Analysis of Marketing Efficiency F Salak Pondoh Commodities (Salacca Edulis Reinw) for Sale in Traditional Markets in Bogor City

Himmatul Miftah1*, Elis Marfu’ah2, Syaima Lailatul Mubarokah3, Arti Yoesdiarti4
Djuanda University, Bogor

Corresponding Author: Himmatul Miftah : himmatul.miftah@unida.ac.id

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ABSTRACT

This study aims to analyze marketing channels, marketing channel efficiency values, marketing margins, and market share of salak pondoh sold in traditional markets in Bogor City. Methods of data collection using primary data and secondary data. The sampling technique of farmers was carried out by purposive sampling and snowball sampling of 31 people. The descriptive analysis method for marketing channel analysis and quantitative analysis is to calculate the value of marketing efficiency, marketing margin, and farmer's share. The results showed that one marketing channel for salak pondoh was not efficient because the channel was too long and involved four marketers.
INTRODUCTION

Salak Pondoh (*salacca edulis reinw*) is a type of local fruit that is popular with many people. Salak is one of the native tropical fruits of Indonesia and has been made one of the national superior fruits. Salak is usually served as a dessert on the household food menu. Salak fruit is also served on a menu during traditional events in the community. Apart from domestic consumers, Salak fruit is also the fourth most exported fruit to Indonesia after mangosteen, pineapple, and banana, namely 1,698 tons with a value of IDR 2.6 billion in 2019 (Ministry of Agriculture, 2019).

Bogor City is a strategic area as a marketing destination for Salak fruit. The high level of population and tourists is supported by the many modern markets and traditional markets that provide fruits including salak pondoh. The population of Bogor City is dominated by the upper middle class, which makes the level of awareness of consuming fruit quite high. In addition to buying fruit at modern markets, many people in Bogor City still buy fruit at traditional markets because when compared to modern markets, the prices offered by traditional market traders are higher. cheap and can choose fruit with a variety of fruit choices, therefore the availability and supply of fruit in the market must be maintained. The traditional markets in Bogor City which are quite large and are the main destination for the people of Bogor City are the Jambu Dua market and the Bogor market.

The difference is that the salak production centers are dominated by areas outside the City of Bogor, so marketing activities are needed to bridge the spatial separation. The distribution of salak commodities requires marketing actors to form a set of marketing activities. In general, the number of actors involved in the marketing process can affect the market structure, behavior, and performance. In general, the number of actors involved in the marketing process can affect the market structure, behavior, and efficiency. The quantity of marketers affects the size of the marketing margin which shows the difference between the price paid by consumers and the price received by farmers. The more marketing actors involved, the higher the margin because each marketing actor takes advantage. The role of salak pondoh marketing actors is very important, namely their contribution to distributing raw material products to consumers. If marketers apply the pattern of marketing channels. However, if the marketing channel is too long, the farmer's income will be relatively small. This is because, for each transfer of agricultural products to one marketing channel actor and the next, there is a difference in product prices so that farmers' profits are low (Annisa et al., 2019).

On the one hand, the demand for salak pondoh is increasing, but on the other hand, if the income of farmers is low, it makes farmers reluctant to plant salak pondoh. In the end, if farmers are reluctant to plant, the sustainable supply of salak fruit will be hampered and the supply will not be guaranteed, therefore an efficient marketing system is needed (Piechowiak et al., 2020). An efficient marketing system is needed to ensure that agricultural products are able to provide benefits to farmers as the main actors (Rensburg & Mulugeta, 2016).

Based on the description above, then the objectives of this study are 1) to analyze the marketing channel pattern of salak pondoh (*Curcuma xanthorrhiza*) sold in
traditional markets in Bogor City; 2) Knowing the value of salak pondoh marketing efficiency indicators \( (Curcuma xanthorrhiza) \); and 3) analyze the level of efficiency of salak pondoh marketing channel pattern \( (Curcuma xanthorrhiza) \) which ensures the continuity of its supply.

