International Journal of Technology and Education Research

https://e-journal.citakonsultindo.or.id/index.php/IJETER

E-ISSN: 2986-0733

Benefits And Risks Of Marketing Patchouli Oil In Morengke Village, Matata Usu District, Bombana District

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Abstract

This study aims to 1) know the profit of marketing Patchouli oil in Mata Usu District, Bombana Regency, and 2) todescribe the risks of n ilam oil marketing in Mata Usu District, Bombana Regency. This research was carried out in Morengke Village, Mata Usu District, Bombana Regency. The number of samples in this study consisted of 16 patchouli distillery business industry owners, 4 collecting traders, and 2 marketing institutions. The determination of samples is carried out by the census method, which is to take the entire population to be used as a research sample while teknik determination of samples in collecting merchants or marketing institutions is carried out with snowball sampling techniques because the number is not yet known how many.The data analysis used is marketing margin analysis and risk analysis. The results showed that 1) the profit obtained by each patchouli oil marketing institution in Morengke Village was a trader (a) collector of Rp32.739.040 per month; (b) wholesalers amounting to Rp80.023.068 per month, 2) type of risiko in patchouli oil marketing in Morengke Village, Masa Usu District, Bombana Regency, among others, the quality of patchouli oil is low at the purchase stage caused by high acid and pH levels are in the medium risk category, the risk event in patchouli oil discoloration is at the storage stage due to too long storage, low temperature conditions, the use of patchouli oil storage containers are not suitable to be in the medium risk category, the occurrence of erratic price risk is at the storage stage caused by poor oil quality, traders accommodate patchouli oil are in the high risk category, and 3) upaya company in overcoming the risks faced on the risks Patchouli oil sales are carried out by strengthening marketing management and discussing with competitors a good marketing process without having to commit sales fraud by analyzing market competition and competitor performance in order to create a competitive market properly.

Keywords: patchouli, marketing margin, risk, marketing channels

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INTRODUCTION

The patchouli plant (pogestemon cablin benth) is one of the plants that produces essential oil known as patchouli oil. Patchouli oil is widely used in the cosmetics, perfume, soap and other industries. Patchouli oil is a non-oil and gas export commodity. Patchouli oil is popular internationally and patchouli oil is a promising business prospect because at the international level, patchouli oil is in demand by several countries. The development of aroma therapy treatment, patchouli oil is not only very useful for physical but also mental and emotional healing. Patchouli oil is a fixative (can bind other essential oils) for which until now there are no substitute products (Pujiharti et al., 2008).

The production cultivation of patchouli oil in Indonesia is generally carried out by farmers and patchouli refining agro-industry which uses traditional technology and has limited knowledge in the field of patchouli oil extraction so that monitoring of its quality is given very little attention. Apart from that, another problem they face is capital, both in cultivating patchouli plants and processing them. Most patchouli oil is produced from distilleries that still use iron distillation kettles, so the color is cloudy and dark. This situation causes the oil to be difficult to accept in trade and the price is lower (Idris et al., 2014)

Profit is a result in the form of money or other material results achieved by users of wealth or human services through a business activity carried out. Business profits are greatly influenced by the number of products sold in a certain period of time, so that the quality of production and stability of selling prices must be the main priority (Sumampauw et al., 2015). Profit or entrepreneur's profit is the net income received by the entrepreneur after deducting production costs or in other words, profit is the difference between gross income and production costs (Safrida, 2020).

Risk is a form of uncertainty about a situation that will occur in the future with decisions taken based on various current considerations. Risk is the possibility that deviations from expectations will occur which will result in losses. It is not enough to avoid risks, but must be faced directly in ways to minimize the possibility of a loss (Dewi, 2019). Risk is the chance of a loss occurring. Risk can be understood as the possibility of not achieving the expected level of profit or the possibility of the return received deviating from that set (Agustiar and Sa'adan, 2016).

Southeast Sulawesi Province is the region with the largest patchouli plantation area in Indonesia. The patchouli plant has only been developed for several years and was only recorded in 2018. Patchouli production tends to increase from year to year, although not significantly,

