

## IMPLEMENTATION MARKETING PLAN FOR MINING CONTRACTOR SERVICE COMPANY IN INDONESIA

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**Abstract:** Mining contractor service business in Indonesia is still one of the businesses that is quite competitive. The ministry of energy and mineral resources (ESDM) notes that production in Indonesia is increasing every year. Indonesia's coal production will increase from 2020-2021 to reach 7,2 %, based on the increase in the value of this coal production. PT. ANP, our company is very confident that our mining services business will grow. Of course, to be a better company than our competitors, our company must be able to provide added value to our customers in order to meet the needs of our customers. To be able to survive in the long term in the mining services business, our company will carry out a marketing strategy by starting our business by working with companies that are geographically established, owners, and mining areas that are not categorized as difficult access and high risk. Our company is also a mining contractor service company with a medium-scale level that produces coal between 50,000-200,000 tons per month, this is also one of the advantages for our customers to choose us as partners because in medium-scale companies our rate are cheaper. Method is using STP and Marketing Mix (NICE and 7 P) strategies. This analysis can help mining contractor service companies in Indonesia use their marketing strategy.

**Keywords:** marketing plan, business opportunity, marketing plan

### 1. Introduction

In the midst of intense competition in the service business, contractor service business actors in Indonesia <sup>1</sup>, in this case mining

service contractors, are trying hard to maintain the survival of their

<sup>1</sup> Randell Jared Mahabir and Kit Fai Pun, 'Revitalising Project Management Office Operations in an Engineering-Service Contractor Organisation: A Key Performance Indicator Based Performance Management Approach', *Business Process Management Journal*, 28.4 (2022) <[https://doi.org/10.1108/BPMJ-10-2021-](https://doi.org/10.1108/BPMJ-10-2021-0655)

0655>; Sistem Informasi and others, 'Sistem Informasi Perdagangan Barang Dan Jasa Kontraktor Berbasis Web', *IJCIT (Indonesian Journal on Computer and Information Technology)*, 3.2 (2018); Jan Bröchner, 'Construction Contractors as Service Innovators', *Building Research and Information*, 38.3 (2010) <<https://doi.org/10.1080/09613211003616706>>.

companies<sup>2</sup>. Maintaining the company's existence depends on the company's ability to see market opportunities that exist<sup>3</sup>. Under these conditions, the company's marketing sector plays a very important role in terms of seeing existing market opportunities. In this journal, we are planning a mining contractor service business which will first focus on coal mining<sup>4</sup>. The demand for coal is still very large with the value of reserves in Indonesia<sup>5</sup>, the business plan being undertaken will take market share in Kalimantan, especially East Kalimantan. The area that will be our target market is Loa Tebu District, Kutai Regency, Kartanagara, East Kalimantan Province. Our company will

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<sup>2</sup> Bröchner.

<sup>3</sup>Rustinsyah Rustinsyah, 'Women Empowerment for Poverty Reduction in Ring-1 Rural Area of a Cement Company in Tuban, East Java Province, Indonesia', *Masyarakat, Kebudayaan Dan Politik*, 31.1 (2018)  
<<https://doi.org/10.20473/mkp.v31i12018.107-118>>.

<sup>4</sup> Rajesh Kumar and Uday Kumar, 'Service Delivery Strategy: Trends in Mining Industries', *International Journal of Surface Mining, Reclamation and Environment*, 18.4 (2004)  
<<https://doi.org/10.1080/1389526042000274926>>; M. Keber and others, 'Deep Sea Mining: An Opportunity for the Italian Offshore Industry?', in *Offshore Mediterranean Conference and Exhibition 2017, OMC 2017*, 2017.

<sup>5</sup> Dedi Kusmayadi, Yusuf Abdullah, and Irman Firmansyah, 'Analysis of Gas, Oil, and Coal Company Performance during Pandemic of Covid-19: A Case Study of Indonesia', *International Journal of Energy Economics and Policy*, 12.1 (2022)  
<<https://doi.org/10.32479/ijeeep.11944>>.

become a company providing mining contractor services to meet the needs of the land owner. Our company will process the mining activities required by the land owner, in other words carry out exploitation activities or the coal mining process which then produces coal for the land owner. This work will include several works, namely joint survey with land owners, land clearing, top soil stripping, blasting, overburden/soil material stripping, mining material, and coal hauling/hauling to the conveyor at the port.