**THEORETICAL REVIEW**

**Marketing**

Marketing is one of the most important factors when farmers have produced products that have good quality and quantity. Marketing is a system of activities that aims to plan, set prices, advertise, and market the goods that have been produced to be delivered to consumers. All decisions made in the marketing process must aim to determine the product, market, price, promotion and production system (Kholifah *et al.*, 2021).

Marketing is defined the same as marketing or distribution. Marketing is a kind of economic activity that functions to carry or deliver goods from producers to consumers (Mubyarto, 1973). The ultimate goal of marketing is to place goods in the hands of consumers. To achieve this goal, it is necessary to carry out marketing activities involving interested institutions in the trade system process. According to Mubyarto (1995),

The marketing function is an activity that strives for buyers to obtain the desired goods at the right place, time, form and price by:

1. Increase the use of space \( (place \ utility) \), namely the business of goods and services from production areas to consumption areas.
2. Increase the use of time \( (time \ utility) \), which is procuring goods and services from the time that is not needed to the time that is needed.
3. Improve the usability of the form \( (form \ utility) \), namely producing goods and services from their original form to the desired form.

The marketing system is described as a collection of interrelated and coordinated activity components carried out by individuals or institutions to process transactions between producers and consumers through increasing the use of property rights, the use of place, as well as time and form. Kohl dan Uhl (2002) state that to analyze the marketing system can be done through three approaches, namely as follows:

1. Function approach \( (Functional \ Approach) \), analyze the marketing system by focusing on what is done in delivering agricultural products from producers to consumers.
2. Institutional approach \( (Institutional \ Approach) \), an approach that examines the people and business organizations involved in the process of marketing agricultural products.
3. Behavioral approach \( (Behavioral \ Systems \ Approach) \), an approach that analyzes existing activities in the trading system process.
Marketing Agencies and Channels

According to Daniel (2004), marketing agencies are people or entities, or companies involved in the process of marketing agricultural products. According to Abidin et al., (2017) marketing agencies can include groups of producers, intermediary traders, and service providers. According to Kotler (2018), marketing channels are a series of institutions that are mutually dependent on one another in a process to create goods or services that are ready for use by consumers. Each intermediary performs the task of bringing the product and its ownership closer to the final buyer which is one level of the channel. According to Kohl dan Uhl (2002) and Cramer dan Jensen (1991), the institutions involved in the marketing process are classified into five groups, including:

1. **Merchant middlemen** (intermediary traders) are individuals or companies that have rights to a product and carry out various marketing functions in the buying and selling of products from consumers to producers. The institutions included in this marketing agency include collecting traders (assemblers), wholesalers (wholesalers), and retailers (retailers).
2. **An agent middleman** (intermediary agent) is an individual or company that represents the owner in trading its products. The institutions included in the intermediary agency include commissioners, brokers (brokers), and auctioneers.
3. **Speculative middlemen** (speculators) are individuals or companies that seek profit from the sale and purchase of products due to price fluctuations in the short term.
4. **Processors and Manufacturers** (processors and manufacturers) are individuals or companies that carry out activities for handling and changing the shape of products, namely by processing raw materials into semi-finished products or final products.
5. **Facilitative Organization** is an organization or institution that is not directly related to the marketing process but helps the smooth running of the marketing process.

Limbong dan Sitorus (1987) define marketing channels as a collection of companies or individuals or a series of marketing institutions that take over rights or assist in transferring rights to certain goods and services as long as these goods and services move from producers to consumers. Producers and consumers are part of the channel. Marketing channels can be classified into two types, namely direct marketing channels and indirect marketing channels. Direct marketing channels, namely products distributed from the hands of producers directly to consumers without going through intermediaries. While the indirect marketing channel is the delivery of products from producers to consumers through intermediaries. Intermediaries are individuals or groups who buy a product and then resell it to other intermediaries or consumers.
Sales Effectiveness

If the following criteria are met, agribusiness marketing can be deemed effective (relatively effective): (1) adding or increasing value (value added) is high for agribusiness products; (2) producing profits for each marketing agency (company) involved by the value of the sacrifice (costs incurred); (3) marketing margins (costs and profits) that occur are relatively by the functions or business activities that increase final consumer satisfaction; and (4) To encourage farmers to produce at the farm level, offer the portion that producer farmers receive (the farmer's share) (Asmarantaka, 2012).

