

IMPLICATIONS OF THE MARKETING MIX FOR THE ADDED VALUE OF HORTICULTURAL PLANT BUSINESS IN ENREKANG REGENCY (CASE STUDY OF SALAK FRUIT PLANTS IN ENREKANG REGENCY)

MUHAMMAD IDRIS¹, THANWAIN², CHAHYONO³, AHMAD JUMARDING⁴

^{1,3,4} Management Economics, University of Bosowa Indonesia

²Accounting University of Bosowa Indonesia

Abstract--This research was conducted in Alla District, Enrekang Regency with the main objectives being to study (1) the amount of salak farming income for farmers who apply the marketing mix, (2) the size of marketing margins and marketing efficiency in each marketing channel of salak to Makassar. This research is a survey research, the sample in this study used purposive random sampling in three villages, namely Kambiolangi Village, Mata Allo Village, and Sumilang Village in Alla District. Data were obtained through direct interviews using (1) Benefit Cost Ratio Analysis, and (2) Analysis of marketing margins and marketing efficiency. The main results obtained in this study indicate that the salak farming income obtained by farmers by applying the marketing mix is greater than those who have not applied the marketing mix. The results of the study also show that the marketing margins of each marketing channel are different and achieve large profits and reduce marketing costs while at the same time increasing marketing efficiency by applying the marketing mix for marketing areas to Makassar. Increasing salak farming income requires better processing treatment to obtain production quality in order to achieve optimal results

Keywords; Management of Salak Farming, Added Value, Business Development

INTRODUCTION

Indonesia as a tropical country provides a great opportunity for the community to develop horticultural crops, especially snake fruit plants which can be consumed directly and processed as snacks. Overall, salak fruit plants in Indonesia have good potential and the government continues to strive to support salak farmers in increasing the production and quality of salak fruit. With good management and adequate support, it is hoped that salak fruit plants in Indonesia will continue to grow and provide economic benefits for farmers and regional economic growth.

The agricultural sector development strategy is aimed at improving product quality and post-harvest handling. The problems that arise in handling the agribusiness sector in Indonesia include a) Limited land owned by farmers, b) The nature of the products produced are easily damaged, c) Commodity prices are very cheap when harvests are abundant, d) Post-harvest handling is still traditional, e) Profits received by traders intermediaries are bigger than the farmers themselves.

The development of the agribusiness sector is basically the main support, so that the constraints that are still inherent in the sector can be overcome. The agricultural sector continues to be improved with the aim of increasing production to meet food and industry needs, increasing farmer incomes, expanding employment opportunities, encouraging business opportunities and supporting regional development. To achieve the above objectives, the Government of South Sulawesi has decided that commodity zoning is an economic development policy in South Sulawesi. The goal is to realize development in the agricultural sector in a directed and integrated manner, as well as optimal utilization of natural resources, which is essentially an effort to increase the income of the agricultural sector, especially zalacca fruit plants.

Salak is a type of fruit that is found in various provinces in Indonesia and generally has a name according to the region it produces. Several cultivars of salak are well known and well liked, including Balinese salak, Pondoh, Suwara, Madura, Banjarnegara, Tasimalaya, Condet, Padangsidempuan and Salak Enrekang (Trisnawati 2001).

South Sulawesi is a province where the majority of the population works in the agricultural sector and depends on agricultural products as the largest source of regional income. One of the areas in



South Sulawesi which is famous for its agricultural products is Enrekang Regency, this area has the advantage of producing zalacca and several other agricultural products.

Enrekang Regency is one of the largest snake fruit producers in South Sulawesi which has the potential to be developed in terms of production quality and quantity which is expected to also increase the income of snake fruit farming. However, it should be understood that the salak fruit produced by farmers is a product that does not last long, is easily damaged and rots quickly. This is one of the problems faced by salak fruit farming, as a result it can reduce product quality which at the same time has an impact on prices.

