

POTENTIAL FOR DEVELOPING A MARKETING STRATEGY FOR CITRONELLA OIL (*Cymbopogon Nardus* (L.) RENDLE IN PANGKATAN DISTRICT, LABUHANBATU CITY (CASE STUDY: SIDORUKUN VILLAGE)

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ABSTRACT

Citronella is a group of grass plants or the Poaceae family which is one of the producers of essential oil, namely citronella oil. Citronella oil has begun to be produced and marketed in Labuhanbatu Regency, Sidorukun Village, Pangkatan District. However, the citronella oil marketed is not yet optimal due to several factors that are obstacles. The objectives of studying the marketing strategy for citronella oil are to determine the internal and external factors in marketing citronella oil to determine the marketing strategy for citronella oil. The research methodology uses the SWOT analysis method where the analysis is presented as a marketing strategy for citronella oil, namely solving an environmental analysis by identifying existing strengths, weaknesses, opportunities and threats. The results of research with calculations using SWOT diagram analysis of the marketing of serei wangi oil are in the marketing strategy for serei wangi oil in Pangkatan District, namely establishing cooperation with the government to improve marketing. This strategy received the highest score, namely 7.02, by carrying out buying and selling transactions of serei wangi oil online. directly without intermediaries. This strategy can be implemented. This strategy gets the highest score, namely 6.74 and develops infrastructure and supporting facilities for the citronella oil agro-industry. This strategy gets the highest score, namely 5.98.

Keywords: SWOT, Marketing of Serei Wangi Oil, Pangkatan District

INTRODUCTION

Indonesia has various types of plants and herbs that can produce vegetable oil. Essential oil is a type of vegetable oil that has many benefits ranging from fragrance to treatment (Novitasari et al., 2023). Essential oils have the characteristics of being liquid at room temperature, easily evaporating and having a distinctive aroma. One of the plants that contains essential oils is the medicinal plant Citronella (*Cymbopogon nardus* (L.) (Aldoria, L. 2023).

The citronella plant (*Cymbopogon nardus* (L.) Rendle) is spread almost throughout Indonesia. However, the main producers of citronella oil are the provinces of Nanggro Aceh Darussalam (NAD), and Central Java with production reaching 95% of Indonesia's total production (Akesia, D. W. 2019). With a very

high percentage, Indonesian citronella oil is quite popular and provides promising business opportunities for citronella farmers and owners of the citronella oil agroindustry. (Pelita et al., 2022)

Essential oil is obtained from the distillation of citronella leaves and stems, which in the world of trade is known as Citronella oil. Distillation or distillation is a method of separating chemicals based on differences in the speed or ease with which the materials evaporate (Oktavia et al., 2022). In distillation, a mixture of substances is boiled until it evaporates, and this vapor is then cooled back into liquid form. Distillation or refining is a method of separating chemicals based on differences in the speed or ease of evaporation (volatility) of the materials. (Nabila, W.F, and Nurmalina, R. 2019)

In Labuhanbatu Regency, one of the owners of the citronella oil agro-industry business is in the Sidorukun Village area, Pangkatan District. However, the agro-industry that is being run is not optimal, this is because the citronella oil produced is still on a small scale and the marketing aspect is the main obstacle in developing the citronella oil business. Citronella oil (Malini, et al., 2021), although it has enormous benefits for health, is not yet popular among the public because the price is relatively expensive, so most people consider this as a secondary need. (Nesti, et al., 2022).

The problem in developing agribusiness and agroindustry is the weak linkages between subsystems in agribusiness, namely distribution and supply of production factors, agricultural production processes, processing and marketing (Yusrizal et al., 2022). There are many examples that show us the existence of agro-industrial companies that initially developed rapidly, but eventually closed for various reasons, whether due to management errors, a shortage of raw materials or a lack of consumers buying the agro-industrial products. So the question arises, why does this happen? What efforts can be made in the surrounding area so that the future appearance of the agro-industry can be improved? One answer is to create an agro-industry marketing strategy (Umaternate et al, 2023).



Figure 1. Research Location

Based on the description above, the author is interested in conducting research on the Serei Wangi Oil agro-industry in Sidorukun Village, Pangkatan District, Labuhanbatu Regency to determine its marketing strategy.

Research purposes

Based on the identification of this problem, the aim of this research is as follows :

1. To determine the internal and external factors that influence the marketing of citronella oil agro-industry in Pangkatan District, Labuhanbatu Regency.
2. To find out the marketing strategy of the citronella oil industry in Pangkatan District, Labuhanbatu Regency.

RESEARCH METHODS

Place and time of research

This research was carried out in Labuhanbatu Regency, namely in Pangkatan District, Sidorukun Village from July to August 2023. The determination of the research area was carried out purposively based on the criteria in the subdistrict where the serei wangi oil agro-industry could be found, as well as taking into account the distance and time of the research.



