

Channel Analysis and Marketing Margin of Instant Ginger Powder in Mpanau Village, Sigi Biromaru District, Sigi Regency

Endah Wahyunuing Asih

Agribusiness Study Program, Department of Socio-Economic, Agriculture, Faculty of Agriculture, Universitas Muhammadiyah Palu, Indonesia

*Corresponding Author, Email: endah.wa68@gmail.com

ABSTRACT

Dahlia Farmers Group has been engaged in the traditional instant powder drink industry, namely ginger. Of the various kinds of health drinks that this farmer group has produced, instant drink products are made from ginger, increasing sales every year. Currently, the Dahlia Farmers Group still has limitations in carrying out activities related to product marketing. This limitation impacts the lack of knowledge of producers regarding the marketing of instant red ginger powder. There are 3 (three) channels occur in the instant marketing of ginger powder in Mpanau Village, Sigi Biromaru District, Sigi Regency: Channel I: Producer Trader Consumer Retailer, Channel II: Consumer Online Producer, Channel III: Consumer Producer. Margin obtained from these three channels: First channel I: The margin earned in this channel is Rp.25,000,-/pack, Channel II: The margin obtained in this channel is Rp.15,000,-/pack. Channel III: Margin earned in this channel is Rp. 0,-/pack. The Total Marketing Margin obtained in these three channels is Rp. 40,000.

Keywords – Channel; Marketing Margin; Instant Ginger Powder

INTRODUCTION

Indonesia is very rich in flora resources (1). In Indonesia, there are about 30,000 plant species, 940 species of which are categorized as medicinal plants and 140 species of which are spices (2). Of several species of spices and medicinal plants, some have been used as traditional medicine by various companies or herbal medicine factories. In Indonesian society, traditional medicine in the treatment system has been entrenched and tends to continue to increase. One of the spice and medicinal plants in Indonesia is ginger (3).

In 2018, most of the biopharmaceutical plants in the rhizome group experienced an increase in production, only ginger, kencur and dringo plants experienced a decrease in production. The largest increase in production occurred in turmeric (up by 75,118.58 tons), while the largest decrease in production occurred in ginger (down by 9,174.79 tons).

Three types of rhizome biopharmaceutical plants that had the largest production in 2018 were ginger with a production of 207,411.86 tons, followed by turmeric with a production of 203,457.53 tons, and laos (galangal) with a production of 70,014.97 tons (4).

Table 1. Production of Rhizome Biopharmaceutical Plants in 2017-2018

No	Plant Type	Production (Kg)		Development (%)
		2017	2018	
1	Ginger/Ginger	216.586.662	207.411.867	-4,24
2	Laos (Galangal)/Galanga	63.536.065	70.014.973	10,20
3	Kencur/East Indian Galangal	36.655.028	35.966.755	1,88
4	Turmeric/Turmeric	128.338.949	203.457.526	58,53
5	Lempuyang/Zingiber Aromaticum	7.728.410	9.150.995	18,41

Source: Indonesian Biopharmaceutical Plant Statistics 2018

Ginger is a plant that easily undergoes physiological, chemical and physical changes if it is not handled quickly, so the quality will drop drastically (5). Ginger is a plant that readily undergoes physiological, chemical and physical changes if it is not handled quickly so that the quality will drop drastically (3).

Marketing of instant ginger powder in the Dahlia farmer group, Mpanau Village, Sigi Biromaru District, Sigi Regency, there are problems in terms of marketing instant ginger powder. Producers mainly sell their products to intermediaries. So far, instant ginger powder manufacturers have not calculated how much product yields from their business due to the limited knowledge of producers about existing marketing channels. So marketing is essential for the sustainability of instant ginger powder products attempted by manufacturers.

This study aims to determine the form of marketing channels for Instant Ginger Powder for Dahlia Farmers Group in Mpanau Village, Sigi Biromaru District, Sigi Regency. And to find out the marketing margin of Instant Ginger Powder for Dahlia Farmers Group in Mpanau Village, Sigi Biromaru District, Sigi Regency?