Achieving an increase in the income of a salak fruit farming business requires the application of a marketing mix referring to the combination and achieving its business objectives. There are four main elements of the marketing mix, namely product, price, distribution and promotion (Private, 2001). The implications of the marketing mix for the value added of zalacca farming can have a significant effect on the added value generated by zalacca farming, including;

Product Policy is an effort to improve quality, so it is necessary to carry out first sorting or selection, the aim is to select good, fresh, unblemished salak fruit and at the same time clean it from stalks and other impurities. Second, carry out grading or classification which has the aim of obtaining uniform results both size and quality, facilitate the arrangement in a container that can provide added value to the product. Foods that are fruit in nature, including salak fruit, are said to be of good quality if they meet the following criteria; 1) has good sensory properties (taste, aroma, color, texture), 2) has nutritional value, 3) is safe for consumption.

Price policy is an attempt to increase prices through processing activities which include sorting, grading and packaging, so that producers can determine price levels according to the class of goods.

Distribution Policy is an activity at various levels of marketing channels which is a combination of marketing institutions consisting of collectors, wholesalers, inter-island traders, and retailers to consumers. The main objective of farmers to produce and market salak fruit commodities is to meet the needs and improve the standard of living of the family. For this reason, in the marketing of salak fruit, there is a series of marketing systems that are interrelated and act as a liaison between producers and consumers. While the process of marketing salak fruit can basically be done through such as (producer-local collector-village trader-retailer-consumer) so that the channel becomes long, besides that there are also marketing channels that only involve one marketing institution such as (producer-retailer-consumer) even there are direct marketing channels such as (producer-consumer).

RESEARCH METHODS

The research method used is a survey method. by conducting research on a portion of the population or conducting research on the sample in the research are farmers who work on horticultural crops (salak) and traders who are involved in marketing activities.

The research area is Alla District, Enrekang Regency consisting of eight villages and three villages were selected purposively namely Kambiolangi Village, Mata Allo Village and Sumilang Village with considerations including; 1) The three selected villages (Kambiolangi Village, Mata Allo Village and Sumilang Village) are potential salak producing areas, 2) Marketing institutions at the sub-district level (small traders), districts (large traders) are generally located in research areas with the same marketing objectives Makassar City was chosen.

Determination of the sample is done by simple random. The selected respondents are salak farmers who carry out post-harvest processing and have a land area of between 0.5 - 1 ha, with 10 people in each village. Collecting traders 15 people, and retail traders 20 people, wholesalers 5 people and traders in Makassar city 5 people do enumeration.

Method of collecting data

Data collection methods in this study include primary data and secondary data. Primary data was collected through direct observation and interviews with salak farmers and marketing intermediary institutions which included (a) the area of land cultivated, (b) the type of fertilizer and labor used,



(c) the amount of production obtained by farmers in one harvest season , (d) a place to sell salak commodities to consumers, (e) post-harvest costs and marketing, and (f) the results of selling farmers. Secondary data was obtained from related agencies such as the Agriculture Office in the form of data on fruit production, and the Statistics Office in the form of data on area area, population, harvested area and salak fruit production for each sub-district in Enrekang Regency. Method of analysis, to test the benefits of marketing mix used relative profit analysis (Benefit Cost Ratio Analysis) with the formula:

$$\text{Benefit Cost Ratio} = \frac{B_s - B}{\sum_{i=1}^n C_i}$$

B/C ratio = to see the amount of benefits received by salak farmers after implementing the marketing mix

BS = Total benefits of salak farming after using marketing mix.

B = Total farm benefits before using marketing mix.

Ci = The amount of additional costs incurred by farmers due to the implementation of Marketing mix

The calculation results will provide three possibilities that will be obtained by salak farmers, namely:

1. If B/C = 1, it means that the total benefits obtained are equal to the use of the marketing mix will be considered implemented or not.
2. If B/C > 1, it means that the total benefits obtained are greater than the total costs incurred, so that the use of marketing mix can be implemented because it provides benefits for farmers.
3. If B/C < 1, it means that the total benefits obtained are smaller than the total costs incurred, so that the use of marketing mix can cause losses both in terms of cost, time and risk of damage to farmers.

