



## ANALYSIS OF MARKETING CHANNEL AND MARKETING MARGIN OF CATCHES OF KELONG SHRIMP AT TPI IN ALUE AMBANG VILLAGE, TEUNOM DISTRICT, ACEH JAYA DISTRICT

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### Abstract

Marketing is considered efficient if it is able to convey results from producers to consumers and is able to make a fair distribution. The aim of the study was to determine the marketing channel and the amount of marketing margin by marketing agencies involved in shrimp marketing that occurred at TPI Alue Ambang Village, Teunom District, Aceh Jaya Regency. This research was conducted in Alue Ambang Village, Teunom District, Aceh Jaya Regency. There are two data used, namely primary data and secondary data. Data was collected from survey results with field observations. Snowball sampling sample method for a sample of fishermen with a total of 60 people. 7 collectors, 2 wholesalers. The results of this study are that there are two marketing channels that occur, namely from fishermen, then to collectors, then to wholesalers until it finally reaches consumers, and from fishermen, then to collectors, then to retailers until finally it reaches consumers. Meanwhile, the shrimp marketing margin at TPI Alue Ambang Village, Teunom District, Aceh Jaya Regency was IDR 45,000 in the first marketing channel. And IDR. 20,000 occurred in the second marketing channel.

**Keywords:** *Marketing Channels, Marketing Margins, Kelong Shrimp*

### 1. INTRODUCTION

Indonesia is the largest archipelagic country in the world which has 17,504 islands with a coastline of 108,000 km and a total sea area of around 6,400,000 km<sup>2</sup> (Coordinating Ministry for Maritime Affairs, 2018). Based on its geographical conditions, Indonesia deserves to be the fisheries sector with the largest supplier of fishery products in the world which can become a prospective market for fishery products because of its large sea potential. The management of the utilization of biological resources generally includes aquatic inhabitants with territory and environment such as fish and invertebrates. Explanation of RI Law no. 9/1985 and RI Law no. 31/2004 says that fishery activities in Indonesia starting from pre-production, production, processing to marketing are carried out in the fishery business called agribusiness. Indonesia is known as the largest maritime country in the world because it has relatively large fishery resource potential. The fisheries sector also absorbs a large number of workers, ranging from fishing, cultivation, processing, distribution and trade. Until now, fishery products from fishing activities, especially from the sea, are still a source of production for fish or other living species (Dian, 2016). The marketing channel has the task of distributing goods from producers to consumers.

Marketing is the most important activity in the distribution and marketing of fresh seafood. This marketing activity is one of the determining factors for the running of the sales business in general, especially fishermen as producers. TPI in the Kelong Shrimp marketing channel in Alue Ambang functions as a service provider. TPI plays a role in establishing the initial price of the catch. After the fishermen's catch is landed, auction activities are carried out to determine the price to be sold to the traders. High production can encourage the implementation of marketing activities involving several marketing agencies (Harifuddin et al., 2011). Production will be wasted if prices are low, so marketing must be good and efficient (Sarwanto et al., 2014). Marketing is considered efficient if it is able to convey results from producers to consumers and is able to make a fair distribution. The existence of costs in each marketing agency will take advantage of all services or an active role as a liaison between producers and consumers. This will encourage price differences in each marketing agency (Kotler, 2002 in Apriano et

al., 2012).. Marketing margin can be interpreted as the difference in prices received by farmers and intermediary traders. Marketing margin can be known from the calculation of costs incurred and profits of marketing institutions that play a role in the marketing process. The size of the price difference at the final consumer level will be influenced by the many marketing agencies that participate in the marketing process, the length or short of the channels traversed and the distance to the market (Sutarno, 2014).

