

CHILI SEED MARKETING OPTIMIZATION STRATEGY IN AGRIBUSINESS COMPANIES IN SERDANG BEDAGAI REGENCY

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Abstract

This study aims to formulate an effective marketing strategy to increase chili seed sales at the agribusiness company CV. Mitra Jaya, Serdang Bedagai Regency. The decline in sales indicates an inaccuracy in the implementation of marketing strategies. The research method used is a descriptive approach with data collection through interviews with key informants and analysis using the IFE, EFE, SWOT, and QSPM matrices. The results show that the company's main strengths lie in product quality and production experience, while the main weaknesses lie in limited promotion and marketing reach. The greatest opportunity comes from increasing chili consumption, while the main threat comes from increasingly fierce competition. Based on the SWOT analysis, several alternative strategies were obtained, and through QSPM it was determined that the priority strategies are developing digital-based promotions, maintaining product quality, and establishing partnerships with farmers. The implementation of these strategies is expected to improve the company's competitiveness and marketing performance.

Keywords: marketing strategy, chili seeds, SWOT, QSPM, agribusiness

Introduction

The agricultural sector plays a crucial role in national economic development, particularly in its contribution to Gross Domestic Product (GDP). Data shows that the agricultural sector's contribution has increased year after year, indicating that this sector remains a key pillar of the Indonesian economy (Central Statistics Agency, 2011). One rapidly growing agricultural subsector is horticulture, particularly chilies, which have high economic value and growing market demand. Chili peppers are a commodity with many benefits, both as a food ingredient and as a source of nutrition. Their content of vitamin A, vitamin C, calcium, and the compound capsaicin makes chili peppers not only important as a food ingredient but also has health benefits (Prajnanta, 2004). Furthermore, chili peppers are a key component in various Indonesian dishes, so demand for them tends to be stable and even increase annually. This is supported by data showing an increase in chili consumption from year to year, which directly impacts the increasing need for production and the supply of quality chili seeds (Central Statistics Agency, 2012).

The increasing demand for chilies has encouraged farmers and agribusinesses to develop more intensive chili cultivation. This has also led to a surge in demand for chili seeds. However, this high demand does not necessarily guarantee marketing success, as companies must be able to compete with other producers offering similar products. Therefore, an appropriate marketing strategy is necessary to maintain and increase market share. CV. Tani Mandiri is an agribusiness company specializing in vegetable seed production, specifically chili seeds, located at CV. Mitra Jaya in Serdang Bedagai Regency. The company has been operating for a long time and markets its products to various agricultural stores and farmers in several regions. However, the company has faced challenges in the form of declining chili seed sales in recent years. This decline is suspected to be related to the suboptimal marketing strategy implemented. These issues demonstrate the importance of evaluating both internal and external factors that influence product marketing. Analyzing the internal and external environment can help a company identify its strengths, weaknesses, opportunities, and threats. This allows the company to formulate a more effective and targeted marketing strategy.

Based on the description, this study aims to identify strategic factors that influence the marketing of chili seeds, formulate alternative marketing strategies that can be implemented, and determine the most effective strategic priorities to improve the company's marketing performance.

Research methodology

Types and Approaches of Research

This study uses a descriptive approach to describe the current state of chili seed marketing and identify the factors influencing it. The descriptive approach was chosen because it provides a systematic overview of current phenomena based on data obtained in the field. This method focuses on solving actual problems faced by companies in marketing activities (Fajar et al., 2015).

Location and Time of Research

The research was conducted at CV. Mitra Jaya, an agribusiness company specializing in chili seed production in Serdang Bedagai Regency. The location was selected purposively, considering that the company was experiencing marketing challenges. The research was conducted over a two-month period, from October to November 2024.

Data Types and Sources

The data used in this study consists of primary data and secondary data.

- **Primary data** was obtained through direct interviews with key informants using open and closed questionnaires, as well as through field observations.
- **Secondary data** was obtained from literature, reports from related agencies, and statistical data sources relevant to the research topic (Fajar et al., 2015).

