ANALYSIS OF RED ONION MARKETING IN RUBARU DISTRICT - SUMENEP DISTRICT

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A B S T R A C T

The aim of this research is to analyze the marketing cycle, profits, efficiency and monopoly of shallots in the Rubaru area, Sumenep district. The data analysis method used in this research includes descriptive methods. To analyze the variables in this research, margin, efficiency and marketing monopoly formulas are used. The research results show that the shallot marketing channels in the Rubaru area, Sumenep Regency have the three highest marketing indicators, namely 3 marketing channels. The level of technical marketing efficiency in each shallot marketing channel, namely Channel I is IDR 125, Channel II is IDR 35.7 and Channel III is IDR 2.30. The monopoly of marketing institutions in Rubaru District, Sumenep Regency shows that there are still many third channel institutions that are ineffective, while second channel institutions are the most efficient.

1. Introduction

Shallots are one of the staple vegetables that have long been intensively cultivated by farmers. This herbal product is included in the group of non-subsidized spices which function as spices and traditional medicinal ingredients [1]. Shallot cultivation in the Sumenep region began several decades ago. This shallot adapts quite well to lowland areas with dry climates. One of the basic problems that farmers always face is the drop in prices of agricultural products during the harvest season, causing financing to exceed income, causing losses which ultimately disrupt the continuity of their business [14].

At the regional level, important agricultural sector inputs, especially shallots in Sumenepe, are not used fairly by farmers: only around 40% of the selling price offered to consumers goes to farmers, and 60% goes to traders. is. Ideally, farmers should be able to sell their own crops. However, in practice, shallot producers in Sumenepe are very dependent on intermediaries so that the position of farmers in the marketing system is still very weak. In fact, the agricultural sector, especially shallots, is one commodity that can be relied on to increase farmers' income [2].

Marketing effectiveness is one of the benchmarks for assessing the success or failure of a company, because the final goal of the production process is sales with the hope of making a profit. The marketing process requires another part called a marketing institution, and the role of a marketing institution has a big influence on the marketing chain [3]. Distribution channels are the structure of organizational units within a company through which goods must move from farmers to consumers. Each marketing channel requires different marketing costs. Challenges faced by farmers as shallot producers include: price fluctuations, unclear price information on the market, so farmers often have difficulty predicting their agricultural calculations. Due to the length of the shallot production chain, marketing costs are quite high [4].

Marketing institutions are involved in the shallot marketing process. The role of marketing institutions is very necessary and very important in communicating production results from farmers to consumers [5]. The more effective the marketing institution's work, the more profitable it will be for all parties involved, both farmers, consumers and the marketing institution itself. For farmers, the profits obtained will increase [6].

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2. Literatur

2.1. Marketing

Marketing is one of the main activities that must be carried out by companies that produce goods or services to ensure the continuity of their business. In fact, marketing is one of the company's activities that deals directly with consumers. Thus, marketing activities can be interpreted as human activities in relation to the market.

Marketing is a social and managerial process that enables individuals and groups to achieve what they need and want through the creation and exchange of products and value together with others [5]. Marketing refers to all the steps used or necessary to get tangible goods into the hands of consumers [6].

If marketing is good at identifying consumer needs, developing products, setting the right price, distributing and promoting them effectively, then selling the product will be very easy [7]. Marketing is one of the important success factors for a company. You need to know the methods and philosophy used. The marketing concept is based on three basic factors, namely:

1. The company's planning and operational channels must be consumer/market oriented.

2. The company's goal should be profitable sales volume, not the volume itself.

3. All company marketing activities must be coordinated and integrated organizationally.

The term marketing aims to define the term marketing, a business philosophy which states that the satisfaction of consumer needs is an economic and social prerequisite for the survival of a company. The marketing department of a company plays a very important role in achieving high sales volumes, because achieving the desired sales volume means that the marketing department's work in launching the product has been successful. Sales and marketing are often seen as the same thing, but the reality is different [8].

The main objective of the marketing concept is to serve consumers by obtaining certain profits, or can be interpreted as a reasonable comparison of income and costs [13][14]. This is different from the sales concept which focuses on the company's desires. The philosophy of the business approach is to build a facility and then convince consumers to buy it. . In contrast, an approach based on the marketing concept requires management to first determine consumer needs and then decide how to satisfy them [6]

The marketing concept is about how a company generates profits through a series of activities that involve identifying the needs and wants of target markets and achieving satisfactory results more efficiently and effectively than competitors.

2.2. Institutions and Channels

Marketing institutions are institutions that carry out marketing functions to drive efforts to increase use value from the point of production to the point of consumption. These institutions guarantee the transportation of goods from producers to consumers and thereby bind property rights [8].

Most manufacturers do not sell their products directly to end consumers. There are a number of intermediaries between producers and final consumers who perform different functions, have names and represent sales channels. Distribution channels are a set of interconnected organizations involved in the process of producing a product or service that is ready to be used or consumed [4].

