

# Strategy of Pepper Development as an Export Commodity in Mangkauk Village Banjar Regency

Slamet Riadi<sup>1</sup>, Murjani<sup>2</sup>

<sup>1</sup>Vocational High School of Agriculture and Development, Plantation Department, St. Puteri Junjung Buih Number 15 Banjarbaru-70711 South Kalimantan

<sup>2</sup>STIPER Amuntai, St. Bihman Villa No.123, Amuntai, Hulu Sungai Utara, South Kalimantan Indonesia  
Corresponding Author: Slamet Riadi, e-mail: sppn\_banjarbaru @ yahoo.co.id

**Abstract**-Pepper crop is one of the spices commodities that have a high prospect for increasing farmers' income and increasing foreign exchange. Pepper crops, especially in south Kalimantan, have not been cultivated popularly, so it needs to be socialized to farmers in their cultivation until after harvest. This research aims to find out how the internal and external environmental conditions in the strategy of pepper development as an export commodity in Mangkauk Village Banjar Regency. This study was held in Mangkauk Village, Pengaron District, Banjar Regency, South Kalimantan Province. Mangkauk village was chosen because it is an area whose people are pepper farmers in South Kalimantan. Data collection method using questionnaire method, interview and literature study. Data analysis method using SWOT analysis. The result of the analysis obtained 1) the most influential factor in the development of pepper as an export commodity in Mangkauk Village Banjar Regency is the strength factor and opportunity factor, 2) Existing conditions in the development of pepper as an export commodity in Mangkauk Village Banjar Regency is quite good, namely in the condition of growth, 3) The direction of pepper development as an export commodity in Mangkauk Village Banjar Regency is an aggressive strategy, and 4) The main strategy of pepper development as an export commodity in Mangkauk Village Banjar Regency is market development strategy by opening new geographical markets such as; regional, international national expansion.

**Keywords:** Lada, SWOT, strategy, export, Banjar Regency.

## I. INTRODUCTION

Pepper or pepper (*Piper nigrum* L) is also called pepper is a type of plant that is widely used as a kitchen seasoning or also processed into pepper oil. The common types of pepper on the market are white pepper and black pepper. Pepper crop is one of the spices commodities that have a high prospect for increasing farmers' income and increasing foreign exchange (Wahid et al., 1999). The role of pepper as a foreign exchange producer is the largest in the spice group and the fifth after rubber, tea, palm oil and coffee.

The demand for pepper production today is growing which is characterized by the increasing demand for pepper by consumer countries and the growing number of pepper exporting countries in the world. Pepper crops, especially in the area of South Kalimantan has not been developed and cultivated popularly, so it needs to be socialized to farmers in their cultivation until after harvest (Surjana. 2016). On the one hand, the selling price of pepper is very promising, both sold in the form of fresh (wet) dried mapun. In other words, if pepper cultivation can be developed as a farming business in the countryside so as to increase people's income and increase the foreign exchange of the country.

## II. RESEARCH METHODS

**Research Location.** This research was conducted in Mangkauk Village, Pengaron District, Banjar Regency, South Kalimantan Province. Mangkauk village was chosen as a research location considering that this area is an area with people as pepper farmers in South Kalimantan.

**Data Collection Method.** Data collection techniques using questionnaire methods, interviews and literature studies. The questionnaire method is a primary data collection technique (Sugiyono. 2011). Questionnaire is a technique that is done in data collection by asking written questions to respondents to be answered in writing also (Zuriah, 2002). While according to (Arikunto, 2006) that the questionnaire is a collection of written questions used to obtain information from respondents about themselves personally or things to know related to research purposes. The purpose of the questionnaire is to find complete information about a problem, without worrying if the respondent gives an answer that does not match the reality in

Table 1. Pepper Production by Province in Indonesia Year 2009 - 2014 (Ton)

