

Marketing Strategy on Cocoa in Aceh Tenggara Regency

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ABSTRACT

The management of cocoa products in Aceh Tenggara Regency is still traditional (85% of cocoa beans produced are not fermented) so the quality of cocoa is low. The importance of implementing the right marketing strategy to reach the right market and consumers, this study will analyze internal and external factors that are strengths, weaknesses, opportunities, and threats as well as formulate appropriate marketing strategies that can be applied by cocoa commodity farmers and other parties related. The location of this research was determined purposively or intentionally with the consideration that Aceh Tenggara Regency is a place that has the potential for cocoa marketing. Determination of the number of samples used in this study was purposive sampling, namely cocoa farmers with experience and capacity in this farming as many as 30 respondents in Babussalam District which is the centre of cocoa farming in Aceh Tenggara Regency. Strategy formulation in cocoa marketing in Aceh Tenggara Regency by SWOT analysis. a. Utilizing the experience of farmers, the availability of production results and the facilities and infrastructure owned to expand the market domestically and internationally with the best cocoa commodity prices (S1, S2, S3, O1, and O3). b. Take advantage of the experience of farmers, the state of the area and the facilities and infrastructure owned by taking advantage of the opportunities of natural conditions that support increasing production yields (S1, S3, S4, and O2). This strategy is a strategy in using the strengths of farmers to overcome threats, namely utilizing the experience of farmers, regional conditions and facilities and infrastructure owned by farmers to control pests

and diseases as well as harvesting cocoa pods in increasing production (S, S3, S4, T1, and T2).

Keywords: Cocoa, Marketing Strategies, SWOT

BACKGROUND

Cocoa is one of the mainstay commodities of plantations whose role is quite important for the national economy, especially as a provider of employment, a source of income and foreign exchange. Indonesia's cocoa production has experienced rapid development from the early 1980s until now 2020. Cocoa commodities have contributed foreign exchange of US \$ 1.4 billion in 2009, which is the third-largest foreign exchange earner in the plantation sector after oil palm and rubber commodities. From 1998 to 2011, the area of cocoa plantations recorded an increase of 9% per year. Of the 1,746 million hectares of cocoa plantation area, 94% is managed by the people, the remaining 3.1% is managed by the government and 2.9% is by large private plantations. The types of cocoa plants cultivated are mostly Linda cocoa species with the main production centres being South Sulawesi, Southeast Sulawesi and Central Sulawesi. Besides that, noble cocoa species are also cultivated by large people's plantations in East Java and Central Java. Indonesia's cocoa production is mostly produced in Sulawesi, West Sumatra, North Sumatra and Lampung. Based on data from the Ministry of Agriculture (Directorate General of Plantations, 2014), national cocoa production in 2013 reached 880,000

tons, an increase from the total production in 2012 which was in the range of 850,000 tons. Although the national cocoa production recorded a significant increase of 3.53%, in general, the ratio of cocoa productivity per land area in Indonesia is still quite low. In 2012, the total area of cocoa land in Indonesia reached 1,774,463 ha, with a total production of 740,513 tons. However, in 2015, the area of cocoa land was reduced to 1,709,284 ha, meaning that there was a shrinkage of 65,179 ha of cocoa land. This is directly proportional to the decline in cocoa production in Indonesia,

where national cocoa production has decreased significantly to reach 147,182 tons since 2012, to 593,331 tons in 2015.

In line with these advantages, Indonesia's cocoa market opportunities are quite open for both export and domestic needs. In other words, the potential to use the cocoa industry as one of the drivers of growth and income distribution is quite open. This is to Teguh Wahyudi and Misnawi (2015), the opportunity to increase national cocoa production is still very wide open, either through land intensification or by extensification of land expansion.

