

Salt Marketing Strategy in East Lombok Regency, West Nusa Tenggara

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Abstract

Marketing is the main problem felt by salt farmers in East Lombok Regency, especially during the harvest season, which has an impact on the conversion of the salt pond area to cultivation media. This research aims to: 1) identify salt marketing channels in East Lombok Regency, and 2) develop salt marketing strategies in East Lombok Regency. This research used qualitative methods and the data were analyzed using SWOT analysis. Efficient salt marketing occurs when the marketing channels include producers (salt farmers)-cooperatives/Micro, Small Medium Enterprises (MSMEs)-consumers because it can shorten the marketing channels and reduce operational costs. Salt marketing East Lombok Regency can be carried out through several strategies, namely: 1) Maximizing the role of cooperatives and MSMEs in salt marketing, 2) Improving the quality of human resources in managing the salt business, 3) Formulating regulations on buying and selling salt, and 4) Providing production technology training to salt farmers and salt MSMEs.

INTRODUCTION

Salt is a national strategic commodity for the fulfillment of food and nutrition as well as an industrial ingredient. In addition, salt production has been a job opportunity for the community. Unfortunately, Indonesia has not been able to meet its own salt needs, especially Industrial salt (Salim and Munadi, 2016).

Salt production in Indonesia is carried out using pond and non-pond media. National salt production in 2017 was 1,020,925,262 kg consisting of 1,002,294,503 kg (98.18%) of pond salt production and 18,630,759 kg (1.82%) of

non-pond salt production. The production of salt in West Nusa Tenggara Province (NTB) was 91,093,398 kg (8.92% of the national salt production) consisting of 90,755,205 kg of pond salt and 338,193 kg of non-pond salt. Moreover, East Lombok Regency salt production was 4,183,851 Kg, with the amount of production amount being in the second place after Bima Regency with salt production in 2017 of 80,470,372 kg (Ministry of Marine Affairs and Fisheries, 2018). Salt production in East Lombok Regency, West Nusa Tenggara Province in 2019 was 9,386.15 tons with an average

price of Rp. 400/kg. Meanwhile, the accumulated stock for the current year is 9,618.69 tons (Department of Marine Affairs and Fisheries, 2020).

Salt production in East Lombok Regency is carried out during the dry season, ranging from June to November every year. Based on field observations, several salt pond areas have been converted into fish and shrimp cultivation areas. Salt production in the previous year and the current year are not accommodated in the warehouse, so salt production is stored outside the warehouse. This condition causes the reluctance of the salt farming community in maximizing salt production, such as reluctance to access innovative production technology. The problems faced by the salt farming community at the research location are: 1) salt production is not sold out, 2) the presence of imported salt, 3) limited temporary storage, 4) relatively low prices, and 5) uncertain prices. These marketing problems have resulted in the efforts to convert the function of salt pond area into cultivation media.

Based on the conditions faced by the salt farming community in East Lombok Regency, the researchers compiled the problems that became the focus of this study, namely: 1) what is the marketing channel for the salt produced by the local salt farming community in East Lombok Regency, 2) what is the marketing strategy for the salt produced by the local farming community in East Lombok Regency.

METHODOLOGY

Place and Time

The location of this study was determined purposively, namely Pemongkong Village and Sekaroh Village, Jerowaru District, East Lombok Regency, West Nusa Tenggara.

Research Material

The equipment used in this study was a questionnaire, clipboard, ballpoint pen, notebook, and camera.

Research Design

Primary data were collected using interview techniques, questionnaires and documentation, while secondary data were obtained through relevant literature studies. Data collection was carried out using interview techniques, questionnaires and documentation. Respondents were determined using a probability sampling method. Utama (2016) stated that probability sampling is a sampling technique that provides the same possibility for each individual to be sampled. The respondents in this study were 63 people, consisting of 55 salt farmers, 3 (three) offices/agencies engaged in salt business, 1 observer/activist in salt production, 3 people from BUMD/BUMN in East Lombok Regency.

Work Procedures

Work procedures in the implementation of this research included: 1) Preparation which included preparation of research proposals, preparation of research materials and determination of work plans during research activities; 2) Focused Group Discussion (FGD); 3) Supporting data collection from various literature, 4) Interviews with stakeholders (respondents) with questionnaire guidance, 5) Evaluation meeting of data collection to find solutions to obstacles encountered during the activity, 6) Data analysis to formulate final recommendations/conclusions in research, 7) Evaluation meeting of data analysis to discuss the results of data processing to determine conclusions/recommendations, 8) Report preparation so to analyze some of the supporting data required in preparing the report. 9) Report writing to compose a complete report on the results of research following the stipulated writing system. 10) Evaluation of the final report to discuss the final report that follows the research content and scientific writing system and 11) Publication in national accredited journals.

Data Analysis

Data analysis in this study used a SWOT analysis with a qualitative approach. The stages of the SWOT analysis were: 1) data inventory using field observation techniques, interviews and documentation, 2) tabulation of data/information into a SWOT matrix consisting of internal factors (strengths and weaknesses), external factors (opportunities and challenges), 3) formulation of alternatives of salt marketing strategy in East Lombok Regency (Subhan *et al.*, 2014).

Business development strategies could be carried out by knowing internal factors (strengths and weaknesses) and external factors (opportunities and challenges), which later would be analyzed using a SWOT analysis. A business can make maximum use of strengths and opportunities, make corrections to mistakes and face existing threats by formulating a good strategy that will advance a business (Tamara, A. 2016).

The variables observed in this study: 1) Production of salt by salt producers in East Lombok Regency, 2) Distribution, namely the types of distribution channel for selling salt by salt farmers so that the salt reaches consumers, 3) Stakeholder information, namely, all ideas/opinions/respondents' ideas related to salt marketing channels and marketing strategies, 4) SWOT matrix, which is a matrix used to develop a marketing strategy for salt production in East Lombok Regency.