No	Province	2009	2010	2011	2012	2013	2014
1	Lampung	22.311	22.236	22.121	22.128	22.244	24.783
2	Kep Bangka Belitung	15.601	18.383	28.242	30.717	31.195	34.121
3	Sumatera Selatan	10.568	11.377	9.198	8.850	8.902	8.807
4	Kalimantan Timur	8.980	8.994	7.850	6.630	6.671	6.859
5	Provinsi Lainnya	25.374	22.673	19.678	19.516	19.660	17.371
Total		82.834	83.663	87.089	87.841	88.672	91.941

Source: Directorate General of Plantation (2015)

Based on data from the Directorate General of Plantation (2015) known domestic pepper consumption in 2013 reached 17,000 tons of total production of 88,672 tons. This indicates that only about 20% of pepper production can be absorbed domestically. Thus, there is a great opportunity for the development of pepper plants into export commodities.

Increase pepper production is in Indonesia's economic growth, it is necessary measures to develop and improve the competitiveness of Indonesian pepper in the world market.

filling out the list of questions. In addition, respondents knew the specific information requested (Riduwan, 2013).

The interview method is the primary data collection method. Interviews are verbal question-and-answer activities for information (Campion et al., 2019). The form of information obtained is stated in writing, or recorded in audio, visual or audio visual. Interview methods can be direct or indirect. Live interviews are conducted by meeting directly the respondents who have the necessary information. While the interview is not directly conducted by meeting other people who are seen to be able to provide information about the circumstances of the person needed data (Dick, 2002). Interview methods are used in research to address the weaknesses of questionnaire methods that are also used in data collection. Information from resource persons can be studied in more depth by providing interpretation of the situation and phenomena that occur (Foddy, 1993).

Literature study is a secondary data collection method needed in research. Literature study methods are also used to find and collect data and reference theories that are relevant with the studies carried out. Data and reviews can be sourced from books, journals and reports. Literature studies are a series of activities related to the method of collecting library data, reading and recording, and managing research materials (Danial and Warsiah, 2009).

*Data Analysis Method.* SWOT method is used in this research to formulate pepper development strategy as export commodity in Mangkauk Village Banjar Regency. SWOT analysis is a method of systematically identifying various factors to formulate the company's strategy. SWOT analysis is based on the relationship or interaction between internal factors (strengths and weaknesses), to external factors (opportunities and threats) (Rangkuti, 2015). SWOT analysis in this research was used to formulate the strategy of developing pepper export commodities in Maungkuk Village Banjar Regency. SWOT analysis is carried out in several stages, namely:

- Identification of internal factors (strengths and weaknesses) and external factors (opportunities and threats) through literature studies of questionnaires and interviews to stakeholders.
- Analysis of internal strategy factors (IFAS) and external strategic factors (EFAS).
- Analysis of internal-external matrix (IE).
- Analysis of space matrix
- Analysis of SWOT matrix
- Making decisions in the form of development strategies.

### III. RESULTS AND DISCUSSIONS

Identification of Strategic Factors (Internal and External). Identification of strategic factors including internal factors (strengths and weaknesses) and external factors (opportunities and threats) related to the strategy of pepper development as an export commodity in Mangkauk Village Banjar Regency, conducted through literature studies, questionnaires and interviews. The following are the results of identification of internal and external strategic factors obtained.

Table 2. Results of Factor Identification of Internal-External Strategic

No	Internal-External Strategic Factors
A	<b>Strengths</b>
	1. The location of the village geographically and very strategic 2. Quality products 3. Good brand image 4. Marketing management has been established 5. High consumer loyalty
B	<b>Weaknesses</b>
	1. Less aggressive in promotion and advertising 2. Too complacent about what has been achieved 3. Low profit efficiency 4. Less efficient in fund management
C	<b>Opportunities</b>
	1. Pepper as a necessity of people's lives 2. High Raw Material Needs 3. Number of other Countries as suppliers 4. Manufacturers can expand the market
D	<b>Threats</b>
	1. New manufacturers are bigger and more efficient 2. Other fast-growing producers 3. Increased operating costs 4. Government regulations for export licensing