As a new company that has the advantage of starting a business by providing experts and experience in many small and medium scale projects, of course we will not take risks, with experts who have experience working in the field of medium - scale mining, we will try to carry our methods and approaches relationship in making offers to clients. Our marketing plan to be successful in PT. ANP of course we have to analyze and implementation of segmenting, targeting, positioning (STP) and marketing mix strategies. Segmentation, targeting, and positioning are core disciplines in marketing strategy, both in a domestic and global environment. Mistakes in these areas are likely to be costly and may result in failure; getting it right is a critical prerequisite for corporate success<sup>6</sup>.

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<sup>6</sup> Johny K. Johansson, 'Global Marketing Strategy', *Wiley International Encyclopedia of Marketing*, 2022

## 2. Method

This study investigates 7. Marketing mix that is the focus of PT. ANP as business that makes the target market Business to Business (B2B) is to use NICE, namely Networking, Interaction, Common Interest, and Experience. Because the PT. ANP is mining services company that must pay attention to its end users, PT. ANP also uses 7P marketing mix strategy (Product, Price, Promotion, Place, People, Process, Physical Evidence).

Marketing objectives are made in accordance with the strategy chosen is Cost Focus on Porter's Generic Strategy. Focus strategy: This strategy concentrates on specific target or market segment<sup>8</sup>. PT. ANP implements a strategy of customer relations, relationship marketing, digital marketing and experience skilled employees. PT. ANP will develop marketing objectives through several stage. These marketing goals cover the short, medium and long term. The approach strategy

to the most important land owners will be carried out by PT. ANP. Then the next is doing digital marketing through websites, social media and digital seminars.

To support the goals set above, PT. ANP marketing target will be taken at the customer segment, namely medium-level land owning companies with a coal production rate of around 50,000 - 20,000 tons/month which has been explained in the Lean Business Canvas.

The segmentation taken by PT ANP in offering mining contractor service products on Business to Business (B2B) for middle class contractors is coal production between 50,000 - 200,000 tons/month, which is based on the plan to carry out mining in the Loa Tebu area which is an area located in the Kutai kartanegara. Coal in the area enters into deposits in the Kutai basin. Coal in the Kutai basin is carried by the Batuayu Formation, the Wahau Formation and the Balikpapan Formation. The coal accounted for 2.371 billion tons, of which 1.743 million tons were resources and 627.8 million tons were reserves. The IUP area is in the Loa Tebu area, Tenggarong District, with an IUP area of ±100ha. The area is located in the Kutai basin area with topographical conditions with the highest elevation point of 40 meters above sea level and the lowest point of 15 meters above sea level. The IUP area is next to the Mahakam River, which is quite close to the beach. The reach of the location to the IUP location can be reached by road. Based on the

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<<https://doi.org/10.1002/9781444316568.wiem01024>>.

<sup>7</sup> Didin Fatihudin, *METODOLOGI PENELITIAN ILMU EKONOMI, MANAJEMEN DAN AKUNTANSI- EDISI REVISI Lengkap Contoh Kasus*, Zifatama Publisher, 2020, LIII; Amirullah, 'Metodologi Penelitian Manajemen', in *Wood Science and Technology*, 2015, XVI.

<sup>8</sup> Bayad Jamal Ali and Govand Anwar, 'Porter's Generic Competitive Strategies and Its Influence on the Competitive Advantage', *International Journal of Advanced Engineering, Management and Science*, 7.6 (2021), 42-51 <<https://doi.org/10.22161/ijaems.76.5>>.

geological map, the IUP area is included in 2 formations, namely the Balikpapan formation and the Balang Island formation. Both of these formations are known as carriers of quite a lot of coal. The coal found in this area is in the Lignite class with an analysis of the range of ash, sulfur content, and calorific value in the Balikpapan Formation, namely the Balikpapan Formation: Ash 3.28-3.78 %, St 0.11-0.18%, CV 5245 -5500 cal/gr..

Coal in this area includes coal that is economical enough to be mined with sufficiently supportive IUP areas in the form of coal-carrying formations, namely the Balikpapan formation and the Balang Island formation. Then, this area becomes an area that has the potential to have quite large coal with one other factor, namely this area is also full of geological structures. The coal in the IUP area, precisely in Loa Tebu, has quite a large potential with lignite rated coal. Then, in terms of location this area is quite strategic which is close to the beach where the beach is one of the transportation routes for coal distribution to other areas.

The marketing mix that is the focus of PT ANP as a business that makes the target market Business to Business (B2B) is to use the 7P marketing mix strategy (Product, Price, Promotion, Place, People, Process, Physical Evidence) to help the resulting services become a benefit value for client/land owner. With the concept of NICE, namely Networking, Interaction, Common Interest, and Experience. However, because PT

ANP is a contractor service business that must pay attention to closeness with the land owner, so that it is not only of value to PT. ANP tp becomes a benefit value for the client/land owner.