Table 1. Total Area, Cocoa Production and Productivity in Indonesia

No	Province	2012		2015	
		Luas Lahan Produksi (Ha)	Produktivitas (Ton) (Kg/Ha)	Luas Lahan Produksi (Ha)	Produktivitas (Ton) (Kg/Ha)
1	Aceh	103.104	20.609 718	102.649	30.661 763
2	Sumatera Utara	80.492	36.188 972	66.027	16.656 793
3	Sumatera Barat	137.299	48.113 913	158.863	58.822 719
4	Lampung	65.697	23.765 954	71.192	33.177 894
5	Jawa Timur	63.040	28.575 885	54.211	24.803 825
6	Sulawesi Tengah	284.796	144.358 904	288.990	100.651 818
7	Sulawesi Selatan	269.628	146.840 944	247.730	99.339 814
8	Sulawesi Barat	72.768	76.158 846	149.692	57.141 813
9	Sulawesi Teng.	253.519	122.960 839	255.779	91.808 817
10	Maluku	39.155	11.706 617	40.915	13.373 649
11	NTT	57.717	11.190 581	53.903	12.863 646
12	Lainnya	247.284	70.051	219.333	54.037
Total		1.774.463	740.513 850	1.709.284	593.331 775

Ditjenbun : Statistik Perkebunan Indonesia, KAKAO 2012-2014 dan 2015-2017

Aceh Tenggara Regency is the largest producer of cocoa (Chocolate) in Aceh Province with an area of 19,994 hectares with a total production of 8,843 tons/hectare with a productivity yield of 455 Kg/hectare/year from 21,623 farmers (BPS, 2015). Most of the cocoa plantations in Aceh Tenggara Regency are people's plantations. In general, in terms of economic marketing potential, Aceh Tenggara Regency is an agricultural zone. The economic potential of this cool climate area is rice, cocoa, candlenut, rattan, logs, freshwater fish and other forest products.

In Aceh Province in general and Aceh Tenggara Regency in particular, not many business actors are involved in the chocolate processing business. Commodities of one of these plantation products are marketed more in the form of seeds, both wet seeds and dry seeds, without providing much-added value so the added value to the economy is little.

The management of cocoa products in Aceh Tenggara Regency is still traditional (85% of cocoa beans produced are not fermented) so the quality of cocoa is low. The low quality causes the price of cocoa beans and products in the international market to be discounted by USD 200/ton or 10%-15% of the market price. The marketing support system and infrastructure in the Aceh Tenggara region are also still weak, so most of the Aceh Tenggara cocoa beans are marketed through Medan (Belawan Port), North Sumatra. If managed wisely, this situation will have a positive impact on the development of the cocoa processing industry in the Aceh region, which in turn will attract entrepreneurs to invest in the Aceh region.

The price of cocoa affects farmers' income, the lower the price of cocoa sold by farmers, the lower the farmer's income, and vice versa if the amount of production is high

and the price is high, the income that farmers get is more and more, currently, the price of cocoa in the study area fluctuates between Rp. 24,000/kg up to IDR 28,000/kg (April 2021) export quality dry beans (www.mediaindonesia.com/May2021).

Marketing channels can affect the income received by cocoa cultivators (producers/farmers) as well as related marketing institutions such as agents, wholesalers, and retailers. This is reflected in the existence of significant price differences from farmers to final consumers in this study, exporters and this is caused by different marketing costs in each of the actors who market them, therefore this research needs to be done. The importance of implementing the right marketing strategy to reach the right market and consumers, this study will analyze internal and external factors that are strengths, weaknesses, opportunities, and threats as well as formulate appropriate marketing strategies that can be applied by cocoa commodity farmers and other parties related.

Internal Factors

1. Human Resources (HR)

The quality of human resources is a serious obstacle to agricultural development. The HR factor is seen from the ability to cultivate, the ability to absorb technology and see market opportunities. The quality of agricultural human resources in the form of education and skill levels affects the sustainability of the farming carried out.

2. Natural Resources

Regional natural resources are one of the internal supporting strategic factors for sustainable farming. Cocoa is one of Aceh Tenggara's natural resources, and it is the livelihood of most of the population there.

3. Capital

The condition of the farming community in general lives in simplicity and limitations, including limited capital. Most only rely on

agricultural products which are only sufficient for their daily needs. For most farmers, access to sources of capital is also limited.

4. Production

Agricultural production carries a high risk. The quantity and quality of fruit to always be fresh and according to the market requires great effort. Fluctuating crop yields are a weakness of agribusiness, affecting product prices and farmer acceptance. Continuity of production is also a consideration for farmers to protect customers and markets.

5. Farmers Organization

The existence of the organization is needed, especially as a medium of communication between farmers and between farmers and outsiders. The association needs to protect the farmers to facilitate the extension, marketing, and information supporting the marketing of their farming activities.