Source: Primary Data, 2021

*Internal and External Strategy Factor Analysis (IFAS-EFAS).* Analysis of internal and external strategic factors (IFAS-EFAS) is a stage of assessment (weight and rating) of each internal factor (strengths and weaknesses), and external factors (opportunities and threats), obtained from the identification results. Internal strategy factor analysis (IFAS) and external strategy factor analysis (EFAS) are conducted with expert assessment. The preparation of the IFAS and EFAS matrices is intended to determine the level of importance indicated by meaningful weights and ratings (ratings). More details as follows:

Table 3. Matrix of IFAS-EFAS (Internal-External Factors Analysis Strategy)

No	Internal-External Strategic Factors	Weights	Rating	Score
A	<b>Strengths</b>			
1	The location of the village geographically and very strategic	0,25	4	1,00
2	Quality products	0,20	4	0,80
3	Good brand image	0,20	4	0,80
4	Marketing management has been established	0,25	4	1,00
5	High consumer loyalty	0,10	3	0,30
	<b>Sub Total</b>	<b>1,00</b>	<b>-</b>	<b>3,90</b>
B	<b>Weakness</b>			
1	Less aggressive in promotion and advertising	0,25	1	0,25
2	Too complacent about what has been achieved	0,25	2	0,50
3	Low profit efficiency	0,25	3	0,75
4	Less efficient in fund management	0,25	2	0,50
	<b>Sub Total</b>	<b>1,00</b>	<b>-</b>	<b>2,00</b>
	<b>Total of IFAS</b>	<b>-</b>	<b>-</b>	<b>5,90</b>
C	<b>Opportunities</b>			
1	Pepper as a necessity of people's lives	0,25	4	1,00
2	High Raw Material Needs	0,20	3	0,60
3	Number of other Countries as suppliers	0,30	3	0,90
4	Manufacturers can expand the market	0,25	3	0,75
	<b>Sub Total</b>	<b>1,00</b>	<b>-</b>	<b>3,25</b>
D	<b>Threats</b>			
1	New manufacturers are bigger and more efficient	0,25	1	0,25
2	Other fast-growing producers	0,25	1	0,25
3	Increased operating costs	0,20	2	0,40
4	Government regulations for export licensing	0,230	1	0,30
	<b>Sub Total</b>	<b>1,00</b>	<b>-</b>	<b>1,20</b>
	<b>Total of EFAS</b>	<b>1,0000</b>	<b>-</b>	<b>4,45</b>

Source: Primary Data, 2020

The evaluation of internal and external strategic factors was obtained that there are two factors that are strong enough to influence the development strategy to be carried out, namely, the strength factor (3.90>2.50) and the opportunity factor (3.25>2.50). This is in accordance with Wheelen et al., (2018) that if the weighting score of IFE (internal factor evaluation) and or EFE (external factor evaluation) is more than (>2.5) then it is categorized as strong, and if less than (<2.5) is categorized as weak. Thus, it can be concluded that in the strategy of pepper development as an export commodity in Mangkauk Village Banjar Regency, it is necessary to optimize the factor of strength and opportunity. Both factors are key factors in the strategy of pepper development as an export commodity in Mangkauk Village Banjar Regency.

*Internal and External Matrix Analysis (IE)*. Internal-external matrix analysis (IE) is intended to position the current pepper commodity to be developed as an export commodity into a matrix consisting of 9 cells. The IE matrix consists of two

dimensions, i.e. the total IFE matrix score is on the X axis and the total EFE matrix score is on the Y axis (Harrison, 2010). Furthermore Mercieca et al., (2016) IE matrix is grouped into three main strategies namely:

- Grow and Build; cells I, II or IV. Suitable strategies are intensive (market penetration, market development, and product development) or integration (back-to-back integration, forward integration, and horizontal integration).
- Hold and Maintain; cell III, V, or cell VII. Common strategies used are market penetration, product development and market development.
- Harvest and Devest; cell VI, VIII, or IX. The strategies used are divestment of the conglomerate's diversification strategy, and liquidation strategy. If both factors (internal and external) are mapped into the IE matrix, it can be seen that it is positioned in the IE matrix.

