International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Marketing Analysis & Marketing Development Strategy Of Shallot (*Allium ascalonicum L*) In Tual City, Southeast Maluku, Maluku Province

Noviar F. Wenno[1], Weldemina B. Parera[2], Septianti P. Palembang[3]

[1,2,3] Agribusiness Study Program, Department of Agricultural Socioeconomics, Faculty of Agriculture, Pattimura University

Corresponding author : noviarfwenno@gmail.com

Abstract

Shallots (Allium ascalonicum L) are a vegetable commodity that has high economic value in terms of fulfilling national consumption, sources of income for farmers. Data from the Central Statistics Agency (2020), shallot production in 2020 reached 1.82 million tons, up 14.88% (235.21 thousand tons) from 2019. This situation has triggered the government to develop shallots in various regions. Likewise in Maluku Province, especially in Southeast Maluku. The increase in the price of shallots in Traditional Markets is one of the triggers for inflation in Southeast Maluku. The increase in the price of shallots in Traditional Markets is one of the triggers for inflation in Southeast Maluku. The purpose of this study is to analyze the pattern of shallot marketing channels that have been formed and their diversity, the role of institutional aspects in marketing, and shallot marketing development strategies.The data was analyzed using the Marketing Margin analysis method, Marketing Efficiency, marketing institutional analysis (economic transactions) between marketing institutions and SWOT analysis.The results of the study showed that there were 4 shallot marketing channels in Tual City, 2 shallot marketing institutions in Tual City, while the main strategies that needed to be carried out were building a shallot marketing network with neighboring islands, regulating planting patterns and increasing the diversification of shallots into other superior products.

Keywords: shallots, marketing, Southeast Maluku

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

INTRODUCTION

Indonesia is an agricultural country that relies on the agricultural sector with its various commodities as a mainstay of development (Hernanto 1994).

Shallots (*Allium ascalonicum L*.) are one of the horticultural commodity plants classified as spice vegetables where this commodity is quite important as a source of income for farmers and state revenue. Shallots can be used in the culinary field as a cooking spice, and in the health sector as a traditional medicine. This indicates that shallot products contribute greatly to society and the state because in addition to being marketed domestically, this commodity is also exported abroad. Thus, shallots are a vegetable commodity that has high economic value in terms of meeting national consumption, sources of income for farmers and nutritional content for the people of Indonesia. Shallots are one of the vegetable commodities that have high economic value and are strategic, because the price of this commodity can affect inflation.

According to data from the Central Statistics Agency (2020), shallot production in 2020 reached 1.82 million tons, up 14.88% (235.21 thousand tons) from 2019 (BPS RI, 2020). Consumption of shallots by the household sector in 2020 reached 729.82 thousand tons, down 2.77% (20.81 thousand tons) from 2019. Most of the shallot consumption came from the household sector, which was 93.92% of the total shallot consumption.

Seeing the increasing demand for shallots in the country, the government has promoted various shallot development programs in various regions; also in Maluku Province, especially in Southeast Maluku.

Prayitno (2013) said that the loss of the red onion harvest at the farmer level was caused by the fall in the price of the produce during the main harvest so that the cost of red onion production was greater than the income received by the farmers, which ultimately disrupted the continuation of their farming business, causing the production results and harvest area to decrease.

The same condition is also experienced in Southeast Maluku. The increase in the price of shallots in traditional markets is one of the triggers for inflation in Southeast Maluku. Based on the results of the survey of data needs by BPS Southeast Maluku, shallots are a staple food that contributes to high inflation. The increase in shallots occurred due to a lack of stock at the trader level, so it had to be supplied from outside the region. Thus, to suppress this inflation rate, the stock of shallots must remain at the trader level and suppress the supply of shallots from outside Southeast Maluku.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

The development of shallot farming has been running for about 5 years in Southeast Maluku with a number of farmers under the guidance of the Maluku Provincial Agriculture Service & Bank Indonesia. How is the marketing prospect of this commodity so that it can reduce inflation in Southeast Maluku is an important thing to study.

Objectives

This study aims to analyze:

1. Patterns of shallot marketing channels and their performance,
2. The role of institutional aspects in marketing
3. Strategies for developing shallot marketing.

