

# Strategy For Organic Coconut Sugar Market Explanation Through Digital Marketing At Kub Central Agro Lestari Purbalingga

Nur Chasanah<sup>1\*</sup>, Ade Irma Anggraeni<sup>2</sup>, Wita Ramadhanti<sup>3</sup>, Jaryono<sup>4</sup>

<sup>1\*</sup>Universitas Jenderal Soedirman, nur.chasanah@unsoed.ac.id, Indonesia

<sup>2</sup>Universitas Jenderal Soedirman, ade.anggraeni@unsoed.ac.id, Indonesia

<sup>3</sup>Universitas Jenderal Soedirman, wita.ramadhanti@unsoed.ac.id, Indonesia

<sup>4</sup>Universitas Jenderal Soedirman, jaryono@unsoed.ac.id, Indonesia

\* Nur Chasanah

---

## ABSTRACT

Organic Coconut sugar is one of Indonesia's natural products with high competitiveness in the domestic and international markets. However, the fulfillment of the demand for the large organic coconut sugar market is still met not by direct producers but through various sales intermediaries. This study aims to analyze the extent to which the use of digital marketing that has been implemented by KUB Central Agro Lestari has been able to affect the marketing of organic coconut sugar products. This research is an experimental study with indicators of success, including 1) measurable digital marketing implementation planning; 2) Measurable preparation for the implementation of digital marketing implementation; 3) Measuring the effectiveness of the implementation of digital marketing implementation; 4) Measuring the obstacles faced in the implementation of digital marketing implementation, and 5) Formulation of recommendations for the implementation of digital marketing. Based on the research conducted, KUB Central Agro Lestari currently has a website that is equipped with features that help in digital marketing. Through this website, it is hoped that KUB CAL can sell its products without going through intermediaries.

**Keywords:** Digital Marketing; Organic Coconut Sugar.

---

## 1. Introduction

Coconut as one of the plantation crop commodities in Indonesia has given rise to various industries including the organic coconut sugar industry. Organic coconut sugar is the one of industry that has a very large export market potential. Organic coconut sugar is in great demand by the export market because of its organic management and evidenced by organic certificates such as the Organic Control Union Standard, so that its health is more guaranteed. Coconut sugar is also considered healthier because it has glycemic index than sugar. sugar cane so that it is safer for consumption, especially for people who have diseases. Organic coconut sugar is obtained from coconut trees which are specially extracted for the sap or commonly known as deres coconut. For the Central Java region, based on data from the Plantation Service of Central Java Province in 2015, the largest production of coconut palm plantations in Central Java was Purbalingga Regency, which was 53,130.8 tons.

One of the Joint Business Groups in Purbalingga Regency is the Central Agro Lestari Joint Business Group (KUB). KUB Central Agro Lestari is engaged in the processing of organic coconut sugar with products in the form of organic coconut sugar block, organic coconut sugar powder, and organic coconut nectar. KUB Central Agro Lestari was established on September 5, 2017 and has been recorded in the Notary Deed No. 54 On 15 May 2018. KUB Central Agro Lestari is located at Bumisari Village, RT 02 RW 01, Bojongsari District, Purbalingga Regency, Central Java. KUB Central Agro Lestari is a combination of approximately 864 canes, 10,339 coconut palms with a plantation area of around 164,316 hectares. KUB Central Agro Lestari also has an organic certificate, namely GMP Certificate No. FPC 00015 Sucofindo International obtained in 2019 and the Control Union Netherlands Standard USDA, EU and JAS.

KUB Central Agro Lestari has a production capacity of close to 200 tons per month. So far, the marketing of its products has only relied on sales to suppliers or exporters of organic coconut sugar located in Yogyakarta and Bali as well as several hotels and restaurants in Jakarta. Buyers of products from KUB Central Agro Lestari will buy organic coconut sugar products and will be repackaged with their own brand or exported abroad. The products sold to exporters in Bali are organic coconut sugar block raw material products, Grade C as much as 3-4 tons per week, and Grade A as much as 2-3 tons per week. These products are then exported to countries in continental Europe. KUB Central Agro Lestari supplies organic coconut sugar powder raw material to exporters in Yogyakarta as much as 3-4 tons per week, and these products are then exported to America and several other countries in Europe. Product sales to hotel, restaurant and cafe associations in Jakarta are organic coconut sugar block raw material, with a volume of between 2-4 tons per week.