### **Sales**

PT ANP will carry out marketing activities to achieve optimal sales targets by describing its sales activities with NICE, namely Networking, Interaction, Common Interest, and Experience. Sales for PT. ANP is a corporate image and a door for clients to see the company more deeply. The advantage sales force is a strength for the company, especially in the service sector <sup>9</sup>. So it is very important that sales must be able to maintain a good image and establish good relations with clients.

Acquisition of PT ANP's revenue stream from Year 1 for the first 6 months where the company is still preparing tender reviews, surveying mine sites, re-mapping, preparing infrastructure such as Office building, workshops, Camp/mess, then there is also work on repairing mine road access. The 1st year of the 2nd semester is just the start of the first cut or the first excavation and production.

### **3. Results and Discussion**

Based on the description of marketing planning in the materials and method above, the following are the results of marketing plan discussions at PT. ANP. PT. ANP

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<sup>9</sup> Jodi Widardi and others, 'Marketing Mix Strategy Implementation for Business Plan at LH Hotel', *Science, Engineering and Social Science Series*, 3.5 (2019), 167-68.

will be conduct three stage of objectives that is short, mid and long term objectives as in Table below.

| Category                     | Marketing Objective |  |
|------------------------------|---------------------|--|
| Short Term<br>(Y.0 s/d Y.2)  | 1                   | Become a member of 3 associations of heavy equipment & miners associations in Indonesia and are active in their activities. PERTAABI, ASPINDO, APBI.   |
|                              | 2                   | Carry out promotions using digital marketing such as; Content Marketing, Search Engine Optimization (SEO), Email Marketing, Instant Messaging Marketing and Social Media Marketing (Instagram, Facebook, Youtube and Tik Tok) and join the community of medium scale mining entrepreneurs in Indonesia who are active on social media. |
|                              | 3                   | Conduct direct sales and offers using the direct selling method to land owners in the Loa Tebu area, Kutai Kartanegara.  |
|                              | 4                   | Participated in 8 coal mining tenders from landowners who already had a relationship with the company founders in the sugar cane area, Kutai Kartanegara or companies that opened tenders for mining exploitation work.  |
| Medium Term<br>(Y.2 s/d Y.4) | 1                   | Strengthening good relationships with mining land owners by providing quality assurance and providing solutions to optimize customer satisfaction.   |
|                              | 2                   | Doing branding by creating a comprehensive marketing program with a low value rate, so that clients are very interested in using the mining services that we offer.  |
|                              | 3                   | Still holding 8-10 tenders in the Loa Tebu area, Kutai Kartanegara, but in Sangatta, East Kutai, . Conducting seminars at least 2x a year, holding exhibitions at least 1x a year, holding gala dinners and gatherings for clients at least 2x a year.   |
| Long Term<br>(> Y.4)         | 1                   | Participating in tenders not only in the East Kalimantan region, but all areas in Kalimantan.  |
|                              | 2                   | Expanding business network by opening representative branches in every mining project location throughout Kalimantan.  |
|                              | 3                   | Developing participation in tenders for gold/nickel mines throughout Kalimantan.   |

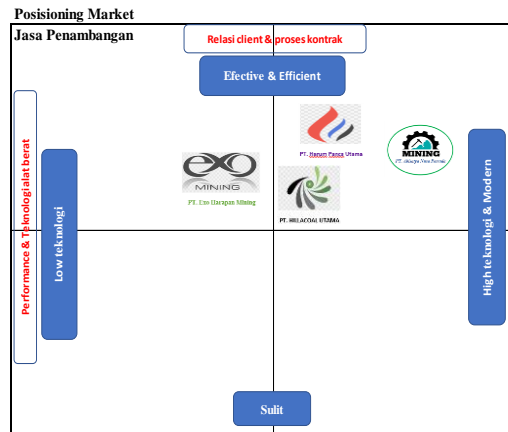
PT. ANP is the owner of mining land in the East Kalimantan area, for areas specifically located in the Sugar Cane Loa, Kutai Kertanegara Regency, where the Sugar Cane Loa has quite large coal reserves of 627 million tons, the market in this Sugar Cane Loa is still very much potential for contractors to work on mining services can be up to tens of years. But PT. ANP because its segment is in the middle production will only take on coal production between 6 million to 24 million per year. Target achievement is carried out in stages. The short-term target in the first year focuses on the target at Kutai Kertanegara, with the first year's production target of 500,000 BCM Overburden and 50 thousand Tons of Coal assuming an SR of 1:10, then

