

PalArch's Journal of Archaeology
of Egypt / Egyptology

**THE STUDY OF MARKET DEVELOPMENT STRATEGY BY CURLY
CHILI FARMERS AT KAKASKASEN I AND KAKASKASEN II
SUBDISTRICTS OF NORTH TOMOHON, TOMOHON CITY, NORTH
SULAWESI PROVINCE, INDONESIA**

¹Meitty Wongkar , ²Ahmad Musseng , ³Rahmawati Umar

¹Accounting Study Program, Catholic De La Salle University, Manado.

^{2,3}Management Study Program, College of Economics (STIE) YPUP.

Meitty Wongkar , Ahmad Musseng , Rahmawati Umar , The Study Of Market Development Strategy By Curly Chili Farmers At Kakaskasen I And Kakaskasen Ii Subdistricts Of North Tomohon, Tomohon City, North Sulawesi Province, Indonesia , Palarch's Journal Of Archaeology Of Egypt/Egyptology 18(8), 2959-2964. ISSN 1567-214x.

Key words: strategy, market development.

Abstract:

Curly chili is one of the most influential commodities in the current economic growth. Curly chili is one of the many commodities cultivated by farmers today. Stable demand and relative prices are reasons for growing curly chilies. This research is to examine the market strategy of market development by chili farmers in Kakaskasen I and Kakaskasen II of North Tomohon, Tomohon city. The existence of this research is expected to help enrich science and help curly chili farmers to market their products. This study used a qualitative method. The results of the study reveals that the market development strategy through a concentration strategy (increasing the use of current products in the current market) and market development (selling current products in the new market) by cayenne farmers in Kakaskasen I and Kakaskasen II of North Tomohon sub-district, Tomohon City has been running optimally. This is proven by the success of marketing curly chili both through loyal customers who buy it from curly chili farmers and new market segments and through other distribution channels. Given the distribution channel for the development of new markets to regional expansion, it is

recommended that curly chili farmers be able to try national expansion through direct marketing or sales to suppliers/companies that distribute them nationally. Yet there are future shortcomings that can be used as material improvements for progress, especially concerning Market Development Strategies of the production of curly chili.

Introduction:

Curly chili cultivation is one of the sectors of agribusiness done by farmers in Indonesia. Chili is one of the most common plants for Indonesian society since it is the spice that must be present in Indonesian culinary. Therefore, it is no wonder if the demand for chili especially curly chili is great and increases and tends to be stable for traditional market and modern market as well. Indonesian society on the average has a taste to hot dishes and it makes curly chili more exist and becomes the prime material as in planting organic chilies. Curly chili is an agricultural product that can be cultivated in all areas both in low land and high land depending on the varieties to be used. That is why many farmers make red curly chili as the choice of agricultural commodity to be cultivated because the demand is stable and the price is also relatively stable compared to other horticulture products.

In conjunction with many farmers who plant this commodity at Kakaskasen I and Kakaskasen II sub-districts of North Tomohon, Tomohon city, of course the production or harvest of curly chili will be more and abundant. Therefore, the aim of this study is how to improve market development strategy by farmers of curly chili.

Review of Literature:

Meaning and Concept of Strategy:

The term strategy comes from the Greek word *strategia* (*stratus* = military; and *ag* = to lead) which means art or science to become a general. Strategy can also mean a plan for division and use of military power and material in special areas to achieve particular goals. According to Stoner, Freeman, and Gilbert Jr. (2001), the concept of strategy can be defined based on two perspectives: (1) from the perspective of what the organization intends to do; and (2) from the perspective of what the organization eventually does). Based on former perspective, strategy can be defined as a program to determine and achieve the goal of organization and its mission implementation. This means that the managers play an active important role, be aware and rational in formulating the organization strategy. Whereas based on the latter perspective, strategy is defined as the perception or response of organization to the environment along the time. In this definition each organization must have strategy although the strategy has never been formulated explicitly. This view is applied by reactive managers who only perceive and adapt themselves to the environment passively whenever they are needed. The statement of strategy explicitly is a key to success to face the business environment change. The strategy gives a directive for all members of the organization. When the concept is not clear, the decision made will be subjective or based on mere intuition and ignore the other decision.

Strategy of Market Development:

Meaning of Market Development:

Market development is a strategic decision of a company or corporation. The strategic decision is directive to make use of the market opportunity for the growth of the company sustainability (Sofjan Assauri, 2011).

Goal and Target of Market Development:

The goal and target of market development is to defend, strengthen, and improve the company position in the market. The market development uses basis between market penetration and product development. The goal of market development is to improve market share at the present market product and expand to the new market segment and at the same time to improve the superiority of business competition. The market development is expected to expand and reach all market demands.