KUB Central Agro Lestari in 2021 has tried to start marketing through the digital world by creating a website which is a place to educate the public about organic coconut sugar as well as a place to market products owned by KUB Central Agro Lestari. The hope with this website is that KUB's organic coconut sugar products will be distributed directly to consumers or direct users of organic coconut sugar products. The increase in direct sales is expected to make the level of profits obtained by KUB Central Agro Lestari will increase and will have a positive impact on the welfare of all penderes who are members of the group. However, so far, KUB Central Agro Lestari has not conducted research on how the influence of its website on product sales to consumers, it is not yet known how consumers get information about organic coconut sugar, so it is necessary to analyze the use of digital marketing, especially websites that have been owned. KUB Central Agro Lestari on the sales of its products, whether it has a significant influence or not.

This research is a study that will analyze how the sale of very specific products such as organic coconut sugar with a target market (niche market) which is currently not too big in Indonesia is offered through the website. Consumers who can become the target market are people who care about their own health, for example the diet community and the vegan lover community. In this study, it will be analyzed whether the target market that has been previously set is achieved by using the KUB Central Agro Lestari website.

## **2. Literature Review**

### *2.1 Digital Marketing*

Digital marketing is a choice that can be made by business owners in any field to at least be able to survive during this covid-19 pandemic (Effendi, et al., 2020). The use of digital marketing has increased among business actors because it still opens up opportunities for business actors to offer their products or services to consumers.

Research conducted by Han et al. (2021) revealed that the use of digital marketing is preferred by business managers because it is considered to have a positive impact on sales and also on the potential for cooperation between MSMEs. The use of digital marketing opens communication opportunities between existing business managers to further strengthen the position of consumers with a more complete offering and better meet consumer needs. The use of digital marketing with the right target market will increase consumer purchase intentions for a product or service offered (Vahdat et al., 2020).

Determining the right target market and how business actors provide stimulus or stimulation to consumers in the target market has a very important role in marketing products or services. If consumers feel that the product or service offered has benefits or uses in overcoming problems faced by consumers or may be able to realize consumer dreams, the product or service will be chosen for use by consumers.

In order to support the progress of MSMEs, several factors are needed to support market expansion of MSME products, including; 1) the government and all stakeholders as actors in marketing activities, 2) promotional activities, including: improving product quality and human resources, expanding the market for MSME products, and technological innovation, 3) macroeconomic environment, namely the environment where the local product is expanded (Nurcahya and Majapahit, 2018). One of the support models in marketing a product is by presenting an attractive profile from the manufacturer. The profile shown includes the profile of the business and product being displayed. The product profile includes where raw materials are obtained and how to process these raw materials into a marketable product.

### *2.2 Marketing Strategy*

In the business world, marketing strategy is one of the most important elements in achieving company targets and goals. Some companies may have the same targets and goals, but the strategies used to achieve these goals are different. According to Rachmawati (2011) "Marketing strategy is a plan that allows companies to optimize the use of their resources to achieve marketing and company goals". According to Irham Fahmi (2013), "Marketing strategy provides direction in relation to variables such as market segmentation, target market identification, positioning, marketing mix elements and marketing mix costs.

### *2.3 Market Expansion Strategy*

In many markets, a single point of share is of high value. It's no wonder that competition has become so intense in so many markets. However, getting an upgrade in a market that is already served does not automatically lead to higher profits. The company can also offer its products or services in an unsaturated market (blue ocean strategy) rather than offering it in a saturated market (red ocean strategy). Companies need to implement an expansion strategy that is in accordance

with the objectives and types of products or services offered so that they will reach the right consumers.