RESEARCH METHOD

Data were analyzed using the analysis method. Marketing Margin …. Mpi = Bpi + Kpi So the total marketing margin is the sum of the marketing margins at each level of the i-th marketing institution or ..., MP = ∑ Mpi ...,[MP : Total Marketing Margin (Rp/Kg), Pr : Price paid by consumers (Rp/Kg), Pf : Price at the Farmer level (Rp/Kg), Mpi : Margin at the i-th marketing institution, Pr : Price at the consumer level Pf : Price at the farmer level, Bpi : Cost at the i-th marketing institution, Kpi : Profit at the i-th marketing institution]

The decision-making criteria are the smaller the marketing margin value, the more efficient the marketing is. In addition, marketing can be said to be efficient if the price value received by farmers or shallot producers is greater than the overall marketing margin.

Profit Margin Analysis …., KP = M – TC …, [KP = Marketing profit (Rp/Kg), M = Marketing Margin (Rp), TC = Total costs incurred (Rp)]

Marketing Efficiency …., EPs = TB/TNP x 100% …,[Eps: Marketing Efficiency, TB: Total Marketing Cost (Rp); TNP: Total Product Value (Rp)].

In this marketing institutional analysis, the study of costs and benefits obtained in each marketing institution is not only based on partial costs and benefits but in accordance with the philosophy of institutional studies, the assessment of costs and benefits is seen as a whole.

To answer the marketing development strategy of shallots in Tual City, a SWOT (Strength, Weakness, Opportunities, Threat) analysis was conducted which was formulated in the internal strategic factor analysis matrix (IFAS) and the external strategic matrix (EFAS). Based on the IFAS and EFAS matrices, the position of the shallot business can be determined using the SWOT analysis diagram.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

RESULT & DISCUSSION

Marketing Channel Pattern

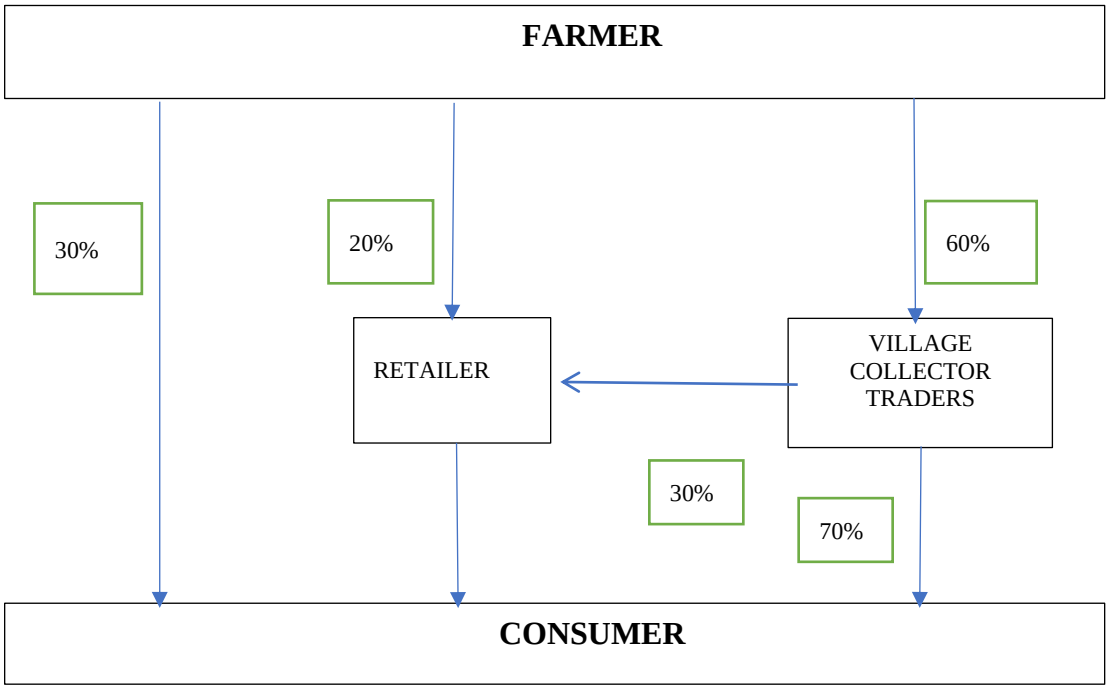


Figure 1. Shallot Marketing Channels in Tual City

Marketing channels are a group of traders and Company agents who combine physical and name transfers of a product to create utility for a particular market (Glenn Walters in Bayuswastha, 1982). Agricultural product marketing channels are the flow of products that move from the farm gate, namely producer farmers to the final user. Generally, marketing channels consist of a number of marketing institutions and supporting actors who together transfer ownership rights to the product to the final seller. Different commodities will have different marketing channels. (Musselman and Jacson, 1992).