Formulation of Market Development Strategy:

Market opportunity needs to be put into account in formulating the strategy of market development of a company. The company strategy that has been fixed must put an emphasis on the role of the company in the market condition found: 1) the appearance of market; 2) rapid market development; 3) slow development of mature market; 4) stagnant or decreased market; 5) active market marked by rapid change; and 6) fragmented market with a relatively big number with less sellers.

Basis/Approach to the Implementation of Market Development Strategy:

Sofjan Assauri (2011) points out that the bases for implementation of market development strategy are: 1) doing market development by existing product marketing with a new market; 2) doing market penetration with existing product for the existing market; 3) using new market access and supplying product with supply of chain logistic using ability of delivering intensively and extensification of distribution channel; 4) improving sustainable growth and benefit for the sale of product to the new market.

Research Method:

The design of the study was qualitative (Moleong, 2003:103). The informants interviewed are farmers of curly chili at Kakaskasen I and Kakaskasen II sub-districts consist of 17 informants and 25 informants of buyers/consumers of curly chili. The data obtained from the field were analyzed based on Miles & Huberman (1992:16) concept through stages, categorization and data reduction. The data were further classified into narrations and interpreted. The conclusion was drawn based on narrations that have been arranged at the third stage to provide the answer of the research question. Verification of analysis results was based on conclusion at the fourth stage.

Results and Discussion:

According to Amin Widjaja Tunggal (2011), there are some specific approaches for concentration of market development growth: concentration (increase the use of present product in today's market), increase the use of present customers: a) improve the purchase. The result of the study indicates that the curly chili farmers maintain their customers by improving the purchase of curly chili for a long time customers. For example, for production of 200 kg will be divided by 100 kg per two customers. But by viewing the frequency of purchase by a long time customers the purchase will be bigger provided to a long time customers; b) providing incentive of price to improved use. The strategy of providing price incentive is to customers who have continuous purchase frequency. Price incentive is provided

when the curly chili purchase reaches 200 kg with the average price is under the market price ranging from Rp 8,000 to Rp10,000 beneath the market price.

Attract competitor customers:

Improve business promotion. In case of promotion most curly chili farmers use mouth to mouth promotion and social media by uploading status in social media: face book and instagram through their children or their siblings.

Pioneer price reduction:

For the pioneer of price reduction strategy, farmers are seldom doing this except for abundant harvest time and expensive market price. This is done by curly chili farmers to smooth the distribution of their harvest product.

Attract nonusers to buy product: a) persuade to use experiment through pick up test, price incentive; b) this strategy is done by curly chili farmers by offering unemployed consumers and would like to gain benefit from selling curly chili business by giving opportunity to consumers by picking the curly chili themselves to be sold. This strategy is successful with the consumers to be suppliers to supermarkets, restaurants, and food stalls; c) increase or low the price. This strategy is usually done when the market price is expensive and automatically the sale price is increased by the farmers and on the other hand, when the market price is low the price will be reduced by the farmers.

Market Development (sell present product in the new market)

Open additional geographic market: regional expansion of research result indicates that curly chili farmers after harvesting time have a lot of curly chili products do regional/local expansion by marketing part of their product direct to traditional markets. This has been planned from the beginning by curly chili farmers realizing their abundant product. With the land condition at Kakaskasen I and Kakaskasen II the expansion for the product distribution to traditional markets that is to Tomohon Market of which the access is very close and easy is very beneficial for the curly chili farmers since Tomohon Market is one of the central markets in the distribution of all agricultural products.

Attract Other Market Segments:

Develop product version to attract other segment of the development of product version of curly chili, the farmers carry out the development of product by selecting curly chili to be planted according to good and super quality concerning its length and size. With the good quality the other market segment is for the market development of curly chili.

Based on the interview with the curly chili farmers, the new buyers/consumers that is suppliers to restaurants are very interested in the long size chili. The buyers usually buy them directly in the garden according to the price agreed with the curly chili farmers and after that the suppliers sell them to the restaurants or food stalls. Strategy by developing this version is very helpful to the curly chili farmers in marketing their products although only through the selection of good quality seeds. Entering to the other distribution channels, the marketing process for the market development of curly chili by the farmers just reach the local suppliers at Kakaskasen known as TIBO. The farmers try to enter the other distribution channels, in which the wholesalers demand is great makes difficult to the farmers whose harvest is on the first harvest only 200 kg and the problem of different harvesting time.