Sampling Techniques

The respondent selection technique used purposive sampling, which involves deliberately selecting respondents based on specific considerations. Key informants in this study included company management, the marketing department, consumers, and other parties deemed to have relevant information on chili seed marketing (Fajar et al., 2015).

Method of collecting data

Data collection was carried out using several techniques, namely:

1. **Interviews**, to obtain direct information from key informants regarding marketing conditions.
2. **Observation**, to observe the marketing activities and operational conditions of the company.
3. **Documentation**, to complete data related to company activities and supporting statistical data.

Data Analysis Methods

Data analysis in this study was carried out qualitatively and quantitatively using several strategic analysis tools, namely:

1. **The Internal Factor Evaluation (IFE) Matrix** is used to identify and evaluate a company's internal factors, including strengths and weaknesses. Each factor is weighted and rated to determine its level of influence on company performance (David, 2004).
2. **The External Factor Evaluation (EFE) Matrix** is used to analyze external factors, including the opportunities and threats facing a company. Assessment is carried out by assigning weights and ratings to each factor (David, 2004).
3. **SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis** is used to formulate alternative strategies by combining a company's internal and external factors. This approach allows a company to maximize strengths and opportunities while minimizing weaknesses and threats (Rangkuti, 2004).
4. **Quantitative Strategic Planning Matrix (QSPM)** QSPM is used to determine the best strategic priorities based on the attractiveness of each strategic alternative. This analysis helps in selecting the most effective strategy to implement (David, 2004).

RESEARCH RESULTS AND DISCUSSION

1. Overview of the Company's Marketing Strategy

The research results show that the company has implemented several marketing strategy elements, including segmentation, target market determination, product positioning, differentiation, and the marketing mix. Market segmentation was conducted based on geographic region, specifically in Bogor, Sukabumi, and Cianjur. Meanwhile, the target market focused on farmers and agricultural input stores as the primary consumers (Fajar et al., 2015). In terms of positioning, the company positions its product as high-quality chili seeds at a relatively affordable price. Product differentiation is achieved through certified seed quality and attractive packaging. However, promotional activities are still limited to the use of brochures and participation in exhibitions, thus not optimally reaching a wider

market (Fajar et al., 2015). The marketing mix implemented encompasses product, price, distribution, and promotion. The product is offered in two packaging options, and the price is competitive. Distribution is through agricultural stores and farmers, but limited transportation is a barrier to expanding marketing reach (Fajar et al., 2015).

2. Internal Factor Analysis (IFE)

Based on the Internal Factor Evaluation (IFE) matrix analysis, a total score of 2.98 was obtained, indicating that the company's internal conditions are in the moderate category. This means the company has a fairly good ability to leverage its strengths to overcome its weaknesses (Fajar et al., 2015). The company's main strengths lie in its consistent seed quality and long-standing production experience. Furthermore, it has a loyal customer base that contributes to stable sales. However, its main weaknesses include limited marketing reach, a lack of marketing personnel, and rudimentary promotional activities. This indicates that marketing efforts still need improvement to remain competitive in the market (Fajar et al., 2015).

3. External Factor Analysis (EFE)

The External Factor Evaluation (EFE) matrix analysis showed a total score of 2.66, indicating that the company is quite capable of responding to existing opportunities and threats, although not optimally (Fajar et al., 2015). The biggest opportunity comes from the increasing consumption of chili peppers every year, which has an impact on increasing demand for chili seeds. In addition, the presence of farmers around the company's location and government support through exhibitions and extension services are supporting factors in marketing development. However, the company also faces various threats, such as the increasing number of competitors, the wide variety of chili seeds on the market, and the intensity of promotions carried out by competitors. These conditions require the company to be more adaptive in developing innovative marketing strategies (Fajar et al., 2015).