Marketing margin

The level of marketing efficiency from farmers to ultimate consumers is assessed using the marketing margin. Every supply chain participant carries out a unique marketing task. Each supply chain actor's selling price is affected by this. The pricing differential or marketing margin between manufacturers and final customers increases with the number of marketing agencies involved.

Farmer’s Share

In addition to marketing margins, farmer's share is one of the quantitative measuring measures used to evaluate marketing effectiveness. The amount of processing, transportation expenses, product longevity or shelf life, and the quantity of products all have an impact on the farmer's share (Kohl dan Uhl, 2002).

METHODOLOGY

Location and Time of Research

The research locations are Pasar Baru Bogor and Pasar Jambu Dua, Bogor City, which are traditional markets in Bogor City. Location of farmers, namely farmers who are members of the Baangun Suruhan Farmer Group, Watu Malang District, Wonosobo Regency who supply Salak Pondoh to the Bogor Traditional Market. The research was conducted in March – July 2021.

Types and Sources of Data

The data analyzed in this study are secondary data and primary data. Secondary data comes from secondary sources and primary data is obtained from interviews with respondents from retail traders, wholesalers at the Kramat Jati Main Market, village collectors, and salak farmers. The total number of respondents was 31 people.
Methods of Determining Respondents

Determination of respondents used technique purposive sampling and snowball sampling. Purposive sampling was carried out to determine retailer respondents at Pasar Baru Bogor and Pasar Jambu Dua, Bogor City. The search for respondents starts with the retailer followed by the method snowball sampling to identify the big traders in the Kramat Jati Main Market, the Village Gathering traders, and reach the farmers. The number of respondents who were sampled was 31 respondents.

Data Analysis Methods

The analytical method used is descriptive analysis to analyze marketing and quantitative channels. Quantitative analysis to analyze marketing efficiency, namely: analysis of the value of marketing efficiency, marketing margins and farmer’s share, Data processing in this study uses the Microsoft Excel program.

Marketing Efficiency Analysis

a. Marketing Efficiency Value

Marketing efficiency can be calculated using the marketing efficiency formula (Ep) (Amruddin et al., 2021) as follows:

\[ \text{Ep} = \frac{\text{Marketing cost}}{\text{Marketed Value Product}} \]

Decision Rules: 1. \( \text{Ep} > 1 \) means inefficient 2. \( \text{Ep} < 1 \) means efficient (Barnard et al., 2020).

b. Marketing Margins

According to (Asmarantaka, 2012) marketing margin obtained from the price difference at the farm level (Pf) and the price at the final consumer level (Pr) can be formulated as follows:

\[ \text{MT} = \text{Pr} - \text{Pf} \]

Information:

MT : Total Margin
Pr : Price at retail level (end consumer)
Pf : Prices at the farm level

While the amount of profit obtained by each marketing agency is calculated by the formula:

\[ \text{Wed}_i = \frac{\text{Pr}_i - \text{P}_i}{\text{Pr}_i} \times 100% \]

Information:

Me : Marketing margin level ke-i, dimana i = 1,2, ... ,n
Pr from the : Sales price for marketing agency i
P with a : Purchase price for marketing agency i

4. Farmer’s Share

\[ F_s = \frac{\text{Pf}}{\text{Pr}} \times 100\% \]
RESULTS
Marketing Channels
Marketing is an activity in conveying products from producers to consumers. The marketing process involves three actors. Marketing channels were obtained from the results of interviews with retailers and collectors who are involved in the Salak Pondoh trade at the Traditional Market in Bogor City. Figure 1 shows the marketing of Salak Pondoh.