METHOD

This research was carried out from October 2020 to November 2020. The study took place in the Dahlia Farmer's Group, Mpanau Village, Sigi Biromaru District, Sigi Regency, determining the research location, which was carried out intentionally (purposive). The location determination was based on considering that the Dahlia Farmer's Group is a farmer group that produces instant ginger powder. The respondents' decision in this study was made purposively, namely the Dahlia Farmer's Group consisting of 4 people in Mpanau Village, Sigi Biromaru District, Sigi Regency as respondents. The data collection used in this study consisted of primary data and secondary data. Using a list of questions,

preliminary data were obtained using direct observation and interviews with respondents, namely the Chairman of the Dahlia Farmer's Group. Secondary data were obtained from relevant agencies and literature relevant to the purpose of this study.

Data analysis is used to determine marketing channels and margins with analysis based on primary data sourced from respondents. To find out the marketing channels for instant ginger powder from the Dahlia Farmer's Group in Mpanau Village, Sigi Biromaru District, Sigi Regency.

Marketing margin is the difference between the price at the consumer level and the price at the producer level (6). To calculate the margin of each marketing agency used the formula (7):

$$M_p = H_p - H_b$$

Description:

M_p = Marketing margin

H_p = Selling Price

H_b = Purchase Price

Total marketing margin (MT) is all marketing agencies involved in marketing cayenne pepper. The total margin (MT) can be calculated using the following formula:

$$MT = M_1 + M_2 + M_3 \dots \dots \dots M_n$$

Where: MT: Total marketing margin

$M_1 + M_2 \dots \dots \dots M_n$: Margin of each marketing agency

RESULTS AND DISCUSSION

Respondent Identity

The Dahlia Farmers Group has 20 members, namely 1 (one) chairman, 1 (one) secretary and 18 (eighteen) members. Of the 20 people, four people who are active in producing instant ginger powder, including 1 (one) Chairperson, 1 (one) Treasurer, and 2 (two) Members, respondents have different characteristics. Based on the data obtained from observations and direct interviews with the respondents, the respondents' features include the respondent's age and education level.

Ginger Powder Instant Marketing Channel

Instant marketing of ginger powder places retailers in a stronger bargaining position than producers in determining the selling price. Manufacturers sell their products to several retailers. Instant marketing of ginger powder always involves various marketing agencies at multiple distribution channels. The number of marketing institutions involved shows that the marketing system that occurs is inefficient, and the farmer's share (percentage comparison) obtained is not comparable to the price at the final consumer level (8).

The purpose of marketing is to facilitate the flow of goods from the hands of producers to the hands of consumers (9). In principle, marketing can occur because of the role of marketing agencies. The more marketing agencies involved in distributing an item, the lower the share of the price received by the producer. The marketing channels involved in the instant marketing of ginger powder from producers to consumers are:

- Producer → Trader → Retailer → Consumer
- Producer → Online → Consumer
- Producer → Consumer

To see clearly about the marketing channel for Instant Ginger Powder at the Dahlia Farmer's Group in Mpanau Village, Sigi Biromaru District, Sigi Regency, it can be seen in Figure 3 below:

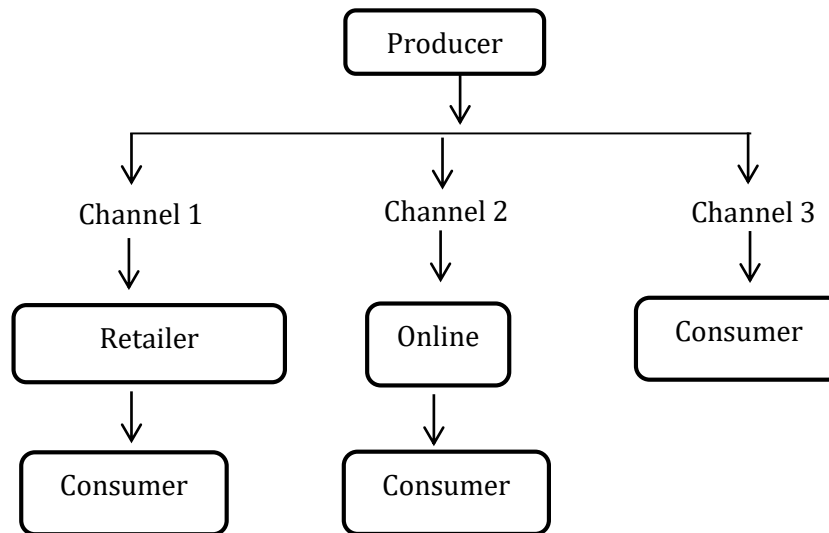


Figure 1. Instant Marketing Channel of Ginger Powder at Dahlia Farmers Group in Mpanau Village, Sigi Biromaru District, Sigi Regency, 2020

Figure 1 shows the instant marketing channel for ginger Bubu in the Dahlia Farmer's Group in Mpanau Village, Sigi Biromaru District, Sigi Regency from producers to consumers through several marketing channels involved.