Research methods

Based on the problems studied, this type of research is survey research, the method used in this research is a descriptive method with a quantitative and qualitative approach, quantitative descriptive research is research that provides as accurate a picture as possible regarding the object being studied, data obtained from a population sample. research is analyzed according to the statistical methods used. The qualitative descriptive research in this study was intended to obtain an overview and information regarding the marketing strategy for citronella oil in Pangkatan District, Labuhanbatu Regency.

The method used to determine the sample is the purposive sampling method (intentional), namely a probability sampling method carried out based on the researcher's considerations. The population in this research consists of 5 (five) entrepreneurs and workers consisting of 1 (one) entrepreneur and 4 (four) workers so that the entire population is used as a research sample or what is also called a saturated sample. Saturated sampling is a sampling technique when all members of the population are sampled. Apart from the population and sample in this research, there are also informants who aim to obtain external data or information related to the research topic. The research results will be analyzed using SWOT analysis. The process that must be carried out in making the analysis so that the decisions obtained are more precise needs to go through various stages as follows: Data collection stage, evaluation of external and internal factors, Analysis stage, namely making internal, external matrices, SWOT matrix and Decision making stage.

RESULTS AND DISCUSSION

A. Identify External Factors and Internal Factors

Some of the strengths of the citronella oil agroindustry in the research area are as follows:

1. Market share of Citronella Oil

The market share of citronella oil is relatively wide because it is marketed to middlemen of citronella oil in Medan Regency, North Sumatra and is sold in the research area, namely in Pangkatan District, Labuhanbatu Regency and several threats to the citronella oil agro-industry in the research area are as follows:

- The price of citronella oil fluctuates

The price of citronella oil is influenced by several factors, such as citronella oil which has been mixed with other vegetable oils, the drop in the price of citronella oil is also influenced by the capacity of citronella oil which is limited locally, but if the price of citronella oil will be very high if it is exported abroad. country. Apart from that, the price of citronella oil is also influenced by the means of transportation to farming areas.

- Lack of supporting institutions for the citronella oil agro-industry

Supporting institutions such as capital institutions, agricultural extension institutions and farmer groups do not play an active role in the citronella oil agro-industry in Pangkatan District, Labuhanbatu Regency.

- Poor transportation facilities and infrastructure and roads

Poor access to research areas greatly affects the prices received by farmers. Traders will prefer places that are easy to access rather than places that are difficult to reach.

B. SWOT Matrix Analysis

Based on the identification of the Internal and External factors mentioned above, the next stage is to combine these factors in a SWOT matrix and produce alternative strategies that can be applied in the marketing of citronella oil agro-industry as presented in Table 1:

Table 1. SWOT Matrix for formulating strategies for developing the citronella oil agroindustry

		Internal factors		Strength (S)		Weakness (W)	
				1	Availability of land	1	Limited Capital
				2	Labor availability	2	Low productivity
				3	Availability of raw materials	3	Promotion/Sales system
				4	Farmer experience		
External Factors		Chance (O)		Strategy (SO)		Strategy (WO)	
1	Demand for citronella oil	1		1	increase production and production quality	1	seeking capital from other sources to help the citronella oil agroindustry
2	Continuity of citronella oil production	2		2	increase production by using production technology	2	looking for information that can help increase the productivity of the citronella oil agroindustry
3	Market share of citronella oil	3		3	create your own market to increase income	3	improve promotions/sales systems to increase demand for citronella oil
				4	Provide training		
		Threat (T)		Strategy (ST)		Strategy (WT)	
1	The price of citronella oil fluctuates	1		1	Carry out buying and selling transactions of citronella oil directly without intermediaries.	1	promote to big companies
2	Lack of supporting institutions for the citronella oil agro-industry	2		2	collaborate with the government to improve marketing	2	establishing good cooperation with other citronella farmers
3	Poor transportation facilities and infrastructure and roads	3		3	development of infrastructure and supporting facilities for the citronella oil agro-industry		

Based on the SWOT matrix above, the resulting strategy formulation can be stated as follows:

1. Increase production and better quality to meet market needs
2. Increase production by using agricultural technology
3. Create your own market to increase income
4. Provide training and development for the workforce
5. Seek capital from other sources to help the citronella oil agro-industry
6. Looking for information that can help increase citronella oil production
7. Improve promotions/sales systems to increase demand for citronella oil
8. Conduct buying and selling transactions of citronella oil directly without intermediaries. Collaborate with the government to improve marketing
9. Development of infrastructure and supporting facilities for the citronella oil agro-industry
10. Carry out promotions to large companies
11. Establish good cooperation with other citronella farmers

SWOT marketing of citronella oil agroindustry.

