

ANALYSIS OF TOBACCO MARKETING CHANNELS IN BOYOLALI REGENCY

Alya Sulisty Dew¹, Rahmawati Setiyani², Bimoseno Sepfrian³

Agribusiness Departemen, Faculty of Science and Technology, Duta Bangsa University Surakarta¹,
Faculty of Science and Technology, Duta Bangsa University Surakarta², Faculty of Science and
Technology, Duta Bangsa University Surakarta³

*Correspondence Email: alvadewi0331@gmail.com

ABSTRACT

This study will analyze the tobacco marketing channel. It is hoped that there will be information as a reference in improving the flow of tobacco marketing so that it runs efficiently and marketing actors gain market benefits in accordance with their contributions. This study aims to analyze the tobacco marketing channel in Boyolali Regency. The data collection method in this study was conducted using interviews, documentation, and discussions. The number of samples can be calculated using the sample calculation method using the Lemeshow formula. The descriptive analysis method is aimed at solving current problems, not limited to collecting and compiling data but includes analyzing and interpreting the meaning of the data. The results of the study explain that there are four tobacco marketing channels in Boyolali Regency; 1. Farmers-Cooperatives, 2. Farmers-Collectors-Wholesaler-Consumer, 3. Farmers-Wholesaler-Consumer; 4. Farmers-Consumer. It is expected that this study will provide a better understanding of how tobacco marketing channels operate in Boyolali Regency and provide relevant suggestions to improve the efficiency of these marketing channels.

KEYWORDS

Marketing channel, Marketing, Tobacco.



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INTRODUCTION

The agricultural sector has long been recognized as having an important and strategic role, this role is supported by several subsectors within it such as horticultural crops, food crops, livestock, fisheries, plantation crops, forestry and logging, agricultural services and hunting. Tobacco is an example of a commodity that is widely grown in Indonesia. Tobacco is a seasonal crop that is about 90-120 days old. Tobacco production is spread across various regions in Indonesia with the largest production produced by three provinces namely, East Java, Central Java, and West Nusa Tenggara with an average production of East Java of 117.57 tons, Central Java of 52.93 tons and West Nusa Tenggara of 53.77 tons. Boyolali Regency is one of the areas in Central Java that has great potential in tobacco production. Tobacco production in Boyolali Regency is located in several sub-districts. In Kecamatan Selo, Kecamatan Cepogo, Kecamatan Musuk,

Kecamatan Ampel, Kecamatan Sawit, Kecamatan Gladagsari, Kecamatan Tamansari, Kecamatan Boyolali, Kecamatan Mojosongo, Kecamatan Teras, Kecamatan Banyudono, Kecamatan Sambu, Kecamatan Karanggede, Kecamatan Kemusu, Kecamatan Wonosamodro, and Kecamatan Juwangi, tobacco is the main commodity.

Factors such as lack of access to market information, high distribution costs, price fluctuations, and regulatory uncertainty can affect the overall efficiency of marketing channels. Therefore, research on tobacco marketing channels in Boyolali Regency is relevant and important to conduct. A deeper understanding of the factors affecting marketing channel efficiency is expected to result in better policy recommendations to improve the performance and welfare of business actors in the tobacco sector in Boyolali Regency. According to Siregar (2019), there are two types of tobacco: sun cured and flue cured. Tobacco that is processed using direct sunlight is called sun cured, and tobacco that is processed in a drying building and fed with hot air from freshly picked tobacco leaves into krosok is called flue cured. Tobacco is then divided into categories based on how it is used: cigarettes, oil, cigars, smokes, and pipes. Some types of tobacco still used in Indonesia include Virginia tobacco, cigar tobacco, and snuff. Regulation of the Minister of Agriculture of the Republic of Indonesia No. 56/Permentan/OT.140/9/2012 on Guidelines for Postharvest Handling of Tobacco stipulates that the stature of the tobacco commodity in Indonesia is divided into two categories based on its growing season and physical form. Considering the general regulations on tobacco in Indonesia.

RESEARCH METHOD

This study was conducted in Boyolali District. The research location was chosen purposively with certain considerations. These considerations are because Boyolali Regency is the region with the third largest tobacco production in Central Java Province and tobacco is a leading commodity in Boyolali Regency. The research was conducted from April to July 2024. Primary data and secondary data were the types of data used in this study. The data collection techniques used in this study include: interviews, documentation, and discussions. The samples used for this theorem are samples of farmers, tobacco collectors, tobacco retailers, and tobacco consumers.