External Factors

1. Market Demand

Domestic and international cocoa market demand is high considering the need for processed cocoa products is very much in the world. Cocoa is one of the main plantation commodities in the world. This commodity is sought after because it is the raw material for making chocolate. Cocoa beans have undergone a series of processing processes so that their shape and aroma are like those on the market today (Susanto, 2008).

2. Technology

Today the development of technology is progressing very rapidly in various fields. Technology not only includes discoveries but also includes new ways of implementing or methods of doing a job. Technological developments are also taking place in the agribusiness sector. Various technologies ranging from production facilities, production processes, harvest and post-

harvest, processing, to information continue to develop.

3. Customers

Continuity of agricultural production must be guaranteed to maintain the market or customers. Maintaining good product quality and quantity is a priority for farmers for business continuity.

4. Competition

The existing competition for agribusiness means that cocoa bean producers from other regions go to the Aceh Tenggara Regency market or to consumers who are markets for the same product, both locally and internationally.

5. Government Policy

Government policy is a strategic factor in agricultural development, both in terms of expert assistance/extension, capital, technology, regional infrastructure and promotion to the private sector as investors.

Based on research conducted by Zulfiandri (2017) with the title Marketing Strategy of Cocoa Farming Based on Farmers' Groups in West Sumatra Province, analyzing data using Exponential Comparison (MPE) and Analytical (Analytical Hierarchy Process/AHP) methods. The result is an increase in the area of cacao production in West Sumatra to increase significantly. Increased production needs to be planned to anticipate the marketing of cocoa produced by people. One of them is by building agro-based cocoa in West Sumatra Province. Selection is based on the group's marketing strategy with the intention that added value can be enjoyed by the group. The plan consists of a medium-term strategy and long-term targets for the total area and total production.

Herdhiansyah and Asriani (2018) conducted a study entitled Marketing Strategy of

Cocoa Commodity Farming in Kolaka Regency – Southeast Sulawesi, the research aims to formulate a marketing strategy for cocoa commodity farming. The object of this research is the cocoa commodity in Kolaka Regency using the SWOT method. The results showed that the marketing strategy for cocoa farming was in quadrant I or a strategy made using all strengths to take advantage of opportunities, namely an aggressive strategy. The aggressive strategy is based on internal strength factors and opportunity factors which are external factors with alternative strategies: increasing farmers' independence through coaching and counselling, marketing partnerships in farming activities to add value-added to cocoa commodity production.

Research on cocoa marketing strategy in Aceh Tenggara Regency was conducted by identifying internal and external factors related to cocoa marketing. Internal factors can be strengths or weaknesses depending on their impact on the organization. These factors can be, human resources, natural resources, capital, production, and organization. External factors can be in the form of opportunities and threats. Not all external environments were observed in this study, with limited costs and time, the macro external factors that were observed were market demand, technology, customers, competition, and government policies.

From the internal and external strategic factors that have been obtained, then they are entered into the SWOT matrix. The SWOT matrix can clearly describe how the external opportunities and threats faced by the company can be adjusted to its strengths and weaknesses it has. This SWOT matrix will produce several alternative strategies that can be applied in cocoa marketing in Aceh Tenggara Regency. The following is the Schematic Framework for Thinking in this study.

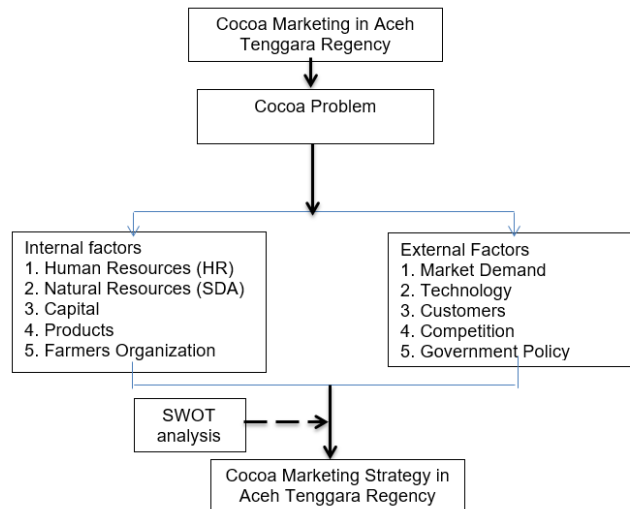


Figure 1. Conceptual Framework

Hypotheses

H1: Internal factors: human resources, natural resources, capital, production, farmer organizations, and external factors: market demand, technology, customers, competition and government policies are strategic factors in cocoa marketing in Aceh Tenggara Regency
H2: Cocoa's marketing strategy in Aceh Tenggara Regency is in quadrant I or a strategy by using all strengths to take advantage of opportunities, namely an aggressive strategy.