Based on Figure 1. It is known that farmers in the salak pondoh marketing channel are farmers from the Bangun Suruhan Farmer Group, Watu Village, Malang, Wonosobo. Farmers who are the object of the marketing channel in Wonosobo distribute their products only to collectors, wholesalers and retailers who are involved in the marketing process of Salak Pondoh at the Bogor City Traditional Market. There is one marketing channel for Salak Pondoh in the Bogor City Traditional Market.
Marketing channel : Farmers → Collector Traders in Wonosobo Village → Wholesalers in Kramat Jati Market → Traditional Retailers in Bogor City → End Consumers.
The marketing channel is that there are 4 marketing agencies involved in marketing Salak Pondoh at the Bogor City Traditional Market, marketing channels starting from farmers, collectors, wholesalers, and retailers. In Marketing Channel 1, farmers who are involved in the marketing process of Salak Pondoh at the Bogor City Traditional Market are supplied by village collectors. Village collectors then supply the snake fruit to the wholesalers at the Kramat Jati Central Market, then the wholesalers supply the snake fruit to the retailers at the Bogor City Traditional Market. 3.38% to the New Bogor market and 4.86% to the Bogor Jambu Dua market for sale to end consumers.

A. Value of Marketing Efficiency

The value of marketing efficiency based on (Barnard et al., 2020) on one marketing channel from Salak Pondoh to Traditional Markets in Bogor City is presented in Table 1.

Table 1. The Value of Marketing Efficiency in the Salak Pondoh Marketing Channel in the traditional market in the city of Bogor

<table>
<thead>
<tr>
<th>No</th>
<th>Trading Channel</th>
<th>Marketing Cost (Rp/Kg)</th>
<th>Marketed product value (Rp/Kg)</th>
<th>Marketing Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I</td>
<td>3.786 , -</td>
<td>10.000,-</td>
<td>0,38</td>
</tr>
</tbody>
</table>

Based on the value of marketing efficiency, information is obtained that the salak marketing channel is included in the efficient category because the efficiency value is less than 1 (Kundius & Pecuh, 2019). In this salak marketing channel, the efficiency value is 0.38. This shows that the marketing cost per kilogram of Salak Pondoh is less than the value of the product, so it is said to be efficient.

B. Marketing Margin Value

Marketing efficiency value can be analyzed by using marketing margin and farmer’s share on the marketing channel of Salak Pondoh that occurs in the Bogor City Traditional Market. The marketing channel for Salak Pondoh in the Bogor City Traditional Market has one marketing channel. A marketing channel can be said to be efficient if it has a small margin value compared to the margin values of other channels. Table 2 shows the marketing margins of Salak Pondoh at the Bogor City Traditional Market showing that there are four marketing actors, namely farmers, collectors, wholesalers and retailers.
Table 2. Marketing Margin of Salak Pondoh at Traditional Markets in Bogor City (kg/day)

<table>
<thead>
<tr>
<th>No</th>
<th>Marketing Institute</th>
<th>Marketing channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Farmer</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Selling price</td>
<td>2.500,-</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Village Gathering</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merchant</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Purchase Price</td>
<td>2.500,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marketing Expenses</td>
<td>827,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Selling price</td>
<td>4.200,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>873,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Margin</td>
<td>1.700,-</td>
<td>23 %</td>
</tr>
<tr>
<td>3</td>
<td>Wholesalers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Purchase Price</td>
<td>4.200,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marketing Expenses</td>
<td>1.333,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Selling price</td>
<td>6.500,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>967,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Margin</td>
<td>2.300,-</td>
<td>31 %</td>
</tr>
<tr>
<td>4</td>
<td>Retail Traders</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Purchase Price</td>
<td>6.500,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marketing Expenses</td>
<td>1.626,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Selling price</td>
<td>10.000,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>1.874,-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Margin</td>
<td>3.500,-</td>
<td>46 %</td>
</tr>
<tr>
<td></td>
<td>Margin Total</td>
<td>7.500,-</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Source: Primary Data 2021 (Processed)