### Farmer's Share

The concept of marketing margin is closely related to the share of the price received by farmers (farmer's share). According to Kohls and Uhl (2002) farmer's share is the percentage of the price received by farmers with the price paid by consumers in percentage (%). In general, the size of the farmer's share and marketing margin varies between commodities depending on the relative marketing costs incurred in relation to the value-added utilities of time, form, ownership and place based on business activities or marketing functions performed (Kohls and Uhl 2002). Therefore, high margins and low farmer's share cannot be categorized as efficient marketing or not. However, it must take into account the form, function and attributes attached to the product up to the final consumer.

$$Fs = Pf/Pr \times 100\%$$

Where :

Fs = Part of the price received by farmers (farmer's share)

Pf = Farmer's price

Pr = Price at trader level

Aceh Jaya Regency has an area of 381,400 ha located at 04°22 to 05°16 North Latitude and 95°10 to 96°03 East Longitude. The Aceh Jaya region is part of the west coast of Sumatra Island which stretches from west to east starting from the foot of Mount Geuruete, the border with Aceh Besar District to Cot Paleng is bordered by West Aceh District with a coastline length of 221.95 km and a sea area of approx. more 2,718.50 km<sup>2</sup> Until now, 45 islands have been recorded spread across 6 sub-districts (BPS Aceh Jaya, 2016)

One type of shrimp that is quite abundant in Aceh waters is the kelong shrimp (*Penaeus* sp.), which according to Suman et al. (1996) the kelong shrimp (*Penaeus* sp.) is a type of tiger shrimp. Sugeng (2005) said that this kelong shrimp is often known as white shrimp (flower king) which naturally only exists in the waters of Nanggroe Aceh Darussalam, more precisely in the waters of Lamno, Aceh Jaya. There is no scientific name for this shrimp, but genetically it is like a combination of tiger shrimp and white shrimp (*Penaeus merguensis*). When mature, the length can reach 30 cm. This kelong shrimp is also often known as white banana prawn or Latin known as *Penaeus indicus* ([http://www. Omfi](http://www.Omfi)). Until now, shrimp is still a fishery commodity that has quite good business opportunities because it is very popular with local (domestic) consumers and foreign consumers. This is due to the delicious and savory taste of shrimp and its very high nutritional content. In the market, the shrimp chosen as consumption shrimp come from fresh shrimp, frozen shrimp, frozen peeled shrimp (without heads), and processed shrimp. Fresh shrimp are mostly marketed domestically (domestic), while frozen shrimp are generally marketed abroad (exports). Fluctuating price conditions and uncertain seasons create uncertainty about the income earned by fishermen and the marketing agencies involved, so research is needed to :

1. Knowing the marketing channels of the long shrimp landed at the TPI of Alue Ambang Village;
2. Knowing the marketing margin formed at each level of the Kelong Shrimp traders

### 3. RESEARCH METHODS

The method used in this study is a descriptive method which is a case study. The cases examined in this study are related to the analysis of marketing channels and marketing margins for the catch of kelong shrimp in TPI Alue Ambang. The sampling method in this study was carried out using the snowball sampling method. The snowball sampling technique is a technique for taking data sources which are initially small in number then enlarge, this is because the small data sources have not been able to provide satisfactory data, so look for other informants who are used as data sources (Sugiyono, 2017:



218-219) The reason the researcher chose this technique was because the data collected was able to provide satisfactory data. So when one source of data is incomplete, we can take data from other informants. The number of respondents taken was 60 fishermen, 7 collectors, 2 wholesalers.

**a). Place and time of research**

This research was conducted in August-November 2022 in the village of Alue Ambang, Teunom District, Aceh Jaya Regency.

**b). Tool**

The tools used in this study were the camera as a documentation tool, stationery for recording data and information, and the questionnaire used during interviews.

**c). Method of collecting data**

The type of data used in this study are:

1. Qualitative data is data that can explain and describe regarding the shape of the marketing channel for kelong shrimp in Alue Ambang Village, Teunom District, Aceh Jaya Regency.
2. Quantitative data, namely data used to see the size of the margin

Marketing, profit, and marketing channels. Primary data collection on respondents is done by recording, in-depth interviews and field observation research. Primary data was collected through direct interviews with fishermen, collectors, and wholesalers of Kelong shrimp. To strengthen and complete the primary data, secondary data is also needed which can be obtained from the mass media, libraries, government agencies and related agencies in this study. To find out the shrimp marketing margin in Alue Ambang Village, Teunom District, Aceh Jaya Regency, it can be calculated mathematically. The general formula for marketing margin is formulated as follows (Ulya at all, 2007) in (Singarimbun 2013).

$$M = Pr - Pf$$

Information :