Marketing channel I, producers sell their products through retailers in Sigi Regency and Palu City, then retailers directly market them to final consumers.

Marketing channel II, producers distribute their products directly online. Producers here involve product delivery services directly to consumers.

Marketing channel III, producers open outlets/stores at the location of the Dahlia Farmer Group, then consumers come directly to buy their products.

Table 2. Prices on Each Marketing Channel Instant ginger powder, 2020

No.	Marketing channel	Producer/ Group	Retailer	Online/delivery service	Consumer
1	Channel I	50.000	50.000	-	75.000
2	Channel II	50.000	-	50.000	65.000
3	Channel III	50.000	-	-	50.000

Source: Primary Data After processing, 2020

Table 2 shows that channel 1 is the Producer of respondents who sell their products through retailers with a sales volume of 1 pack and sells for Rp. 75.000,-/pack. In channel 2, respondent producers sell their products Online with a sales volume of 1 group and sell for Rp. 60.000,-/pack, while in channel 3, respondent producers sell it directly to consumers with a sales volume of 1 pack and sell it for Rp. 50,000.

Marketing at Group Level

Instant ginger powder is sold to direct consumers and traders, either to consumers or retailers located in Mpanau Village, Sigi Biromaru District, Sigi Regency. The price paid by consumer traders is Rp. 50.000,-/pack.

Instant producers of regular ginger powder also sell directly to retailers who live in Mpanau Village. The price paid by retailers is Rp. 50.000,-/pack, while those sold to consumers are Rp.75.000,-/pack.

Marketing at the Merchant-Retailer Level in Mpanu Village

Retailers in Mpanau Village buy instant ginger powder directly from the producer for Rp. 50.000 /kg; retailers sell instant ginger powder now to consumers for Rp. 75.000/kg.

Online Marketing

Dahlia producers or farmer groups sell them online for Rp. 65,000/package, including delivery service fees.

Ginger powder Instant Marketing Margin

Marketing margin is the difference between the price received by producers and the price paid by consumers (10). The costs incurred include transportation costs, and levies are the price difference, the amount of profit received by the channels from each marketing channel chain. So it is known that the margin level received by each track is different.

Channel Marketing Margin I

Channel 1 has a marketing channel, which involves one marketing agency. So the total margin is Rp. 25.000,-/pack. Prices and Marketing Margins received through channel one can be seen in table 3.

Table 3. Purchase Price and Marketing Margin Channel 1

No	Marketing channel	Purchase price (Rp/Pack)	Selling price (Rp/Pack)	Margin (Rp)
1	Group or producer	-	50.000	-
2	Retailer Pedagang	50.000	75.000	25.000
3	Consumer	75.000	-	-
Total				25.000

Source: Primary Data After Processing, 2020

Channel II Marketing Margin

Prices and Marketing Margins received through channel II can be seen in table 4.

Table 4. Price and Margin of Channel II Marketing

NO	Marketing channel	Purchase price (Rp/Pack)	Selling price (Rp/Pack)	Margin (Rp)
1	Group or producer	-	50.000	-
2	Online	50.000	65.000	15.000
3	Consumer	65.000	-	-
Total				15.000

Source: Primary Data After Processing, 2020

Channel III Marketing Margin

Prices and Marketing Margins received through channel III can be seen in table 5.

Table 5. Price and Margin of Channel III Marketing

NO	Marketing channel	Purchase price (Rp/Pack)	Selling price (Rp/Pack)	Margin (Rp)
1	Group or producer	-	50.000	-
2	Consumer	50.000	-	-
Total				-

Source: Primary Data After Processing, 2020

Table 5 shows the margins for channel III, namely Producers and consumers. With the shorter marketing channels, the total margin received is not Rp. 0, -/pack.

Total Marketing Margin

The Total Marketing Margin received through the three channels can be seen in the following formula:

$$MT = M_1 + M_2 + M_3 \dots \dots \dots M_n$$

$$MT = 25.000 + 15.000 + 0 \\ = 40.000 (M_n)$$

CONCLUSION

This study concludes that the total marketing margin obtained in these three channels is Rp. 40,000.

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