RESULT AND DISCUSSION

Marketing is the process of delivering goods to consumers from producers. Product collection from farmers, packing, and storage to distribution, which includes the selection of marketing channels. Inefficiency in marketing can be caused by the number of marketing institutions and the length of marketing channels. Based on the results of the research, tobacco marketing channels in Boyolali Regency consist of 4 types of marketing channels, namely level 1 marketing channels, level 2 marketing channels, level 3 marketing channels, and level 4 marketing channels. The following is an explanation of each tobacco marketing channel in Boyolali Regency:

a. Tier 1 Marketing Channel

Tier 1 marketing channels show two parties involved in marketing: farmers and partnership companies or cooperatives, which purchase tobacco at an average price of IDR52,500 per kilogram. The partner companies then sort the tobacco based on its quality before sending it to cigarette factories such as Djarum and Gudang Garam, where unsuitable tobacco will be returned to the farmers.

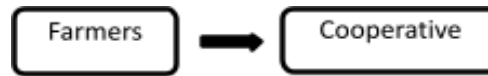


Figure 1. Level 1 Marketing Channel

b. Tier 2 Marketing Channel

Marketing channel 2 shows that the average age of farmers in this channel is 45 years old, with approximately 20 years of farming experience. Some farmers sell tobacco to collectors at an average price of IDR 55,000 per kilogram. Collecting traders do not store tobacco; instead, they deliver it directly to large traders. Large traders come from outside the region, but some also come from Boyolali. Collecting traders sell tobacco to large traders at an average price of Rp 60,000 per kilogram, and large traders sell tobacco to cigarette factory representatives with KTA. The factory representatives buy tobacco from large traders at an average price of Rp 68,250 per kilogram.

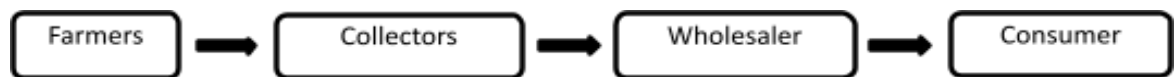


Figure 2. Level 2 Marketing Channel

c. Tier 3 Marketing Channel

Marketing channel 3 shows farmers selling tobacco to large traders at an average price of IDR 60,000 per kilogram. The average length of experience of farmers is 30 years with an average age of 55 years. Farmers who sell directly to wholesalers are only certain farmers who have been selling and buying for a long time and have become regular customers with wholesalers. Furthermore, large traders then sell the knitted tobacco to factory representatives at an average price of Rp 68,250 per kilogram.

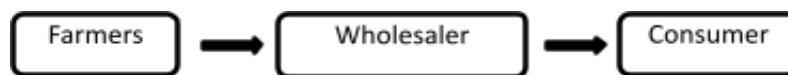


Figure 3. Level 3 Marketing Channel

d. Tier 4 Marketing Channer

Marketing channel 4 shows that some farmers sell tobacco to representatives of the Djarum and Gudang Garam factories with KTA. Farmers sell tobacco at an average price of IDR 65,000 per kilogram. Factory representatives, like partner companies, also assess the grade of tobacco based on various factors, including color, handle or body, aroma, size, cleanliness, purity, dryness, and leaf age. Only certain farmers with connections can sell directly to factory representatives, which makes it difficult for other farmers to follow this channel.

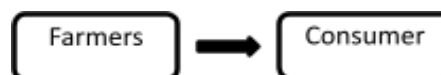


Figure 4. Level 4 Marketing Channel

CONCLUSION

From the description above, it can be concluded that the tobacco marketing channel in Boyolali Regency that absorbs the most tobacco is marketing channel 2

(farmers-collectors-large traders-factory representatives). The marketing functions performed by each marketing institution include exchange, physical, and facility functions. The most efficient marketing channel is marketing channel 4 (farmer-factory representative), but based on conditions at the research location, marketing channel 1 (farmer-cooperative) can be developed because farmers generally do not have connections and their business scale is small. Through partnerships, farmers can gain access to inputs and better market security.

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