Sales channels can be characterized by considering the number of channel levels. Each intermediary that performs a specific task to bring the product and its rights closer to the final buyer forms a channel layer. Producers and end consumers are both part of every marketing channel because they each carry out certain tasks. The length of the distribution channel is determined by the number of intermediary levels through which goods and services pass [8]. This can be seen in Figure 1.
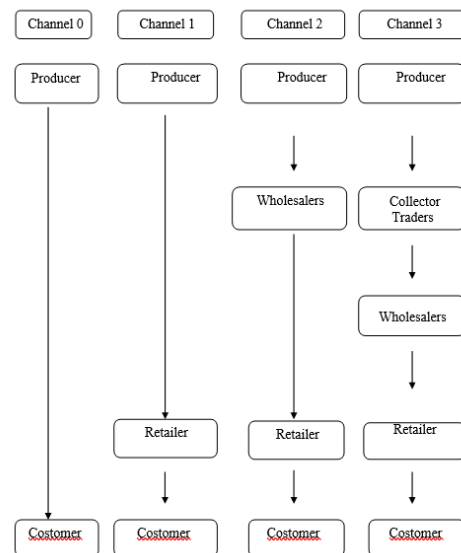

Figure 1 Consumer Goods Marketing Channels

Zero channel, also called direct marketing channel, consists of manufacturers selling products directly to end users (consumers). The first channel contains sales intermediaries, such as retailers. The second channel involves two intermediaries, usually a wholesaler and a retailer. The third channel includes three intermediaries consisting of wholesalers and wholesalers who sell products to several small retailers. From the manufacturer's point of view, the more distribution channels there are, the more difficult it is to obtain information about end users and to use different types of consumer goods distribution channels, including control channels.

3. Method

3.1. Sample Determination Technique

Respondents were selected using a simple random method (random sampling), where respondents were selected based on the research objectives by looking for shallot producers, collectors, retailers and traders [9].

3.2. Data collection technique

Data collection in this research [10]:
1. Observation is a data collection method where direct observation of the object under study is carried out by systematically recording symptoms related to the research.

2. Literature study, especially data collection methods through library research and reports from agencies and research.

3. Interview, namely a data collection technique where respondents are asked questions based on a list of questions that have been prepared.

3.3. Data analysis

Data analysis in this research is as follows:

a. To find out the size of the margin, use the following formula:

$$M = Hp - Hb$$

Where :
M = Marketing agency margin
HP = Selling price at farm level
Hb = Purchase price at the consumer level

b. To calculate the efficiency of marketing channels, the formula is used:

if :EP whose value is < 1 = most efficient
EP with a value of 1 > = Inefficient
Where :
EP= marketing efficiency(%)
BP= Total marketing costs (Rp/kg)
NP= Total value of products marketed (Rp/kg)
Monopoly level (Mp1)

$$V C$$

Where :
MPI = Monopoly Index
M = Marketing Margin
VC = Marketing Variable Costs

4. Analysis

4.1. Marketing Channel

In this research, the marketing system can determine distribution channels, namely marketing institutions carried out by each marketing institution [11]. In order to develop and accelerate the marketing of shallots, the role of marketing institutions in the distribution of shallots from producers to consumers is very important. Several marketing companies involved in selling shallots in the Rubaru area are farmers, collectors and retailers.

Farmers act as producers in marketing shallots and are the main actors in their distribution. In marketing shallots, farmers sell them directly or through intermediaries, retailers and sell shallots in markets or even sell them directly to wholesalers. Collectors are middlemen who actively buy and collect shallots from farmers and sell them to retailers and consumers. Retailers are intermediaries who sell shallots to consumers in the retail market.

After the shallots are harvested, they are distributed by the producers. From the results of interviews with respondents, the following information was obtained: The marketing channels for shallots in Mataran Village, Angeraja District, Enrekang Regency consist of three marketing channels,

namely:
1. Farmers → Consumers
2. Farmers → District retailers → consumers
3. Farmers → traders → retailers Sumenep → consumers Schematically, the marketing channel for shallots can be seen in

4.2 Shallot Marketing Margin

Marketing margin is the difference between the producer price or total marketing costs and the expected profit of each marketing entity [12]. Marketing margin analysis can reflect marketing effectiveness, but looking at the size of the marketing margin alone cannot predict marketing effectiveness. Therefore, we need to examine the distribution of benefits and costs borne by the marketing institutions involved. The more intermediaries involved, the greater the marketing margin and the wider the distribution channels [13].

The higher the margins for intermediaries, the greater the marketing cost effectiveness and consumer efficiency. Conversely, the higher the margin, the higher the price consumers have to pay. So this is less efficient from an economic perspective, but the consequence for consumers is the ease of obtaining the goods they want. Consumers do not need to contact the manufacturer directly. can be difficult to achieve. At a social level, the more parties involved, the more individuals will benefit from marketing activities. Total margin is income from margins generated at each level of the marketing institution. The amount of margin in different marketing channels varies depending on the length and brevity of the marketing channel.

