Government of Garut in 2012 and CSR Award from the Government of Garut in 2013. Tig Yulianto (Specialist, Social Investment, PGPA PT. CGI) discloses that the efforts made by PT. CGI has gained recognition in recent years through the award from the government of Indonesia. In addition, the efforts have also gained appreciation from the national profession in areas such as career development, prevention of HIV/AIDS, health and safety and environmental protection. As an inspiring company in Indonesia, Chevron also continues to grow and support the improvement of quality of life of the communities in which they operate. One of the commitments is conducted through the economic development and social community through Micro, Small and Medium Enterprises (SMEs). This program attempts to improve the SMEs local products in Samarang and Pasirwangi to be the competitive products.

Performing communication strategy and marketing strategy with the approach to the community, community leader and the government through CSR program of SMEs activities may eventually yield various local products from many regions; either in the form of processed food products and creative products. This is certainly tangible evidence that the growth of SMEs in Samarang and Pasirwangi Sub-district was initiated by Chevron Geothermal Indonesia, Ltd. in cooperation with its partners, PUPUK, Bandung. This program shows progresses toward a positive and growing direction.

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