To determine the size of the margin and the level of marketing efficiency, the following margin and marketing efficiency analysis is used:

$$M = H_p - H_b$$

M = Marketing margin

H_p = Sales margin

H_b = Purchase margin

Furthermore, marketing efficiency analysis is used as follows:

$$EP = \frac{\text{Marketing Costs}}{\text{The value of the product being marketed}} \times 100\%$$

RESULTS AND DISCUSSION

Profit and Cost Analysis (B/C ratio analysis)

In order to find out to what extent the level of success achieved by salak farmers who carry out the marketing mix, and the benefits obtained are compared with marketing costs incurred by farmers in postharvest at the research location. Furthermore, to see the activities of each marketing mix before and after implementation can be described as follows:

Activities before implementing the marketing mix, purchasing manure, pruning, cleaning pests and diseases, weeding, pollination, picking, packaging in the form of bunches made from salak leaves themselves and activities after implementing the marketing mix are purchasing manure, pruning, cleaning pests and disease, weeding, pollination, picking, sorting and grading, packaging from plastic sacks and crates. In this activity, the value added obtained by salak farmers who apply the marketing mix with B/C ratio is:

Table 1. The Benefits of Implementing the Marketing Mix in Detail by Village in Alla District

Description	Kambiolangi Village (Rp/ha)	Mata Allo Village (Rp/ha)	Sumilang Village (Rp/ha)
Before Marketing Mix Implementation	31.027.500	32.805.000	31.950.000
After Marketing Mix Implementation	33.762.000	36.261.000	32.715.000
Total Cost Before Marketing Mix (I)	29.357.500	30.157.000	28.750.000
Total Cost After Marketing Mix (II)	31.004.300	35.558.000	29.755.000
Cost (II-I)	1.646.800	5.401.000	1.005.000
Income	2.734.500	3.456.000	765.000
B/C ratio	1,66	1,56	1,31

Data Source : After processing 2023

The calculation results in table 1 show that the income earned by farmers before implementing the marketing mix is smaller than after implementing the marketing mix or in other words, that farmers get added value to the income they earn after implementing the marketing mix.

Added value to income obtained by salak farmers before implementing the marketing mix and after implementing the marketing mix added value obtained with a greater B/C Ratio after implementing the marketing mix (Kambiolangi Village, Mata Allo Village and Sumilang Village)

Margins and Marketing Efficiency

The structure or marketing activity of salak contains several related marketing actors, starting from the farmer level to the consumer level, where each marketing actor incurs costs according to the treatment of the salak commodity, there are different expenses so the selling price also varies.

The price of salak produced before applying the marketing mix was an average of Rp. 7,500/kg in the form of bunches which still use simple swelling, namely from bark of salak leaves. Furthermore, after applying the marketing mix by incurring costs for processing, selection, packaging and taking into account losses due to bunches being removed and other impurities, the price also increased by an average of around IDR 8,500/kg in the research village.

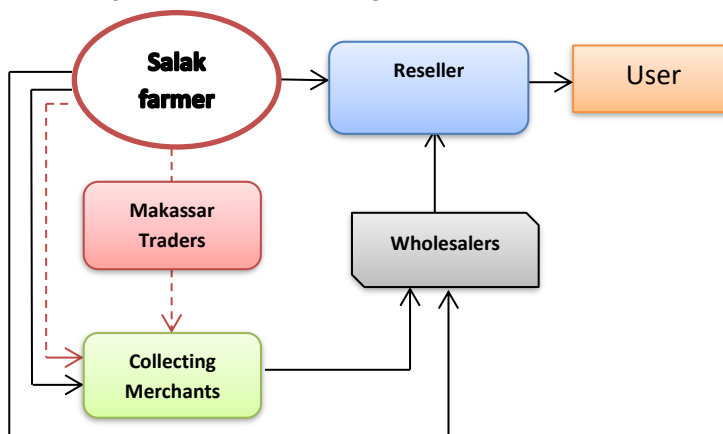


Figure 1. Product Distribution Scheme

The price of salak fruit is Rp. 7,500 per kg in the form of bunches that still use simple packaging, which is wrapped using the fronds of the fruit itself. Furthermore, after the farmers carried out the marketing mix by incurring costs for processing, selecting, packaging, sorting, grading and taking into account depreciation due to discarded bunches and other impurities, the price of salak fruit also increased on average to Rp. 12,500 per Kg