M = Marketing margin

*Pr* = Price at merchant level

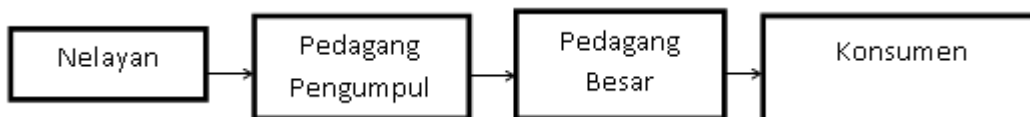
*Pf* = Price at producer level

**3. RESULTS AND DISCUSSION**

**A. Marketing channel**

Based on the results of direct observationAs for the marketing channel for kelong shrimp in Alue Ambang Village, Teunom District, Aceh Jaya Regency, from fishermen to consumers, it involves several marketing agencies, namely collectors, wholesalers and consumers. Based on the results of observations and interviews in Alue Ambang Village, Teunom District, Aceh Jaya Regency, in marketing the kelong shrimp, it is known that there are 2 types of marketing channels from the kelong shrimp to the hands of consumers. These channels are as follows:

Channel 1



Channel 2

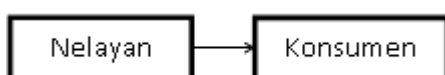


Figure 1. Udang Kelong channel in TPI Alue Ambang village

The TPI location is in the village of Alue Ambang where the location is on the coast. The location of this location is quite strategic because the transportation to TPI Alue Ambang is close to the roadmain . The condition of the road to TPI itself is good, making it easier for buyers, who are generally in the area around Alue Ambang, to directly buy and sort. The ease of access to the location is what causes the smooth distribution of the fish marketing process. Wholesalers usually use pick-up cars to facilitate transportation. The producers here are fishermen who produce products in the form of shrimp. Fishermen in Alue Ambang Village have an average age of 40-60 years with experience working as fishermen for 5-10 years. In Alue Ambang village, fishermen go to sea every morning until late afternoon. From the production results from December to January, the jerbung shrimp fishermen in Alue Ambang Village get an average of 15-30 kg for one week. of the total catch after being deducted for the cost of supplies between boat owners, fishermen and crew members. The price of caught shrimp sold by fishermen is around Rp. 100,000 or 83.33%. And for fishermen sales volume of 15 kg in one week. These operational costs include fuel, labor and others, the required fuel is 40 liters or around Rp. 400,000 wages for labor, namely fishermen and other costs such as consumption, cigarettes so that the operational costs are Rp. 600,000. If the catch is abundant, the price will be lower and if the catch is small, the price will be higher.

Collector traders at TPI Alue this threshold are also known as toke. The collectors in this village are around 40 to 60 years old and live in this village. Work experience of approximately 6-10 years. Fishermen sell their catch of Kelong Shrimp to collectors using fiber boxes. Collector traders will haggle over prices with fishermen. collectors around Rp. 100,000/kg or 83.33%. And for the sales volume of collectors 1,200 kg in one week. Marketing costs by collectors for marketing kelong shrimp are Rp. 50,000 or 34.48%. However, at the collecting trader level, transportation costs of IDR 20,000 or 13.79% are incurred less. This is because the collecting traders pay less transportation costs. other marketing costs Collector traders will form a selling price depending on the purchase price from fishermen and also on the amount of catch. Collector traders will sell the kelong shrimp at high prices if the number of catches is low. From August to December, the selling price by the collector traders is around Rp. 120,000/kg or 82.75%. Wholesalers distribute the catch of kelong shrimp outcities like Banda Aceh. The average price of kelong shrimp at TPI is IDR 145,000/kg or 100%. Delivery is carried out every day by using a truck. The kelong shrimp sent out of town are put into styrofoam boxes containing ice cubes. And for wholesalers' sales volume of 1,200 kg in one week, for one pick-up there are 8 fibers sold by wholesalers. Marketing costs by wholesalers to carry out marketing of kelong shrimp which includes capital to purchase fuel, labor and other costs. Fuel is used for transportation which costs Rp. 25,000 or 17.24%. Other costs, namely ice cubes to preserve the shrimp to keep them fresh, are around Rp. 20,000 or 13.80% and the shrimp purchase price is Rp. 120,000 or 82.75%. So the marketing costs for wholesalers are IDR 65,000. Good marketing will have a positive impact on fishermen, traders and consumers. These things can be seen from the statement of Sobariah and Ganjar (2013), that one of the causes of the gap in profit acceptance is because the marketing chain is still too long. The level of marketing channel efficiency can be known from the length of the marketing channel, based on research conducted by Huda et al. (2015), the large number of actors involved in the marketing channel will increase the price of fish on the market.