a. Marketing Margins

The results of the analysis of the data in Table 2. obtained a total margin calculation of IDR 7,500 per kilogram. The largest margin proportion is for retail traders (46%) and the smallest is for village collectors (23%). In terms of profits, the biggest profits are obtained by retailers, followed by wholesalers and village collectors. The biggest marketing cost components are retailers, wholesalers, and village collectors. Calculation of marketing margin if the lower margin value, the marketing is more efficient, conversely if the higher margin value, the marketing will be more inefficient.
b. **Farmer's Share**

*Farmer's share* is an analytical tool used to measure efficiency in terms of farmer income. According to Kohl & Uhl (2002), *Farmer's share* is part of the price received by farmers against the price paid by the final consumer in marketing. *Farmer's share* value in the salak pondoh marketing channel are 25%. *Farmer's share* which is less than 50% indicates that the marketing channel is not efficient. According to Sudiyono (2004), marketing criteria considered economically efficient are that each marketing channel has a low marketing margin percentage value and a *farmer's share* high or more than 50%.

**DISCUSSION**

**Marketing Channels**

Based on the analysis of marketing channels, it is known that there is one marketing channel that involves four marketing actors. The marketing channel is not enough for only farmers, other actors are needed as intermediary traders. The difference in the distance between the producer and the final consumer is relatively far, so an intermediary institution is needed, namely village collectors and wholesalers. This is as expressed by (Sari et al., 2012) in their research on corn marketing which states that the distance between producers and consumers causes marketing institutions to play a very important role in distributing corn. The more corn marketing agencies that are involved, the longer the corn marketing chain will be and in the end, the marketing margins that will be formed will be higher. Furthermore, it is known that there are differences with the research by Rosmawati (2011) who stated that the marketing channels used in distributing products from producers to consumers will determine the costs incurred by marketing agencies. In other words, the process of production activities into dry corn in the marketing system will definitely cost money. The difference lies in the cost in channel I is higher than in channel II, this occurs because the volume of transactions used for processing and transportation allocation is a small physical volume, whereas in channel II the volume is large so the cost per kilogram becomes cheaper. Marketing efficiency can also be shown from the short length of marketing channels. The most efficient marketing channel can be seen from the short length of product marketing activities. The longer the marketing activities, the more inefficient the marketing will be. (Wulandari et al., 2018). Thus based on this, the Salak Pondoh marketing channel has not been said to be efficient.
Marketing Efficiency

Marketing efficiency can be calculated from the ratio of marketing costs to the total product value (selling price). The size of the marketing costs is influenced by the means of transportation, the risk of damage, the spread of production places, and the number of levies both official and unofficial along the way between producers and consumers. Increased income and consumer welfare also led to increasingly complex marketing roles and functions, resulting in high marketing costs that had to be incurred. The higher the marketing costs, the lower the product price level at the producer level (Suminartika & Djuanalia, 2017).

Marketing efficiency is one measure of good marketing that occurs. Marketing activities have the goal of getting maximum profit or profit and a good level of efficiency. An inefficient marketing system results in a small share of what farmers or producers get (Arafah et al., 2017). Marketing efficiency is very important for producers and marketers in order to achieve maximum profits. One of the ways to find out indicators of marketing efficiency is to find out how much the farmer's share is received by each marketing channel. Therefore this research needs to be conducted to find out how much farmer share they receive and how the marketing channel forms to reach the final consumer or refiner (Erzal, 2016).