Based on the research results (Figure 1), it can be seen that in Tual City, not all farmers market their own products, they also need other parties, namely collectors and retailers.There are four patterns of distribution (marketing channels) of shallots found.

1. Farmers - Consumers
2. Farmers - Retailers - Consumers

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

3. Farmers - Village Collectors - Retailers - Consumers
4. Farmers - Village Collectors - Consumers

The marketing channel commonly used by farmers is that farmers sell to village collectors (60%), then the village collectors will finally sell to consumers. Farmers market their products to collectors who come to the production location because the onions will sell faster and farmers get more results. In addition, farmers can meet their needs from the sales results. This pattern is the same as the research conducted by Lekatompessy, Turukay and Parera (2018). Shallots that have been purchased by village collectors will be sold directly to consumers, which is 70%. The rest (30%) is sold to retailers because there has been a trade relationship between the collectors and the retailers in the Tual city market and the Langgur city market (Capital of Southeast Maluku Regency). Generally, collectors work as vegetable and grocery traders who are routinely sold to farmers at the production location.

Another distribution pattern is that shallot farmers sell to retailers (20%) in the market. The reason for selling shallots to retailers in the city is because the proceeds from the sale of shallots can be used to buy family needs or planting needs in the following planting season. The shortest distribution channel is that farmers sell their products directly to consumers from the village itself or from outside the village. The percentage of products sold to consumers is greater than that sold to retailers (30%). This is because farmers directly receive money from the sales results without having to spend transportation costs.

The Role Of Institutional Aspects In Marketing

Marketing Margin

Marketing margin is the difference between the selling price and the purchase price of a product at each marketing institution involved in a marketing activity. The length of the marketing channel greatly affects the size of the margin. The longer the marketing chain, the greater the marketing margin will be because many marketing institutions are involved in it. The large margin figure causes the portion of the price received by farmers to be smaller than the price paid by consumers to farmers. Marketing margin can be used to determine the distribution of costs and profits from each marketing institution that plays an active role, as well as to determine the portion of the price (farmers share) received by farmers.

The shallot marketing margin is the total cost and profit of the marketing institution in the shallot marketing process from farmers to consumers. In the shallot marketing

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

process in Tual city, there are several cost components incurred. These cost components include packaging costs, transportation costs and retribution costs. The marketing margin can be calculated from the difference between the selling price and the purchase price at each marketing institution. The marketing margin from farmers to consumers can be seen in channel 1 (Table 1).

Table 1. Marketing Margin of Shallots Model 1 (Farmer-Consumer) in Tual City, Maluku in 2023

Description	Cost (Rp/kg)	Price (Rp/kg)	Share (%)
Farmers			
Selling Price		30.000	100
Packing cost	425		1,52
Total Marketing Cost	425		1,52
Profit	29.575		98,58
Total Margin	30.000		100
Consumers			
Purchase Price		30.000	100

The data in Table 1 shows that the share margin received by farmers is 100% because farmers directly sell their products to consumers without going through other marketing institutions / intermediaries. The profit margin is 98.58% Rp. 29,575 per kilogram.

The marketing margin involving one marketing institution, namely the retailer, can be seen in channel 2 (Table 2)

Table 2. Marketing Margin of Shallots Model 2 (Farmers-Retailers-Consumers) in Tual City, Southeast Maluku Regency in 2023.

Description	**Cost (Rp/kg)**	**Price (Rp/kg)**	**Share (%)**
Farmer			
Selling Price		33.000	**94.28**
Packing cost	200		0.61
Transportation cost	600		1.81
Total Marketing cost	800		2.42
Profit margin	3.000		9.09

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Marketing margin	3.800		11.51
Retailer			
Purchase price		33.000	
Sales place cost	50		0.15
Total marketing cost	50		0.15
Profit	2.000		6.07
Marketing Margin	2.050		6.21
Consumer			
Purchase Price		35.000	**100**

The results of the marketing margin analysis on channel model 2 show that there is a difference in selling prices between farmers and end consumers. The price difference between farmers and retailers is 12.5% and the price difference between retailers and end consumers is 12.5%. The share received by farmers is 85% with a total marketing cost of 5.67% greater than the cost share incurred by retailers (0.17%). The increase in marketing institutions involved in the distribution process of shallots from farmers to collectors in Tual City means that farmers will receive a smaller share. The marketing margin involving one marketing institution, namely retailers, can be seen in channel 3 (Table 3).