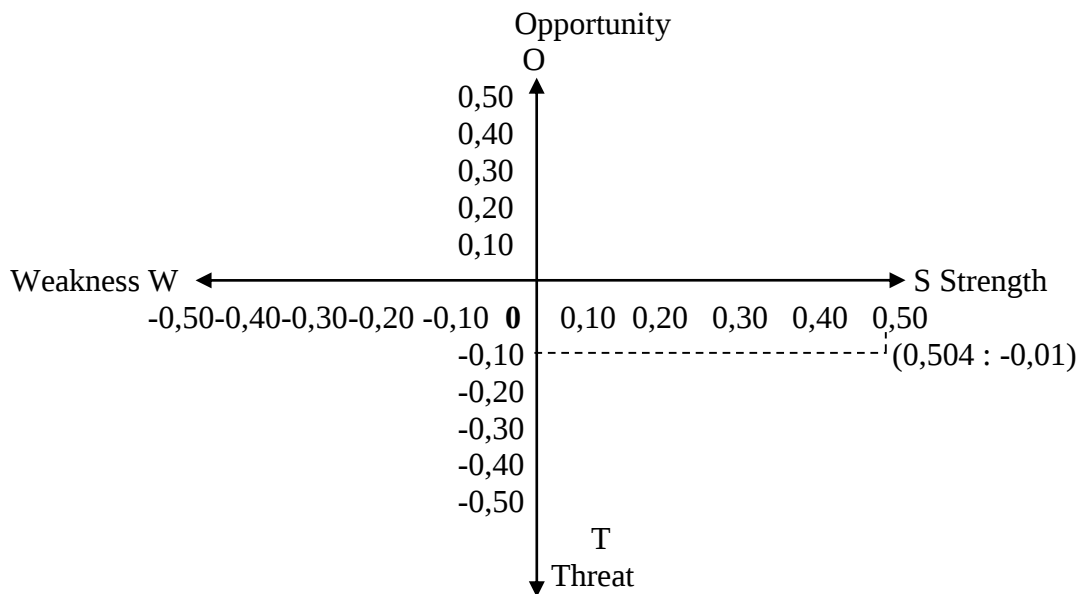


Figure 4. SWOT Diagram Analysis Results

Based on the SWOT diagram, the marketing of the serei wangi oil agro-industry is in quadrant II or the strategy implemented is to use the company's internal strengths to reduce or avoid external threats with a diversification

strategy. Diversification strategy based on strength factors which are internal factors and threats which are external factors with alternative strategies:

1. Carry out buying and selling transactions of citronella oil directly without intermediaries. This strategy can be implemented, the fluctuating selling price can be exploited by the citronella oil agroindustry by marketing its own production at the desired price which will be very profitable.
2. Collaborating with the government to improve marketing. The government in the citronella oil agro-industry has quite an important role. Collaboration with the government can be done by providing capital, promoting citronella oil products, setting the price of citronella oil, and the government can form educational, training and biological resource development bodies.
3. Develop infrastructure and supporting facilities for the citronella oil agro-industry. Good infrastructure and use of citronella oil processing equipment will help in the production of citronella oil thereby increasing the marketing of citronella oil.

Judging from the 3 (three) alternative strategies produced in the marketing of the serei wangi oil agro-industry which are searched for using the SWOT diagram and SWOT matrix which contains a description of the strategy in responding to the results of previous calculations and lies in the ST strategy where this strategy is created by utilizing all internal strengths to avoid company external threats. Agroindustry of citronella oil because the government can help the agroindustry of citronella oil with access to capital, product distribution and business legality as well as stabilizing the price of citronella oil which is expected to reach the highest price, the government also has an important role in marketing citronella oil by carrying out promotions because of the agroindustry This citronella oil is the only one

available in Pangkatan District, Labuhanbatu Regency. Another strategy that ranked second was (2) Carrying out buying and selling transactions of citronella oil directly without intermediaries. This strategy can be implemented, the fluctuating selling price can be exploited by the citronella oil agro-industry by marketing its own production.

Meanwhile, the strategy ranked third is (3) Developing infrastructure and supporting facilities for the citronella oil agro-industry. Good infrastructure and use of citronella oil processing equipment will help in the production of citronella oil thereby increasing the marketing of citronella oil.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

1. Internal factors that influence the marketing of citronella oil (*Cymbopogon Nardus* (L) Rendle) agro-industry are land availability, labor availability, production raw material availability, farmer experience, limited capital, low productivity, and poor promotion/sales system . Meanwhile, external factors that influence the marketing of citronella oil agroindustry are high demand for citronella oil, continuity of citronella oil products, market share of citronella oil, fluctuating price of citronella oil, lack of supporting institutions for the citronella oil agroindustry, as well as facilities and infrastructure. poor transportation and roads.
2. The marketing strategy for citronella oil in Pangkatan District is (1) collaborating with the government to improve marketing. This strategy received the highest score, namely 7.02. (2) Conduct buying and selling transactions of citronella oil directly without intermediaries. This strategy can be carried out. This strategy gets the highest

score, namely 6.74. (3) Developing infrastructure and supporting facilities for the citronella oil agro-industry. This strategy received the highest score, namely 5.98.

Suggestion

Further research needs to be carried out to develop the citronella oil agro-industry. It is hoped that citronella oil agro-industry entrepreneurs in the research area will develop diversification of citronella oil products to increase farmers' income.

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