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because the patchouli plant itself is a seasonal plant, where production or harvest can be done in as little as 3 months. So for several years there has been a decline in area and production (Subagyono, 2019). Bombana Regency has 22 sub-districts (BPS Bombana Regency, 2021). Almost all sub-districts in Bombana Regency produce patchouli plants. Morengke Village, Mata Usu District, the location of this research, is one of the patchouli plant producers in Bombana Regency. Mata Usu sub-district is one of the sub-districts which consists of five villages, namely Totole village, Mata Usu Columbi, Wia-Wia, Lamuru and morengke (BPS Mata Usu District, 2019). For farmers in this area, patchouli has become a new source of income in the agricultural sector. This is because the cultivation process is relatively easy, the production period is relatively fast, and the price of patchouli oil is relatively high. The fertile conditions of the area and the supporting conditions for plant growth mean that the production period for patchouli is relatively fast, where the harvest time is only around 3 months, so that the results of this business can be felt quickly by the community. The aims of this research are: (1) To find out the benefits of marketing institutions from marketing patchouli oil in Morengke Village, Mata Usu District, Bombana Regency,

RESEARCH METHODS

The research was conducted in Morengke Village, Mata Usu District, Bombana Regency. The research location was determined purposively with the consideration that in this area the majority of residents are patchouli farmers, patchouli oil producers and farmers simply sell their patchouli oil without knowing what risks traders face when the selling price of patchouli oil fluctuates. This research was carried out from March to September 2022. The samples in this research were divided into two types, namely patchouli refining industry owners (farmers) totaling 16 collecting traders or marketing institutions.

The variables in this study are divided into 3, namely: (1) Respondent characteristics (age, education level, business experience and number of family dependents), (2) Marketing Profits (purchase price, selling price, transportation costs, marketing costs, warehouse rental costs, profit) and (3) Marketing risk (risk frequency, risk sources, quantitative impact, qualitative impact, risk level, and risk management efforts). The analysis used in the research is: (1) Analysis of total marketing profits to determine the profits of each patchouli oil marketing institution, (2) The impact of marketing risks is measured qualitatively by multiplying the frequency of events and their impacts and (3) Descriptive Analysis is used for risk management. carried out by marketers of patchouli oil. Patchouli is identified in conditions before, during,

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RESULTS AND DISCUSSION

Respondent Identity

The identity of the respondents included in this research isage, education, number of family dependents, and experience marketing patchouli oil. More details are described in Table 1 below

Table 1. Identity of patchouli farming respondents in Morengke Village, Mata Usu District, Bombana Regency

Characteristics		Mark	Percentage (%)
Farmer			
Age (Years)			
	15-54 (Productive)	20	91
	> 54	2	9
Education			
	Elementary School/Equivalent	13	59.1
	Middle School/Equivalent	2	9.2
	High School/Equivalent	5	22.7
	Bachelor	2	9
Business Experience			
	<5 years	2	9
	5-10 years	20	91
Number of Family Dependents (People)			
	Medium Family 4-6 People	2	2
	Large Family >6 people	20	91

Table 1 shows that the age of respondents who own the patchouli oil refining industry in Morengke Village is still in the productive age category and is dominated by owners of the milam oil refining industry aged between 15 - 54 years, namely 20 people (91%) compared to respondents of non-productive age. (9.0%). Owners of the patchouli oil refining industry and marketing institutions that are predominantly of productive age will be more active and have a more creative way of thinking and be braver in taking risks faced in the patchouli oil refining industry business.

Education is considered to have an impact on the performance of a business. The highest level of education of respondents was elementary school completion, 13 people (59.1%). The

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E-ISSN: 2986-0733

level of education generally shows human creativity in thinking and acting. Low education causes farmers to have a lower level of knowledge in utilizing natural resources available, collectors and farmers are more likely to follow previous marketing experiences.(Burano and Siska, 2019).

Patchouli oil business experience is categorized as experienced as seen in table 1. Work experience is also an important indicator that influences the ability to run a business. The majority of respondents have sufficient experience in running a patchouli oil business. work experience is said to be inexperienced if they have been in the job for less than 5 years and are said to be experienced if they have been in the job for more than 5 years(Anggraini et al., 2019). Experience in the patchouli oil refining industry business and marketing institutions is defined as the length of time an individual has been in the patchouli oil industry business.

According to Purwanto and Taftazani (2018), grouping the number of dependents into three groups, namely small family dependents of 1-3 people, medium family dependents of 4-6 people and large family dependents of more than 6 people. The majority of respondents' family dependents in Morengke Village, Mata Usu District, Bombana Regency are 20 people. Family responsibilities are one of the main reasons for household members to participate in helping the head of the household decide to work to earn an income. The more respondents have children and dependents, the more effective the time provided by respondents to work, the effectiveness of this time is useful for increasing the respondents' own income (Hanum, 2018).