RESEARCH METHOD

This research was conducted in Aceh Tenggara Regency, Aceh Province with the consideration that Aceh Tenggara Regency is the district with the highest planting area and cocoa production in Aceh Province. The location of this research was determined purposively or intentionally with the consideration that Aceh Tenggara Regency is a place that has the potential for cocoa marketing.

Determination of the number of samples used in this study was purposive sampling, namely cocoa farmers with experience and capacity in this farming as many as 30

respondents in Babussalam District which is the centre of cocoa farming in Aceh Tenggara Regency. For collectors or marketing agencies using a snowball sampling technique. Purposive sampling is defined as intentional sampling based on certain characteristics or traits that are considered to have a close relationship with the characteristics or characteristics of the population.

Strategy formulation in cocoa marketing in Aceh Tenggara Regency uses SWOT analysis. Assessment of internal and external factors is then used to determine the position of the cocoa farm on the SWOT diagram.

RESULT AND DISCUSSION

Through internal factors, the strengths and weaknesses can be identified, while through external factors the opportunities and threats faced by cocoa farmers can be identified. Based on the results of research and data processing obtained from cocoa farmers in the research area, it can be seen the internal factors (strengths and weaknesses) and external factors (opportunities and threats) of cocoa farmers in Aceh Tenggara Regency are as follows:

**Table 2. Combination of Internal and External Factors of
Cocoa Marketing Evaluation Matrix**

Strategy Factors	Value	Rating	Score
Internal Strategy Factor			
Strength			
1. Experience of cocoa farmers	0.18	4	0.70
2. Availability of cocoa products	0.20	4	0.78
3. State of the region	0.18	4	0.72
4. Facilities and infrastructure owned by farmers	0.17	3	0.50
Total Strength Score			2.70
Weakness			
1. Marketing system	0.09	2	0.19
2. Price information	0.10	2	0.19
3. Low quality of cocoa	0.09	2	0.19
Total Weakness Score	1.00		0.57
Score Gap (Strength -Weakness)			2.13
External Strategy Factors			
Opportunity			
1. Domestic and international market	0.20	3	0.61
2. Supportive natural conditions	0.22	4	0.90
3. Cocoa commodity prices	0.24	4	0.96
Total Score Chance			2.47
Threat			
1. Pests and diseases	0.15	2	0.30
2. The theft of cocoa pods	0.18	3	0.55
Total Threat Score	1.00		0.85
Score Gap (Opportunity-Threat)			1.61

Based on the combination of the evaluation matrix of internal and external factors, the position of the cocoa marketing strategy in

Aceh Tenggara Regency can be determined as follows:

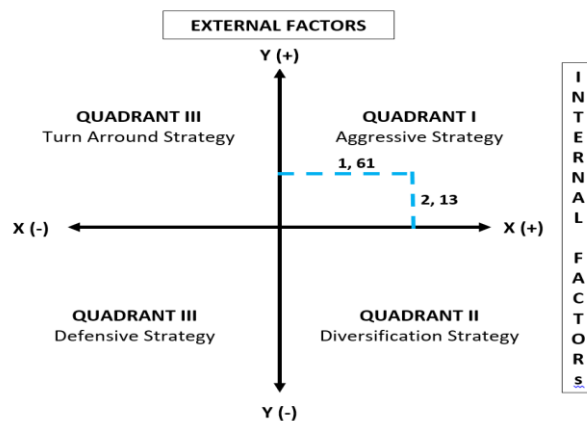


Figure 2. Matrix of Positioning Cocoa Marketing Strategy in Aceh Tenggara Regency