Table 1. Marketing Margin Analysis of Shallots in Rubaru District 2023

No	Marketing Channel	Phurcase Price (Rp/Kg)	Sell Price (Rp/Kg)	Marketing Margin
1	Producer-Coustomer	-	4.000,-	-
2	Producer-Trader Retailer-Consumen	4.000,-	5.000,-	1.000,-
3	Producer– Trader Collector- Trader Retailer- Coustomer	4.000,-	9,000,-	5.000,-

Based on the table above, marketing channel I is a direct marketing channel, which means that shallot producers sell shallots directly to consumers at a price of 4,000/kg, so marketing channel I does not have a trade margin. In marketing channel II, namely. H. marketing channel where shallots are marketed by producers to retailers and retailers sell them to consumers at a price of IDR 5,000/kg. The marketing margin in marketing channel II is IDR 1,000/kg and in marketing channel III it is IDR. H. marketing channels, where producers sell shallots to pickers at a price of IDR 4,000, then sell them to retailers, and retailers sell them to consumers at a price of IDR 9,000. The marketing margin is IDR 5,000/kg shallots.

Marketing profit in marketing channel II is IDR 1000/kg and in marketing channel III marketing channel where producers sell shallots to collectors for IDR 4000 then to retailers for IDR 8000 and retailers sell them to consumers for IDR 9000. . Marketing. The markup for all marketing channels is Rs 5,000/kg onion.

4.3 Marketing Efficiency

Marketing effectiveness analysis can be determined by dividing marketing costs by the distance from the place of purchase to the place of sale of shallots. The results of the operational efficiency analysis are presented in Table 2.

Table 2. Analysis of the Efficiency of Shallot Marketing Channels in Rubaru District, Sumenep Regency, 2023.

Saluran Pemasaran	Kuantitas (Kg)	Biaya Total	Biaya pemasaran (Rp/kg)	Jarak (Km)	Efisiensi Teknis (Rp/Kg/Km)
I	40	10.000	250	2,00	125
II	70	15.000	214,28	6,00	35,7
III	550	330.000	600	260	2,30

Marketing Channel	Quantity (Kg)	Total Cost	Marketing Cost (Rp/Kg)	Distance (Kg)	Technical Efficiency (Rp/Kg/Km)

From Table 2, it can be seen that the distribution channel with the highest technical efficiency, namely the first channel, has a high cost per unit weight per unit distance, because the quantity sold through the first channel is the lowest in comparison. with the quantity sold through other channels. When volume is high, marketing costs also affect marketing effectiveness

4.4 Monopoly Index (MPI)

MPI value analysis is used to find out which marketing institution dominates the marketing channel [12]. If the resulting MPI value is higher, it shows that the marketing institution is more dominant than other institutions. The results of the MPI analysis of shallot marketing efforts in Rubaru District, Sumenep Regency are presented in Table 3 as follows:

Table 3. MPI value of shallot marketing institutions in Rubaru District, Sumenep Regency

Uraian	Saluran Pemasaran (Rp/Kg) I	II	III	Rerata
Harga jual Pengepul	4.000,-	5.000,-	9.000,-	6.000,-
a. Biaya Variabel			600	
b.Harga Jual			8.000	
c.Marjin			4.000	
d.MPI			6,67	
Pengecer di Kec Rubaru				
a. Biaya Variabel		214,28		
b.Harga Jual		5.000		
c.Marjin		1.000		
d.MPI		4.67		
Pengecer di Kab Sumenep				
a. Biaya Variabel			71,42	
b.Harga Jual			9.000	
c.Marjin			1.000	
d.MPI			14,01	
Total Nilai MPI		4,67	21,68	

From Table 3 it can be seen that each shallot marketing institution has a different MPI value. The operation with the highest MPI value is the third operation, and the operation with the lowest MPI value is the second operation. These results mean that the third institution is the most dominant institution in marketing shallots, the third institution is the channel with the largest number of marketing institutions compared to other channels. The

large number of marketing agencies involved in the channel may be one of the factors supporting the high level of the third channel. A high MPI value indicates that the third channel is the most inefficient institution while the second channel is the most efficient institution.

5. Conclusion

Based on the research results, the following conclusions were drawn:
1. In Rubaru District, Sumenep Regency, there are three shallot distribution channels, namely producer-consumer channel I, producer-trader-consumer channel II, and producer-collector-trader-consumer channel III.
2. The highest marketing margin is IDR 5,000 on the third level marketing channeL
3. The level of technical marketing efficiency in each shallot marketing channel in Rubaru District, Sumenep Regency, namely Channel I is IDR 125, Channel II is IDR 35.7 and Channel III is IDR 2.30.
4. The monopoly of marketing institutions in Rubaru District, Sumenep Regency shows that there are still many inefficient institutions in the third channel, while institutions in the second channel are the most efficient institutions.

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