Figure 1, several alternative marketing channels according to the objectives of the marketing location as follows:

- A. Farmers ---> Retailers ---> Consumers
- B. Farmers ---> Wholesalers ---> Retailers ---> Consumers
- C. Farmers ---> Sellers Collectors ---> Wholesalers ---> Retailers ---> Consumers



Margin calculation and marketing efficiency based on three alternative marketing channels can be seen in table 2 below:

Table 2. Marketing Margin and Efficiency Broken Down By Marketing Channel to Makassar

Description	Marketing Channels		
	I	II	III
Farmer Price (Rp/kg)	7.500	7.500	7.500
Collector Price (Rp/kg)	-	-	7.750
Wholesaler Price (Rp/kg)	-	8.000	8.000
Retailer Price (Rp/kg)	12.500	12.500	12.500
Total Cost (Rp/kg)	2.750	2.775	2.875
Total Profit (Rp/kg)	4.750	4.725	4.625
Total Marketing Margin (Rp/kg)	7.500	7.500	7.500
Marketing Efficiency (%)	22	22,2	23

Data Source : After Processing 2023

Table 2 calculation results show that each marketing channel has different marketing efficiency due to the different marketing agencies involved in each marketing channel. This results in costs and benefits for each marketing agency that are different. Although there are similarities, namely prices from farmers, selling prices to retailers, and total marketing margins for each marketing channel that occurs.

In the marketing channel I, only farmers and retailers were involved with a cost of Rp. 2,750 per kg and the profits for the retailers were Rp. 4,750 per kg. The high profit earned by retailers is because the purchase price from farmers is only Rp. 7,500 per kg taking into account the level of risk of damage and the time of sale, resulting in a high selling price to consumers, namely Rp. 12,500 per kg. The total marketing margin is IDR 7,500 per kg with a marketing efficiency level of 22% which can be said to be less efficient.

For marketing channel II, farmers, wholesalers and retailers are involved. With the additional marketing agencies, of course, this is accompanied by additional costs, resulting in reduced profits for each marketing agency and for each marketing agency. The total marketing margin in marketing channel II is IDR 7,500 per kg with a marketing efficiency of 22.2%, this shows that with the addition of marketing agencies, marketing efficiency can be said to be efficiency.

Furthermore, marketing channel III in which those involved are farmers, collectors, wholesalers and retailers, this means that all marketing institutions are involved in the process, so that costs will increase and the consequence is that profits will decrease according to the variation of the marketing agency's activities. There is. The total marketing margin on marketing channel III is Rp.7,500 per kg with a marketing efficiency level of 23% which indicates inefficiency.

The conclusion is that if the farmer's price is the same Rp.7,500 per kg and the retailer's selling price is also the same, Rp.12,500 per kg, the total marketing margin will be the same in various combinations of marketing channels. Then the marketing efficiency in each marketing channel is different because combination of marketing agencies on various marketing channels. This shows that the indirect marketing channels are more efficient.

CONCLUSION

The conclusion of the research; (1) Applying the marketing mix, in marketing their products, salak farmers in Alla District can obtain benefits which include increased prices received, so that salak farming income also increases and gain additional knowledge in terms of marketing their products, both regarding selection and packaging as well as the price level obtained; (2) The results of the analysis using the B/C ratio in the three case villages, namely, each village received a B/C of 1.66, 1.56 and 1.31. Thus it can be said that the use of a standardized marketing mix can provide additional benefits for salak farmers; (3) Analysis of marketing margins shows that salak marketing activities in Alla Sub-District through several combinations of marketing channels, the marketing margins at each marketing agency are different for each marketing channel. Likewise, the

marketing efficiency varies in each marketing channel and this is the level of efficiency in the second marketing channel.