Based on Table 4 it is known that the marketing efficiency value of Salak Pondoh on channel I has a marketing efficiency value of 0.23 while pattern II has a value of 0.05, this indicates that the two marketing channels are said to be efficient because the value is less than 1. This is in accordance with research Suhaeni & Andayani (2020) regarding the channels and efficiency level of shallot marketing in Majalengka district concluded that based on the results of the analysis, it was obtained the marketing efficiency value of the shallot marketing channel chain in Majalengka Regency ranges from 0.02-0.09. A marketing channel will be considered efficient if the efficiency value is <1 and considered inefficient if the efficiency value is >1. If you look at the efficiency value in each of the shallot marketing channel patterns, then all of the marketing channel patterns are categorized as efficient.

Marketing Margins

Based on Table 2, it can be seen that the marketing margin is IDR 7,500 per kilogram or 75% of the product value. In this channel, the relatively large number of marketers shows that the more marketers, the higher the marketing margin because each marketer will take advantage. This is as concluded in research by Ali et al. (2018) with the title Analysis of the efficiency of cabbage marketing in the Gisting sub-district, Tanggamus Regency, that marketing margins still tend to be high with more and more marketing actors involved. According to Maisyaroh & Boesono (2014) the amount of marketing costs depends on the short length of the marketing channel, these results are in accordance with the results of research by Pradana (2017) on the study of Business Analysis Marketing Efficiency of Melon (Cucumis melo L) in Karanganyar Regency. The research results are different from the marketing research of Salak Pondoh, the difference lies in the commodity, melon has a high risk due to its low shelf life, while Salak
Pondoh has a relatively long shelf life so even though the marketing chain is longer (marketing channel II) the marketing costs are cheaper. In addition, the low marketing costs of Salak Pondoh are also due to the relatively large volume of marketing transactions, thereby saving processing and transportation costs.

**Farmer Share**

The farmer's share is an indicator of the comparison between the price received by the farmer and the price given by the final consumer and is usually expressed in the form of a percentage. Farmer's share has a negative relationship with marketing margins. Therefore, the higher the marketing margin, the smaller the farmer's share (Fahrurrozi et al., 2015). Based on Table 2 it is known that the Farmeshare marketing channel of Salak is 25%. This shows that the marketing channel is not efficient because it is less than 50%. This is in accordance with the statement of Sudiyono (2004) that a farmer's share of farmers is less than 50%, it means marketing is not efficient, and if a farmer's share is more than 50%, marketing is said to be efficient. Variations in marketing efficiency based on the farmer's share value are the same as the research conclusions from Pradana (2017) which suggest that in the melon marketing channel in Karanganyar Regency, there are two efficient marketing channels with farmer's share values of 62.37% and 59.78% and there is one marketing channel that not efficient with a farmer share value of 40%.

According to Andayani (2007) and Rosmawati (2011), marketing margin, profit margin, farmer's share, and marketing efficiency can be used to measure the level of marketing efficiency. Shows the marketing margin in each shallot marketing channel pattern is considered efficient. This is due to the marketing margin value in each marketing channel pattern which is less than 50% of the price paid by consumers. In accordance with the theory that a marketing channel system is said to be efficient if the marketing margin level is less than 50% of the price level paid by consumers. The level of marketing margins is used to measure the efficiency of the marketing system. The higher the marketing margin value, the more inefficient it is. This also shows that the higher the marketing margin, the lower the farmer's share (Riswandi & Oktariza, 2015).

**CONCLUSIONS AND RECOMMENDATIONS**

Based on the description above, it can be concluded that the salak pondoh marketing channel which is marketed to traditional markets in Bogor City involves four actors, each of whom incurs costs and benefits. In the marketing channel, the total margin value is Rp. 7,500, - the profit of middlemen is Rp. 3,714,-, farmer's share is 25% and the marketing efficiency value is 0.38 and the efficiency level of salak pondoh marketing channel has not been based on profit value, farmer's share and efficiency value.

**ADVANCED RESEARCH**

Still doing further research to find out more about the Marketing of Pondoh Salak Commodity F (Salacca Edulis Reinw) Sold at Traditional Markets in Bogor City
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