	4	High	3	Middle	2	Low	1
High	4	1 <i>GROWTH</i> Concentration through vertical integration	2 <i>GROWTH</i> Concentration through horizontal integration		3 <i>RETRENCHMENT</i> Turn around		
	3		5 <i>GROWTH</i> Stability		6 <i>RETRENCHMENT</i> Divestitures		
Middle	2	4 <i>STABILITY</i> Be careful	5 <i>GROWTH</i> Stability		6 <i>RETRENCHMENT</i> Divestitures		
	1	7 <i>GROWTH</i> Concentric diversification	8 <i>GROWTH</i> Diversifying conglomerates		9 <i>RETRENCHMENT</i> Bankruptcy or liquidation		
Low	1	7 <i>GROWTH</i> Concentric diversification	8 <i>GROWTH</i> Diversifying conglomerates		9 <i>RETRENCHMENT</i> Bankruptcy or liquidation		

Figure 1. Position of pepper commodity development

*Space Matrix Analysis*. Space Matrix analysis or strategic position matrix and action evaluation show whether the most suitable strategies include; aggressive, conservative, defensive, or competitive strategy (David, 2014). Furthermore, Ranguti (2013) stated that space matrix analysis is used to sharpen the strategy of IE matrix analysis results. The analysis of the space matrix is intended to look at the position of pepper development as an export commodity, as well as to see the direction of its development. The parameters used are taken from the IFAS and EFAS matrices, namely the difference in the score of internal strategy factors (strengths-weaknesses) and the difference in external factor score (threat-chance) (Kamiske, 2015). The estimated matrix value of space is detailed as follows:

Table 4. Estimated Value of Matric Space

Factors	Value	Difference
Strengths- Weakness	3,90-2,00	1,90
Opportunities - Threat	3,25-1,20	1,05

Source: Analysis Results (2021)

The estimated results of internal factors (strengths and external factors (threat-opportunities) show that the position of

pepper commodity development in Mangkauk Village Banjar Regency, is in the first quadrant, namely aggressive strategy. This condition is a situation where the development of pepper commodity is currently in stable condition and can be developed more aggressively in the future. According to Marimin (2004) that the strategy that must be done related to position if in quadrant I is an aggressive strategy, namely utilizing opportunities and by optimizing the power that has.

*Analyst SWOT Matrix*. SWOT matrix analysis is a strategy formulation based on internal and external factors. According to Yusuf et al., (2020) that at least 4 (four) strategies are formed from SWOT matrix analysis, namely SO, WO, ST and WT strategies. Here is an analysis of swot matrix of pepper development as an export commodity in Mangkauk Village Banjar Regency.