## B. Marketing Margins

Margin marketing is done to determine the marketing of a product from the producer level to the consumer level. marketing margin is the price difference that occurs in each marketing institution. The size of the marketing margin is determined by the amount of marketing costs involved in marketing activities along with the marketing margin that occurs at TPI Alue Ambang Village, Teunom District, Aceh Jaya Regency in the table below:



Table 2. Shrimp Marketing Margins at TPI Alue

No Description (Rp/Kg)	Marketing channel			
	1	shares %	2	shares %
<b>1. Fisherman</b>				
Selling price	Rp. 100,000	83.33	Rp. 100,000	83.33
<b>2. Traders</b>				
collectors				
a. Purchase Price			IDR 100,000	68.96
b. Marketing Fee			Rp. 50,000	34.48
- Transportation costs		Rp. 20,000		13.80
And loading and unloading				
- Storage/Ice Fee			Rp. 20,000	13.80
- Consumption Cost			Rp. 10,000	6.8
c. Selling Price			Rp. 120,000	82.75
d. Profit			Rp. 30,000	20.68
e. Merchant Margin		Rp. 20,000		13.80
collectors				
<b>3. Trader</b>				
Big				
a. Purchase Price			Rp. 120,000	82.75
b. Marketing Fee			Rp. 65,000	44.82
- Transportation costs		Rp. 25,000		17.24
And loading and unloading				
- Storage/Ice Fee			Rp. 20,000	13.80
- Consumption Cost			Rp. 20,000	13.80
c. Selling Price			Rp. 145,000	100
d. Profit Rp. 40,000		27.58		
e. Merchant Margin		Rp. 25,000		17.24
Big				
<b>4. Consumer</b>				
Purchase price	Rp. 120,000		Rp. 145,000	
<hr/>				
Total Marketing Cost	IDR 0 0		IDR 115,000	79.31
Total Profit	Rp. 20,000	13.79	Rp. 70,000	48.27
Total Margin	Rp. 20,000	16.66	Rp. 45,000	31.03

From the table above the 1st marketing channel where fishermen sell their shrimp to collectors then forwards to wholesalers and finally to final consumers. The final consumer buys shrimp from wholesalers for IDR 145,000/kg. While wholesalers buy shrimp from collectors for IDR 120,000/kg. Meanwhile, collectors buy shrimp from fishermen at a price of IDR 100,000/kg. Meanwhile, the price of shrimp at the fishermen's level is IDR 100,000/kg. So that the margin on the 1st marketing channel is IDR 45,000. And the marketing line starts from fishermen selling shrimp directly to consumers and consumers buy at a price of 100,000/Kg. The 2nd marketing channel where the fishermen's marketing channel sells shrimp directly to consumers. Fishermen sell at Rp. 120. 000/Kg and consumers buy at the same price while the price of shrimp at the fishermen's level is Rp. 100,000/Kg, so the marketing margin that occurs is Rp. 20,000.

#### 4. CONCLUSION

The conclusion that can be drawn from this study is that the marketing channels that occur in TPI Alue Ambang Village have 2 types of marketing channels where the first channel is from fishermen who catch kelong shrimp, then the results are purchased by collectors who are then resold to wholesalers, to shrimp the kelongs finally reached the consumers' hands. TPI location, the marketing margin that occurs in the second marketing channel is IDR 20,000. Based on the conclusions that have been described, So the suggestions that can be given are expected in this study to add retailer marketing agencies because increasing the number of marketing agencies can help increase sales, help inter-local consumers to be able to consume these shrimp and support each other for mutual success. And suggestions for researchers are expected to continue and develop this research and further complement this research.

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