Benefits of Patchouli Oil Marketing Institutions

The profit in question is the compensation received by each marketing institution in carrying out patchouli oil marketing activities. The advantages of each marketing institution in this research can be seen in Table 2

Table 2. Profits of each marketing institution in Morengke Village, Mata Usu District, Bombana Regency

Marketing Institute	Profit (Rp/Kg)	Loss (Rp/kg)	Sales Volume	Total Losses	Profit Amount	Total Profit
Collector Trader	44,848	30,000	730	21,900,000	32,739,040	10,839,040
Wholesalers	86,418	50,000	926	46,300,000	80,023,068	33,723,068
Total	131,266	70,000	1,122	68,200,000	112.762.108	44,562,108
Average	65,633	40,000	828	34,100,000	56,381,054	22,281,054

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Based on Table 2, it can be seen that if there is a risk in the marketing of patchouli oil, the losses incurred by the wholesalers are IDR 21,900,00 per month, while the large traders are IDR 46,300,000 per month. The profit obtained by collecting traders is only Rp. 10,839,040,- per month and the profit obtained by large traders is Rp. 33,723,068,- per month. So the total profit obtained by collecting traders is IDR 44,562,108 per month.

The difference in profits for each marketing institution is due to the differences in costs incurred when marketing patchouli oil and the margin obtained is also different to cover the costs incurred during marketing patchouli oil and make a profit. The greater the margin and the smaller the marketing costs, the greater the profits obtained. In line with the opinion of Efendi et al (2019), who stated that the cost process to improve the quality of patchouli oil requires higher costs and is usually carried out by large traders, not small traders because the tools and materials are difficult to reach.

Impact of Risk on Marketing of Patchouli Oil

Risk is an event that can be detrimental caused by the uncertainty of an event. Risks that occur at the marketing stage start from purchasing, storing and selling. The risks in marketing patchouli oil can be seen in Table 3.

Table 3. Risk Impact on Patchouli Marketing in Morengke Village, Mata Usu District, Bombana Regency

Risk Events	Frequency of Occurrence	Impact Loss	The magnitude of the risk (risk score x impact score)	Risk Criteria
The quality of patchouli oil is low	Rarely Happens 2 times in one month	Lower prices or could even result in losses for the company (1)	2	Currently
The acid content of patchouli oil is getting higher Uncertain	Rarely Happens 2 times in one month Sometimes it	causes the quality of patchouli oil to be low (1)	2 3	Currently tall

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prices	happens 3 times in one month	uncertain income (1)		

Based on Table 3, it is known that the types of risks in the patchouli oil marketing process in Morengke Village have an impact. The impact on the patchouli oil purchasing process is the quality of the patchouli oil which causes prices to be lower or can result in losses for the company. Frequency scores and impact scores are given at each stage of patchouli farming to determine the highest and lowest risk score criteria. The multiplication of the frequency score and the impact score shows that the highest risk occurs at the patchouli oil sales stage because the patchouli oil marketing process often experiences price fluctuations. Where in one year there are often price fluctuations. The risk score is included in the high level or criteria with a score of 3.

Risks in the storage process will result in a change in the color of the patchouli oil due to the mixing of chemicals with the patchouli oil and contact between the patchouli oil produced and the surrounding light and air when it is in a storage container in the warehouse. The risk of sales will cause uncertainty in the profits received by each patchouli oil marketing institution in Morengke Village.

The relationship between risk and profit is influential, where the risk on marketing profits will determine the amount of profit that the marketing institution will obtain. In general, marketing activities with high risks can provide large profits. If in doing business the expected risk does not occur, but if the expected risk does occur it can result in large losses.

The results of this research are in line with the opinion of (Dewi et al, 2018) which states that the reference in determining the resulting value is the level of risk. Generally, business activities with high risks are believed to provide large profits. This can be realized if in doing business, the predicted risks do not occur, but if the predicted risks occur it can result in losses. Business people need to know the level of risk they will face so that the decisions they make are more efficient.

Risk Management Efforts in Marketing Patchouli Oil

Risk management is used as a basis for estimating the danger that will befall with accurate calculations based on various analyzes of various variables of the possibility of risk occurring with careful consideration of various initial information before the occurrence of an event that could result in a loss (Rasmikayati et al, 2017) . Efforts made by marketers of nile oil to reduce the risks that occur during the marketing stages of nile oil can be seen in Table 4.