From the results of the internal and external matrices obtained from the total value of the weighting score on the cocoa marketing strategy in the research area, the figure shows the value of $x > 0$ which is 2.13 meaning this value is the difference between strengths and weaknesses where strengths are greater than weaknesses. And the value of $y > 0$ which is 1.61 means that this value is the difference between opportunities and threats where opportunities are greater than threats. This shows that the cocoa marketing strategy in Aceh Tenggara Regency is in the quadrant I position (aggressive strategy). The situation in the quadrant is very

favourable. Where cocoa farmers have the power and opportunity to develop cocoa business in Aceh Tenggara Regency. Several alternative strategies that are suitable for cocoa marketing strategy in Aceh Tenggara Regency are:

1. S-O (Strengths-Opportunities) Strategy

This strategy is designed to take full advantage of strengths and opportunities, namely:

- a. Utilizing the experience of farmers, the availability of production results and the facilities and infrastructure owned to expand the market domestically and

internationally with the best cocoa commodity prices (S1, S2, S3, O1, and O3).

- b. Take advantage of the experience of farmers, the state of the area and the facilities and infrastructure owned by taking advantage of the opportunities of natural conditions that support increasing production yields (S1, S3, S4, and O2).

2. ST Strategy (Strengths-Threats)

This strategy is a strategy in using the strengths of farmers to overcome threats, namely utilizing the experience of farmers, regional conditions and facilities and infrastructure owned by farmers to control pests and diseases as well as harvesting cocoa pods in increasing production (S, S3, S4, T1, and T2).

3. W-O (Weakness-Opportunities) Strategy

This strategy is implemented based on the utilization of existing opportunities by minimizing existing weaknesses, namely:

- a. Utilizing domestic and international markets and cocoa commodity prices by expanding the marketing system and price information (W1, W2, O1, and O3).
- b. Utilizing favourable natural conditions and cocoa commodity prices to improve cocoa quality and expand the marketing system (W1, W, O 2, O3).

4. W-T (Weakness-Threats) Strategy

This strategy is based on activities to minimize existing weaknesses and avoid threats, namely controlling pests and diseases and avoiding fruit theft by using several methods of protection to improve cocoa quality (W 3 T1, T2).

Table 3. SWOT Matrix

IFAS EFAS	Strengths	Weakness
	1. Experience of cocoa farmers 2. Availability of cocoa products 3. State of the region 4. Facilities and infrastructure owned by farmers	1. Marketing system 2. Price information 3. Low quality of cocoa
Opportunities	Strategy S-O	Strategy W-O
1. Domestic and international market 2. Natural conditions that support Cocoa commodity prices	1. Utilizing the experience of farmers, the availability of production products and the facilities and infrastructure owned to expand the market domestically and internationally with the best cocoa commodity prices (S1, S2, S3, O1, O3) 2. Utilizing the experience of farmers, the state of the area and the facilities and infrastructure owned by taking advantage of the opportunities of natural conditions that support increasing production yields (S1, S3, S4, O2)	1. Utilizing domestic and international markets and cocoa commodity prices by expanding the marketing system and price information (W1, W2, O1, O3) 2. Utilizing favourable natural conditions and cocoa commodity prices to improve cocoa quality and expand the marketing system (W1, W3, O2, O3)
Threats	Strategy S-T	Strategy W-T
1. Pests and diseases 2. Cocoa pod theft	Utilizing the experience of farmers, regional conditions and facilities and infrastructure owned by farmers to control pests and diseases as well as harvesting of cocoa pods in increasing production (S1, S3, S4, T1, T2)	Controlling pests and diseases and avoiding theft of fruit with several methods of protection to improve cocoa quality (W3, T1, T2)

CONCLUSION

1. Internal factors in the cocoa marketing strategy in Aceh Tenggara Regency, namely the experience of farmers, availability of production results, regional conditions, facilities and infrastructure owned, marketing system, price information, and the low quality of cocoa.
2. External factors on cocoa marketing strategy in Aceh Tenggara Regency, namely domestic and international markets, supportive natural conditions, cocoa commodity prices, pests and diseases, and fruit theft.
3. Based on the IFAS and EFAS matrices, the IFAS score is 2.13 which is located in the strength quadrant and EFAS is 1.61 which is located in the first quadrant (growth). The strategy applied in this condition is to support an aggressive growth policy.

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