REFERENCES

- [1] Syafaat, N. (2003). *Konsep Pengembangan Wilayah Tertinggal dalam Rangka Pemberdayaan Ekonomi Kerakyatan Melalui Pengembangan Agribisnis*.
- [2] *Prosiding Lokakarya Pengembangan Agribisnis Berbasis Sumberdaya Lokal dalam Mendukung Pembangunan Ekonomi Kawasan Selatan Jawa*. BPTP Jatim Bekerjasama dengan Pusat Penelitian dan Pengembangan Sosial Ekonomi Pertanian. Bogor. pp : 62-84
- [3] Kuntoro Boga Andri and Y. Shiratake, (2007). *Evaluation of Contract Farming System between Vegetable-Cultivated Smallholder and Agribusiness Firm in East Java, Indonesia, Review of Agricultural Economics, Journal Edited by the Kyushu Society of Agricultural Economics Vol.57, No.2, 2007, pp.13-28*
- [4] Mawaddah, Jumadi, Madjid Majid. (2018). *Petani Salak di Dusun Banca Kecamatan Baraka Kabupaten Enrekang 1960-2016*. *Pattinggaloang Jurnal Pemikiran Pendidikan dan Penelitian Kesejarahan Vol. 5 No. 4*. pp. 1-8
- [5] Idris, M. (2017). *Analisis Pendapatan Petani Salak Melalui Penerapan Marketing Mix Di Kabupaten Enrekang*. *Ecosystem, 17(3)*, pp. 861-870
- [6] *Pusat Statistik Kabupaten Enrekang, Kabupaten Enrekang Dalam Angka 2022*,
- [7] Soekartawi, (2000). *Prinsip-Prinsip Dasar Manajemen Pemasaran Hasil-Hasil Pertanian, Teoridan Aplikasinya*, Rajawali Pers, Jakarta
- [8] Khalid Suidan Al Badi. (2018). *The Impact of Marketing Mix on the Competitive Advantage of the SME Sector in the Al Buraimi Governorate in Oman*. *SAGE Open Research Paper*. pp: 1-10
- [9] Dr. B.R. Londhea. (2014). *Marketing Mix for Next Generation Marketing*. *Symbiosis Institute of Management Studies Annual Research Conference (SIMSARC13)*. *Procedia Economics and Finance 11*. ScienceDirect. pp. 335 - 340
- [10] Margarita Isoraité. (2016). *Marketing Mix Theoretical Aspects*. *International Journal of Research - Granthaalayah, Vol. 4, No. 6* pp : 25-37.
- [11] Rajeev Kumar Panda. (2012). *Marketing Channel Choice and Marketing Efficiency Assessment in Agribusiness*. *Journal of International Food & Agribusiness Marketing Volume 24*
- [12] Abubakar, Herminawaty. (2016). *Effectiveness of Marketing Strategy on the Implementation of the Theory STP (Segmentation, Targeting, Positioning) Silver Craft In Business Makassar*. *Proceeding Tadulako Internasional Seminar*
- [13] Hapi Hapsari, Endah Djuwenda, Tuti Karyani, (2008), *Peningkatan Nilai Tambah dan Strategi Pengembangan Usaha Pengolahan Salak Manonjaya*. *Jurnal Agrikultura, Volume 19, Nomor 3, Tahun 2008*.
- [14] Soetomo, Moch, H.A. (2001). *Teknik Bertanam Salak*. Sinar Baru Algesindo. Bandung.
- [15] Tim Karya Mandiri. (2010). *Pedoman Budidaya Buah Salak*. CV Nuansa Aulia. Bandung.
- [16] Soekartawi, (1989), *Prinsip Dasar Manajemen Pemasaran Hasil-hasil Petanian Teori dan Aplikasi*, Rajawali Pers, Jakarta.
- [17] Trisnawati Wayan, Mery Alam Tina Siaga, Nyoman Ngurah Arya (2001), *Penanganan Pasca Panen dan Pengolahan Buah Salak Bali*. *Balai Pengkajian Teknologi Pertanian Bali*. *Balitbang Pertanian*. Departemen Pertanian.
- [18] Shofia Salsabila, Dwi Haryono, Yanuar Aviati Syarief, (2019). *Analisis Pendapatan dan Nilai Tambah Agroindustri Keripik Pisang di Desa Sungai Langka Kecamatan Gedong Tataan Kabupaten Pesawaran*. *Jurnal Ilmu ilmu Agribisnis. JIIAm Volume 7 Nomor 1, Februari 2019*, pp 68-74