Table 3. Marketing Margin of Shallots Model 2 (Farmers-Traders-Collectors Consumers) in Tual City, Southeast Maluku Regency in 2023.

Description	Cost (Rp/kg)	Price(Rp/kg)	Share (%)
Farmers			
Selling Price		30.000	**75**
Collectors			
Purchase Price		30.000	
Packing cost	200		0.67
Transportation Cost	600		2
Total Marketing Cost	800		2.67
Profit Margin	7.500		25
Marketing Margin	8.300		27.67
Consumer			
Purchase Price		37.500	**100**

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

In marketing channel model 3, farmers sell shallots to village collectors at a selling price of Rp. 30,000. Marketing costs are charged to village collectors, namely packaging costs and transportation costs. In this marketing channel there are no depreciation costs because shallots purchased from farmers are sold directly to consumers in installments and cash. The profit margin at the retailer level is 25%

The marketing margin involving two marketing institutions, namely collectors and retailers, can be seen in channel 4 (Table 4)

Generally, the share received by farmers is smaller if the number of traders increases. In channel 4, it can be seen that farmers sell shallots to village collectors and through retailers until the shallots reach consumers.

Table 4. Marketing Margin of Shallots Model 2 (Farmers-Collectors-Retailers-Consumers) in Tual City, Southeast Maluku Regency in 2023.

Description	Cost (Rp/kg)	Price (Rp/kg)	Share (%)
Farmers			
Selling Price		30.000	**75**
Collectors			
Purchase Price		30.000	
Packing Cost	200		0.67
Transportation Cost	600		2
Total Marketing Cost	800		2.67
Profit Margin	3.000		10
Marketing Margin	3.800		12.67
Retailers			
Purchase Prise		33.000	**90.9**
Sales Place Cost	50		0.17
Total Marketing Cost	50		0.17
Profit	2.000		6.67
Marketing Margin	2.050		6.83
Consumer			
Purchase Price		35.000	**100**

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Strategy Of Shallot Farming And Marketing In Tual City

IFAS / EFAS	Strength (S)	Weaknesses (W)
	1. Availability of land 2. Supportive climate 3. Availability of water 4. Experienced farmers 5. Varieties that are suitable for natural conditions 6. Making biosaka/Organic elicitor solution for onion growth	1. Farmers lack capital 2. Do not have a farmer organization that regulates the distribution of red onions outside the city of Tual 3. The level of informal education of farmers is low. 4. Difficulty accessing market information. 5. Farmers' bargaining position is very low 6. The use of inorganic production facilities (fertilizers, medicines) is high. 7. Farmers' dependence on assistance from related institutions. 8. Products are not sold out due to the main harvest. 9. Conversion of land functions into settlements/sold
Opportunities (O) 1. Support from the City and Provincial Governments 2. Market demand is quite high 3. Smooth inter-island transportation	**SO Strategy** 1. Optimizing the development of better shallot farming in the future 2. Utilizing all available assistance/facilities to produce quality products - high selling value. 3. Optimizing the accessibility available for the marketing process	**WO Strategy** 1. Utilizing government institutions. 2. Financial institutions to optimize existing limitations 3. Utilizing KUR assistance 4. Forming farmer organizations that can cooperate with related institutions so that it is easy to access all future red onion development needs.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

4. Availability of financial/banking institutions 5. Adequate accessibility (cost, location, time).	4. Utilizing and developing available raw materials for the manufacture of biosaka	5. Training in preparing onion seeds.
Threats (T) 1. The entry of shallots from Southeast Maluku Regency and Outside Southeast Maluku Region. 2. High prices of fertilizers and pesticides 3. Lack of demand for shallots from outside Southeast Maluku	**ST Strategy** 1. Building a marketing network with the nearest areas of MTB, ARU, MBD, PAPUA 2. Optimizing the processing and utilization of biosaka as a source of red onion nutrition. 3. Government policy to regulate the entry of red onions from outside Tual City. 4. Studying consumer tastes for the types of onions produced (Bauji and Thailand varieties)	**WT Strategy** 1. The government/related institutions need to regulate the intensity of onion supply from outside to Tual city 2. Optimizing financial institutions for the development of shallots in the future. 3. Diversification of shallot derivative products (fried shallots, shallot chili sauce, shallot oil). 4. Regulating shallot planting patterns, in order to maintain the continuity of shallot availability.