in the 2nd year it increases the overburden production target to 1 million BCM and 100 thousand tons of coal. Then for the 3rd to 5th year, overburden production is 1.8 million BCM and 180 thousand tons of coal. Example of a potential client with PT. ANP is PT. Multi Harapan Utama which has a land reserve located in Kutai Kartanegara Regency, PT. ANP will cooperate with PT. MHU Coal to meet domestic and international market demands. Achievement of the target in stages based on the agreement on the value of the work contract with the land owner as shown in the table below:

| Target Description                       | Target Area     |                 |                              | Employment Contract                   | Target PerMonth        |           |            |            |            |            |                                 |
|--|-----------------|-----------------|------------------------------|---------------------------------------|------------------------|-----------|------------|------------|------------|------------|---------------------------------|
|  | Kalimantan      | East Kalimantan | Loa Tebu - Kutai Kertanegara |                                       | 1st Contract - 5 years | Y0        | Y1         | Y2         | Y3         | Y4         | Y5                              |
| Coal Reserves                            | 24 billion tons | 16 billion tons | 627 million tons             | Overburden - Soil Shippingrock in BCM | 0                      | 500,000   | 1,000,000  | 1,800,000  | 1,800,000  | 1,800,000  |                                 |
|  |                 |                 |                              | Coal - Mining Materials in tonnes     | 0                      | 50,000    | 100,000    | 180,000    | 180,000    | 180,000    |                                 |
| <b>Main Revenue</b>                      |                 |                 |                              |                                       | <b>Target PerYear</b>  |           |            |            |            |            | <b>Total Production 5 Years</b> |
| Production Overburden (OB) /Year- in BCM |                 |                 |                              |                                       | 0                      | 6,000,000 | 12,000,000 | 21,600,000 | 21,600,000 | 21,600,000 | \$2,800,000                     |
| Production Coal Tahan - in tonnes        |                 |                 |                              |                                       | 0                      | 600,000   | 1,200,000  | 2,160,000  | 2,160,000  | 2,160,000  | \$,280,000                      |

The mining contractor service business is one of the business groups that has a big risk but will generate enormous benefit values. The close relationship with the land owners is very strong in planning to start this business. Then the ease of calculating efficient and effective contract rates also greatly determines this business expansion. One thing a company must have is modern heavy equipment technology to ensure the availability of heavy equipment to carry out the mining process. This is the main capital for high production. 2 The

above determines its positioning as a mining contractor service company that will be able to compete in the medium contractor market.



### Marketing Mix

The marketing mix that is the focus of PT ANP as a business that makes the Business to Business (B2B) target market is to use NICE, namely Networking, Interaction, Common Interest, and Experience.

#### A. Networking

Where in building networking several supporting factors are *Experienced Skilled Employees* One of the founders of PT ANP is an expert and top management in a large mining contractor company with large production value, *customer relation oriented*, using digital marketing tools also holding events.

#### B. Interaction

Internal and Eksternal interaction This discussion is held to maintain trust and close personal relationships with investors, as well as to give appreciation that they are involved indirectly through the ideas presented. With good emotional ties, investors will of

course also indirectly promote their contracting business to their business networks.

#### C. Common Interest

Every service business actor, of course, expects the services they have to be known by their consumers. customer trust has a reason between customers and companies, so efforts to build cooperative relationships will be easier. Trust is defined as the level of reliability guaranteed by one party to another in a particular exchange relationship <sup>10</sup>. So trying with various promotional media trying to introduce its services. This mining contractor service business will be run with a production target starting with a small value then step by step will increase in the 3rd year. In line with the company's mission, which is to develop and strengthen the network through contract mining cooperation and build business relationships with land owners, by providing an effective and efficient contract process, then high and modern heavy equipment technology.

#### D. Experience

This experience is important and will be a big consideration for the success of the tender because in this experience we will show more profiles of experienced experts in the field of coal mining exploitation, the work of experts from previous

<sup>10</sup> J, F Sofya, I Kristin, and U Kustiawan, 'Pengaruh Kepuasan Pelanggan, Kualitas Layanan Dan Promosi Di Sosial Media Yang Dimediasi Oleh Komitmen Dan Kepercayaan Terhadap Loyalitas Pelanggan Traveloka', *Jurnal Kajian Manajemen Bisnis*, 11.2 (2022), 125-40.



Sales Activities should also be able to consider with the resources owned by both the sales team and costs in order to carry out all marketing activities in accordance with the strategy set in order to achieve sales targets so as to generate profit for the company.

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