Conclusion:

That the market development through concentration strategy (increase the use of present product in the new market) and market development (sell present product in the new market) by curly chili farmers at Kakaskasen I and Kakaskasen II of North Tomohon, Tomohon city has been running maximally as proven by the success of curly chili marketing both marketing through faithful customers who buy the curly chili or through the new market segment or through other distribution channels knowing that the distribution channel of new market development until regional expansion or direct sale to suppliers/companies that distribute them nationally. There is yet shortcoming to be improved in the future for the advancement concerning especially to the Strategy of Market Development of curly chili production.

References:

- Alkadri, 2004, "Sumber-sumber Pertumbuhan Ekonomi Indonesia Selama 1969-1996",
Jurnal Ekonomi, BPPT, Volume 9.2.
- Aliman & Budi, PA. 2001. "Kausalitas Antara Tenaga Kerja dan Pertumbuhan Ekonomi".
Jurnal Ekonomi dan Bisnis Indonesia, Vol.16, No. 2. Yogyakarta: BPFE UGM.
- Amin Widjaja Tunggal. 2011. Teori dan Kasus Manajemen Strategik (Theory and Case of Strategic Management). Jakarta: Harvarindo.
- Arsyad, Lincoln, 2004, "Ekonomi Pembangunan", Edisi 4, Yogyakarta, Penerbit, Aditya Media.
- Dimas & Woyanti, N. 2009. Efisiensi Sektor Pertanian dan Analisisnya. Jurnal Bisnis dan Ekonomi (JBE) Vol.16 No.1. ISSN: 1412-3126
- Dimas, 2009. Penyerapan Tenaga Kerja di DKI Jakarta. Jurnal Bisnis dan Ekonomi Vo. 16 NO.7. ISSN: 1412-3126
- Drs. Abdul Karib, MS. 2012. Jurnal Manajemen dan Kewirausahaan, Volume 3, Nomor 3, September 2012 ISSN : 2086 – 5031
- Engelbrecht Hans-Jurgen, 2003, "Human Capital and Economic Growth Cross-Section evidence OECD Countries", Jurnal Economic Record, EastIvanhoe, Vol. 79.
- Hill hal, 2001, "Ekonomi Indonesia", RajaGrafindo Persada, Jakarta.
- Hekman James J, 2003, "China's Investment in Human Capital", Journal Economic Development and Cultural Change, Chicago, Vol. 51.
- Kuncoro, Mudrajad, 2006. Ekonomika Pembangunan: Teori, Masalah, dan Kebijakan. Edisi keempat. Yogyakarta. UPP STIM YKPN
- Kuncoro, Mudrajad. 2010. Dasar-Dasar Ekonomika Pembangunan edisi 5. Yogyakarta: UPP STIM YKPN
- Lincoln Arsyad, 2004, "Pengantar Perencanaan dan Pembangunan Ekonomi Daerah", Edisi Pertama, BPFE, Yogyakarta.
- Mankiw, N. Gregory, 2003, "Macroeconomics", Fourth Edition, Worth Publisher, Inc, New York.
- Mankiw, Gregory N. 2003. Teori makro ekonomi edisi keempat. Jakarta. Erlangga
- Merini, Dian. 2013. Analisis Efisiensi Pengeluaran Pemerintah Sektor Publik di Kawasan Asia Tenggara: Aplikasi Data Envelopment Analysis (DEA). Jurnal Ilmiah Univ Brwijaya.

- Mila, S. A. 2006. Analisis Tenaga kerja dan Pertumbuhan Ekonomi Indonesia. *Jurnal Ekonomi dan Bisnis* Vol. 12 No. 2, (page 243-263). Yogyakarta:BPFE UGM.
- Miles & Haberman. 1992. *Sumber Tentang Metode-Metode Baru (Sources of New Methods)*. Jakarta: Universitas Indonesia.
- Moleong, Lexy J. 2013. *Metode Penelitian Kualitatif (Qualitative Research Method)*. Edisi Revisi. Bandung: PT. Remaja Rosdakarya.
- Sofjan Assauri. 2011. *Strategic Management Sustainable Competitive Advantages*. Jakarta: PT. Raja Grafindo Persada.
- Stoner, Freeman, Gilbert Jr. 2001. *Manajemen Strategi (Strategy of Management)*. Edisi Indonesia. Jakarta: Gramedia
- Simanjuntak, Robert, 2001, "Kebijakan Pungutan Daerah di Era Otonomi, Domestic Trade, Decentralization and Globalization : A One Day Conference", LPEM-UI, Jakarta.
- Tallman Ellis W & Wang Ping, 1992, "Human Capital Investment and Economics Growth", *Jurnal Economic Review*, Federal Reserve Bank of Atlanta, Vol.77