RESULTS AND DISCUSSION

Marketing Channels in East Lombok Regency

The preparation of land or fish Marketing channels of salt in East Lombok Regency consist of: 1) Producers (salt farmers) -Consumers, 2) Producers (Salt Farmers) - Collectors - Consumers, 3) Producers (salt farmers) -Land Owners-Collectors-Consumers and 4) Producers (salt farmers) -Land Owners-Consumers.

Efficient salt marketing occurs when the marketing channels include producers (salt farmers)-cooperatives/MSMEs-consumers because it can shorten the marketing channels and reduce operational costs.

The price of public salt at the level of salt farmers during the 2015-2019 period was in the range of Rp. 400/kg up to Rp. 600/kg. The price of salt is influenced by: the peak harvest season, imported salt, the ability of salt farmer business management, the welfare level of salt farmers, limited working capital, the availability of storage warehouses and the absence of salt industrialization. Some solutions that can solve the problem of salt marketing in East Lombok Regency include: compiling regulations to regulate the distribution of imported salt, encouraging the entry of investors engaged in the salt business, salt price stability, increased capacity of salt farmers through training in the harvest and post-harvest technology, and improvement of salt industrialization.

Salt Marketing Strategy in East Lombok Regency

Internal and external factors could be analyzed using the SWOT method to identify and determine the influence of internal and external factors in a business (Subaktilah *et al.*, 2018). Internal factors consist of factors that become the strengths and weaknesses in the salt marketing in East Lombok Regency. Meanwhile, external factors consist of opportunities and threats in the salt marketing strategy in East Lombok Regency.

Strengths : The extensive potential for salt ponds, good road access, a community-based salt production group, East Lombok Regency government regulation Number 02 of 2011 concerning control of non-iodine salt circulation, the high population of East Lombok Regency (1,200,612 people), SNI salt.

Weaknesses : Low quality of salt, traditional technology, absence of salt

industrialization, conventional sales, uncertain prices, low human resources, and limited temporary storage.

Opportunities : The existence of salt cooperatives, the existence of salt MSMEs, the existence of a prism greenhouse technology, a national salt self-sufficiency program, salt trading, a salt production technology (TUFG, Prism greenhouse) and a salt processing industry.

Threats : Extensification of salt ponds colliding with mangrove management, imports of local and national salt, conversion in salt pond function into a cultivation media, the entry of salt packaged products from outside the region, “ijon” system (the creditor buys rice from a farmer by paying for long before the harvest), and unpredictable weather.

Table 1. Internal and external factors of salt marketing strategy in East Lombok regency.

Internal Factor	Strengths (S)	Weaknesses (W)
External Factor	1. Extensive salt ponds	1. Low quality of salt
	2. Good road access	2. Traditional technology
	3. A community-based salt production group	3. Absence of salt industrialization
	4. East Lombok Regency government regulation Number 02 of 2011 concerning control of non-iodine salt circulation	4. Conventional sales
	5. High population of East Lombok Regency (1,200,612 people)	5. Unpredicted prices
	6. SNI salt	6. Low human resources
	7. Limited temporary storages	
Opportunities (O)	SO Strategy	WO Strategy
1. The existence of cooperatives and MSMEs	Maximizing the role of cooperatives and MSMEs in salt marketing (S3,S4,S5,S6,O1,O2, O3,O6)	Providing production technology trainings to salt farmers and MSMEs. (W1,W2, W3,W4,O1,O2,O3,O4,O5)
2. National salt self-sufficiency program		
3. Salt trading		
4. Salt production technology (TUFG, Prism greenhouse)		
5. Salt processing industry		
Threats (T)	ST Strategy	WT Strategy
1. Extensification of salt ponds colliding with mangrove management	Improving the quality of human resources in salt business management (S1,S2,S3,T1,T3, T6)	Formulating regulations on buying and selling salt (W5,W6, W7,T2,T4,T5)
2. Imports of local and national salt		
3. Conversion in salt pond function into a cultivation media		
4. The entry of salt packaged products from outside the region		
5. ijon system		
6. Unpredictable weather		

The salt marketing strategies in East Lombok Regency were prepared in several steps, including 1) data/information

collection, 2) SWOT analysis, and 3) conclusion. Data/information collection was carried out by conducting interviews

with respondents. Secondary data/information was obtained from various references relevant to research on salt marketing strategies in East Lombok Regency. To formulate a marketing strategy for salt in East Lombok Regency, data/information analysis was carried out using a SWOT analysis, which can be seen in Table 1.

The results of the SWOT analysis show that the salt marketing strategy in East Lombok Regency is still weak but has a great opportunity. The marketing strategy for salt in the district has been included in Quadrant III (negative, positive), meaning that the marketing strategy must be changed to take advantage of existing opportunities. Marketing of salt in East Lombok Regency can be carried out with several strategies, namely: 1) SO Strategy: Maximizing the role of cooperatives and MSMEs in salt marketing, 2) ST Strategy: Improving the quality of human resources in salt business management, 3) WT strategy: Formulating regulations on buying and selling salt, and 4) WO strategy: Providing production technology training to salt farmers and MSMEs.

CONCLUSION

Marketing channels include producers (salt farmers) -cooperatives/MSEs-consumers because it can shorten the marketing channels and reduce operational costs. Salt marketing in East Lombok Regency can be carried out with several strategies, namely: 1) SO Strategy: Maximizing the role of cooperatives and SMMEs in salt marketing, 2) ST Strategy: Improving the quality of human resources in salt business management, 3) WT strategy: Formulating regulations on buying and selling salt, and 4) WO strategy: Providing production technology training to salt farmers and MSMEs.

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