CONCLUSION

There are four patterns of distribution (marketing channels) of shallots found in Tual City. First, the marketing channel is direct from farmers to consumers, second from farmers to retailers then consumers, third from farmers to consumers through village collectors then retailers, and fourth, from farmers to village collectors then to consumers.

Overall, it can be seen that the shallot marketing channels in Tual City, Neighboring Maluku Regency are quite efficient, where the results of Total Marketing Costs divided by Total Product Value are in the range of 0-33 percent.

Furthermore, the marketing development strategy for shallots in Tual City that uses strengths to take advantage of opportunities (SO) includes: optimizing the development

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

of better shallot farming businesses in the future, utilizing all available assistance/facilities to produce quality products - high selling value, optimizing the accessibility available for the marketing process and utilizing and developing available raw materials for making biosaka.

The strategy that minimizes weaknesses to take advantage of opportunities (WO) is: utilizing government institutions, financial institutions to optimize existing limitations, utilizing people's business credit assistance, forming farmer organizations that can cooperate with related institutions so that it is easy to access all future red onion development needs and training in preparing onion seeds.

Furthermore, strategies that use strengths to overcome threats (ST) can be: building marketing networks with the nearest regions of Southwest Maluku, Aru Islands, Southwest Maluku, and Papua, optimizing the processing and utilization of biosaka as a source of red onion nutrition, government policies to regulate the entry of red onions from outside Tual City, studying consumer tastes for the types of onions produced (Bauji and Thailand varieties).

In addition, the strategy to minimize weaknesses and avoid threats (WT) is that the government/related institutions need to regulate the intensity of onion supply from outside to Tual City, optimize financial institutions for the development of shallots in the future, diversify shallot derivative products (fried shallots, shallot chili sauce, shallot oil), regulate shallot planting patterns, in order to maintain the continuity of shallot availability.

REFERENCE

Ashari U, Dkk (2020). Analisis SWOT Dalam Menentukan Strategi Pemasaran Emping Jagung Ikm Al-Fazal Kabupaten Bone Bolango, Jurnal Ekonomi Pertanian Dan Agribisnis (Jepa) Volume 4, Nomor 4 (2020): 794-807

Badan Pusat Statistik, (2020). Maluku Dalam Angka. Ambon.

Boediono. 1982. Pengantar Ilmu Ekonomi No.2, Ekonomi Makro. BPPE. Yogyakarta.

Bayuswastha, 1982. Saluran Pemasaran Produk Pertanian. LP3ES. Jakarta.

Hanafie. 2010. Pengantar Ekonomi Pertanian. CV Andi Offset. Yogyakarta.

Hernanto, 1994. Pengaruh Varietas dan Ukuran Umbi terhadap Produktivitas Bawang Merah. Jurnal Hort, 21(3), 206–213.

Musselman dan Jacson, 1992. A One-Model Approach To Congestion In Data Envelopment Analysis, Socio-Economic Planning Sciences. 231-238.

Lekatompessy., Delinda Clara, M. Turukay Dan W.B. Parera (2018). Analisis Pemasaran Bawang Merah (Allium Ascalonicum L.) Di Dusun Taeno Negeri Rumah Tiga

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Kecamatan Teluk Ambon Kota Ambon. Jurnal Agrilan. Jurusan Sosek Pertanian, fakultas Pertanian Universitas Pattimura. Ambon

Nooyo & Fatmawati (2021). Kajian Perilaku Petani dalam Budidaya Bawang Merah pada Musim Kemarau dan Musim Hujan di Kecamatan Sukomoro Kabupaten Nganjuk.

Prayitno, 2013. Efisiensi Pemasaran Cabai Merah Di Kecamatan Adiluwih Kabupaten Pringsewu Provinsi Lampung. Jurnal Jiia. 01 (01): 53-59.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.