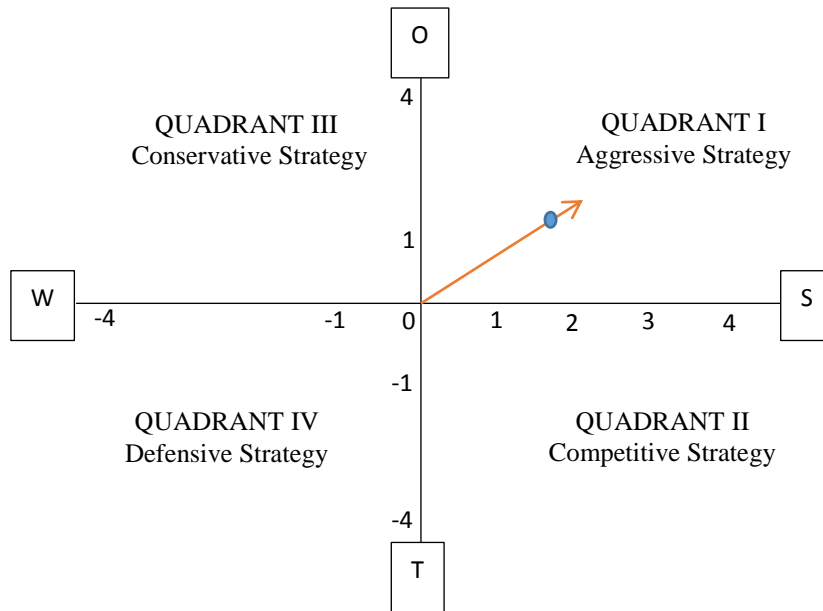


Figure 2. Mapping Internal and External Factors In Space Diagrams

Table 5. SWOT Matrix Analysis (Strategy Formulation)

Internal Factors	Strengths (S)	Weaknesses (W)
	<ol style="list-style-type: none"> <li>The location of the village geographically and very strategic</li> <li>Quality products</li> <li>Good brand image</li> <li>Marketing management has been established</li> <li>High consumer loyalty</li> </ol>	<ol style="list-style-type: none"> <li>Less aggressive in promotion and advertising</li> <li>Too complacent about what has been achieved</li> <li>Low profit efficiency</li> <li>Less efficient in fund management</li> </ol>
External Factors	Opportunities (O)	Threats (T)
	<ol style="list-style-type: none"> <li>Pepper as a necessity of people's lives</li> <li>High Raw Material Needs</li> <li>Number of other Countries as suppliers</li> <li>Manufacturers can expand the market</li> </ol>	<ol style="list-style-type: none"> <li>New manufacturers are bigger and more efficient</li> <li>Other fast-growing producers</li> <li>Increased operating costs</li> <li>Government regulations for export licensing</li> </ol>
	Strategy S-O	Strategy W-O
	Strategy of market development by opening new geographic markets such as; expansion to regional, national and international	Strategy of product development (diversification) by developing a diversity of pepper products
	Strategy S-T	Strategy W-T
	Strategy to increase pepper production with export quality	Strategy of market integration by improving services by providing convenience for customers

Based on SWOT matrix analysis, as in the table above, obtained 4 (four) strategies that can be developed in relation to the development of pepper as an export commodity in Mangkauk Village Banjar Regency. The four strategies are detailed as follows:

Table 6. Pepper development strategy as an export commodity

No	Strategy	Description	Score Value
1	SO	Strategy of market development by opening new geographic markets such as; expansion to regional, national and international	7,15
2	WO	Strategy of product development (diversification) by developing a diversity of pepper products	5,25
3	ST	Strategy to increase pepper production with export quality	5,10
4	WT	Strategy of market integration by improving services by providing convenience for customers	3,20

Source : Analysis results, 2020

Based on the strategy of pepper development as an export commodity, the main priority obtained is the market

development strategy by opening new geographical markets such as; regional, international national expansion. This strategy is a strategic decision to be able to take advantage of market opportunities for broad commodity development by opening markets or expanding the geographic scope of pepper markets, both regional, national and international markets. This is in line with the research results by Fitrah (2013) that the marketing of pepper agribusiness (*Piper nigrum*. L) in the Mangkauk village, Banjar Regency, South Kalimantan, needs development in the future. Market development strategies are directed to transfer existing products to new market segments and to reach a broader market of development to international markets.

#### IV. CONCLUSION

Based on the results of the analysis obtained conclusions for the development of pepper as an export commodity in Mangkauk village Banjar regency is as follows:

- The most influential factor in the development of pepper as an export commodity in Mangkauk Village Banjar Regency is the strength and opportunity factors.
- Existing conditions in the development of pepper as an export commodity in Mangkauk Village Banjar Regency is quite good, namely in the condition of growth.
- The direction of pepper development as an export commodity in Mangkauk Village banjar regency is an aggressive strategy.
- The main strategy of pepper development as an export commodity in Mangkauk Village Banjar Regency is market development strategy by opening new geographical markets such as; expansion to regional, national and international.

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