4. SWOT Analysis and Alternative Strategies

A SWOT analysis yields several alternative strategies that a company can implement. These strategies include:

- **SO strategy**, namely utilizing strengths to seize opportunities, such as establishing partnerships with farmers and increasing participation in exhibitions.
- **WO strategy**, namely minimizing weaknesses by taking advantage of opportunities, such as increasing product durability through training and outreach.
- **ST strategy**, namely using strengths to face threats, such as maintaining product quality to remain competitive in the market.
- **WT strategy**, namely a defensive strategy to reduce weaknesses and avoid threats, such as increasing promotion through digital media (Rangkuti, 2004; Fajar et al., 2015).

These results show that the company has various alternative strategies that can be developed, especially those related to improving product quality and marketing innovation.

5. Strategic Priority Determination (QSPM)

Based on the Quantitative Strategic Planning Matrix (QSPM) analysis, a priority order of the most effective strategies was obtained. The strategy with the highest appeal was developing internet-based promotions, followed by maintaining product quality, and establishing partnerships with farmers (Fajar et al., 2015). These results demonstrate that the use of digital technology is a crucial factor in enhancing company competitiveness. Furthermore, product quality remains a key aspect that must be maintained to maintain consumer trust. Partnerships with farmers are also a crucial strategy for expanding distribution networks and increasing market loyalty.

Discussion

Overall, the research results indicate that the success of chili seed marketing is significantly influenced by a company's ability to effectively manage internal and external factors. The company has considerable strengths, particularly in terms of product quality and production experience, but still faces marketing challenges. This finding aligns with the notion that marketing strategy is a combination of a company's internal capabilities and external environmental conditions to achieve competitive advantage (Salusu, 2003). Therefore, companies need to optimize the use of digital technology as a promotional tool, given the increasingly rapid technological developments and changes in consumer behavior. By implementing the right strategies, particularly in terms of digital promotion, improving product quality, and strengthening partnerships, the company is expected to be able to increase sales and strengthen its position in the chili seed market.

Conclusion

Based on the research and discussion on chili seed marketing strategies at CV. Mitra Jaya, an agribusiness company in Serdang Bedagai Regency, it can be concluded that internal and external factors play a significant role in determining marketing success. The company's main strengths lie in its maintained product quality, production experience, and loyal customers. However, the company still faces several weaknesses, particularly limited promotion, marketing personnel, and suboptimal distribution reach (Fajar et al., 2015). Externally, the greatest opportunities stem from increasing chili consumption and the still-vast market potential, particularly among farmers and agricultural businesses. On the other hand, the company faces threats including high levels of competition, the wide variety of products on the market, and increasingly intensive promotional activities by competitors (Fajar et al., 2015). The SWOT analysis results indicate several alternative strategies that can be implemented, including improving product quality, developing promotions, and strengthening partnerships with farmers. Based on the QSPM analysis, the top priority strategy is utilizing digital media for promotional activities, followed by efforts to maintain product quality and establish partnerships with farmers (David, 2004; Fajar et al., 2015). Overall, the success of chili seed marketing is largely determined by the company's ability to optimize its strengths and respond appropriately to opportunities and threats through an integrated strategy.

Suggestion

Based on the results of the research that has been conducted, several suggestions that can be given are as follows:

1. **Improving Promotional Strategies:** Companies are advised to develop more modern and effective promotional activities, particularly through the use of digital media such as the internet and social media. This is crucial for expanding market reach and increasing competitiveness amidst increasingly fierce competition (Fajar et al., 2015).
2. **Strengthening Product Quality:** Companies need to maintain and even improve the quality of chili seeds through stricter monitoring of the production process and post-harvest handling. Consistent product quality will increase consumer trust and market loyalty.
3. **Developing Partnerships with Farmers:** Companies are advised to expand their collaboration with farmers through mutually beneficial partnerships, such as providing seeds with post-harvest payment. This strategy can strengthen distribution networks while increasing sales volume (Fajar et al., 2015).
4. **Increasing Marketing and Distribution Capacity:** Companies need to increase their marketing staff and improve distribution facilities to expand their reach. This is crucial for optimizing existing market potential.
5. **Utilization of Training and Extension,** Companies should be more active in participating in extension and training activities to increase knowledge related to cultivation techniques and product handling, so as to improve the durability of chili seeds and overall product quality.

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