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Table 4. Risk Management in Patchouli Marketing in Morengke Village, Mata Usu District, Bombana Regency

Marketing Stages	Risk Events	Risk Management Efforts		
		Before Happen	When Happen	After Happen
Purchase	The quality of patchouli oil is low	Measure the pH and acid levels or oil quality before making a purchase	Separate low and high quality oil so that good quality oil is not damaged due to mixing with low quality oil	Prepare tools to measure the quality of patchouli oil
Storage	The acid level of patchouli oil is getting higher	Pay attention to the temperature conditions in oil storage and pay attention to the container used	Strengthen packaging and prepare more durable storage tools	Use a container that is slightly dark in color so that light does not easily penetrate the oil
Sale	Uncertain prices	Carry out procedural and structural details of marketing processes and targets	Strengthen marketing management and analyze market competition	Companies need to analyze market competition in order to create a well-competitive market

Based on Table 4, it can be seen the efforts to manage or control the risk of patchouli oil, the risk management or control carried out by patchouli oil marketers before the risk occurs, this effort is carried out to prepare marketing so that it is not in a position that is too vulnerable when risk shocks occur. Risk management or control after it occurs is carried out by patchouli oil marketing actors which involves reallocating resources so that the impact of risks on patchouli oil marketing can be minimized. Risk management or control that can be carried out by patchouli oil marketers after a risk occurs is aimed at minimizing the impact of future risks. Risk control time in terms of risk control can be done before, during and after the risk occurs (Putri et al, 2018).

Efforts to manage risk at the stage of purchasing patchouli oil before marketing

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institutions first measure the acid level and pH or quality of patchouli oil before making a purchase. When this happens, business actors separate low and high quality patchouli oil. So that good quality patchouli oil is not damaged due to mixing low quality patchouli oil. After this happens, business actors must prepare tools to measure the quality of patchouli oil before buying patchouli oil again.

Risk management at the storage stage is carried out in order to minimize risks that will occur in the future. The risk of higher acid levels in patchouli oil can be minimized before it occurs by paying attention to the temperature in storing patchouli oil and paying attention to the container that will be used. After this happens, strengthen the packaging and prepare more durable packaging equipment so that the quality of the patchouli oil remains good. After this occurs, use a slightly darker color so that light does not easily penetrate the patchouli oil and the quality of the patchouli oil remains good. Risk management efforts at the sales stage before they occur include detailing marketing processes and targets procedurally and structurally. When this happens, strengthen marketing management and analyze market competition in order to create a well-competitive market.

Risk management in the marketing of patchouli oil is carried out by avoiding risks so that marketing risks do not occur on an ongoing basis. The research results show that the risk that often occurs with a high level of risk is at the patchouli oil sales stage which is caused by unhealthy market competition, resulting in uncertainty in business income. The way to overcome the risks that occur is by strengthening marketing management and analyzing market competition for good marketing processes without having to commit sales fraud. In this case, companies need to analyze market competition and competitor performance in order to create a well-competitive market.

Risk control can be done with various efforts, as stated by Kurniawa et al (2019) that when planting you must pay attention to the quality of the seeds used so that when planting you can reduce plant mortality. Likewise, at the marketing stage of patchouli oil, you must pay attention to the quality of the patchouli oil from the purchasing, storage to sales stages. The aim of risk control is to take action to reduce losses from risks where the risk may still exist, but the impact is minimized as much as possible.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the results and discussion obtained, it can be concluded that (1) The difference in profits at each marketing institution is caused by differences in costs incurred when marketing

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patchouli oil and the margins obtained are also different to cover costs incurred during marketing of patchouli oil and gain profits, (2) Based on the data obtained, the risks in patchouli marketing are low quality patchouli oil, higher acid content of patchouli oil and uncertain prices and (3) Risk management efforts start from the purchase stage to the sales stage by Efforts are made starting before the risk occurs, when the risk occurs and after the risk occurs

Suggestion

Based onAs a result of the discussion obtained, suggestions that can be given are (1) For farmers in Morengke Village, Mata Usu District, Bombana Regency, it is best to harvest patchouli plants according to the time period or age of the patchouli, namely the age of the first harvest is a minimum of 6 months and a maximum of 7 months, (2) For collecting traders in Morengke Village, Mata Usu District, Bombana Regency, it is hoped that the location area and marketing channels for patchouli can cover a wider scope and it is hoped that this can increase profits and minimize the risks faced by traders so that the oil storage process is reduced,(3) For the government to pay attention to infrastructure, facilities and infrastructure, especially in Morengke Village, Mata Usu District, Bombana Regency, so that the local community, especially those carrying out patchouli oil marketing businesses, can easily and smoothly carry out patchouli oil marketing efforts and (4) For further researchers to analyze There are large profits from the patchouli oil marketing business in a monthly period and it is hoped that in further research the profits can be increased and further explore risk information in the field.

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