#### 2.4 Factors to Consider in a Market Expansion Strategy

According to Philip Kotler and Kevin Lane Keller (2009:335) there are four factors that must be considered before pursuing market expansion including:

- Possibility of provoking antitrust action
- Economic cost
- Location Selection
- The company carries out the wrong marketing strategy
- Effect of market improvement on actual quality and perceived quality.

### 3. Research Methodology

This research approach is quantitative where the data generated will be in the form of numbers where the research instrument used is a questionnaire. From these data will be analyzed using SPSS software. Respondents in this study were 30 people, mostly students, employees, entrepreneurs, civil servants, and others. This questionnaire was distributed directly to the respondents. From the distribution of the questionnaire, it was obtained some information related to the identity of the respondent which includes age, gender, length of time respondents have made online purchases, and what types of products are often purchased by respondents during online purchases.

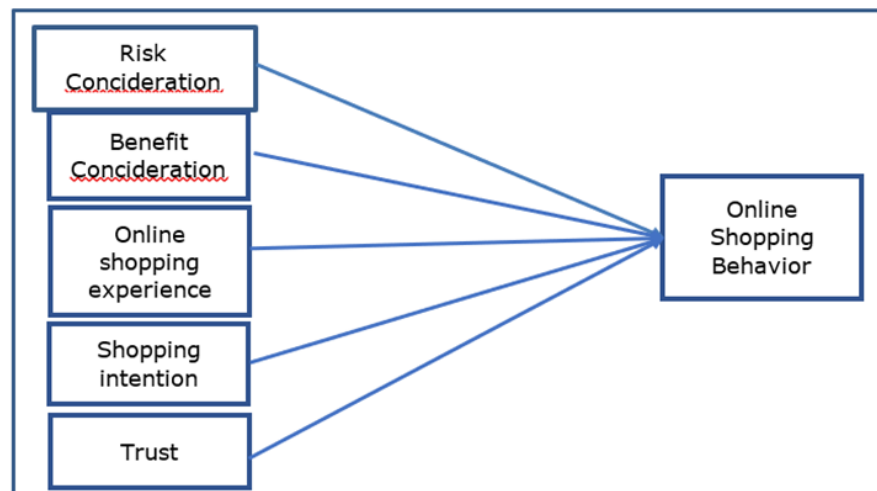


Figure 1. Research Methodology

### 4. Results

#### 4.1 Respondents Characteristics

Respondents in this study were 30 people, mostly students, employees, entrepreneurs, civil servants, and others. This questionnaire was distributed directly to the respondents. From the distribution of the questionnaire, it was obtained some information related to the identity of the respondent which includes age, gender, length of time respondents have made online purchases,

and what types of products are often purchased by respondents during online purchases. Information regarding the identity of the respondents is summarized in the following table.

Table 1. Respondents Characteristics.

No	Information	Additional information	Total	Percentage
1	Age	<20 years	3	7%
		20- 40 years	21	73%
		>40 years	6	20%
		<b>Total</b>	<b>30</b>	<b>100%</b>
2	Gender	Male	13	44%
		Female	14	56%
		<b>Total</b>	<b>30</b>	<b>100%</b>
3	Online shopping duration	<1 year	0	0%
		1-2 years	4	13%
		3-4 years	14	47%
		3-5 years	7	23%
		>years	5	17%
		<b>Total</b>	<b>30</b>	<b>100%</b>
4	Frequently purchased products	Clothing	19	63%

		Food	7	23%
		Others	4	14%
		<b>Total</b>	<b>30</b>	<b>100%</b>

Source: Processed research data, 2022

Based on the data that has been obtained, it could be explained shows that the age of respondents is dominated by respondents aged 20-40 years, namely 73%, those aged over 40 years by 20%, and the remaining 7% are respondents aged under 20 years. Meanwhile, for gender, it is dominated by female respondents as much as 56% and only 44% male.

From the table above, it can also be seen how long respondents have made purchases online either through shopping platforms or other social media. The following is the order of the largest to the smallest percentages with a time span between 3 – 4 years (47%), 5 – 6 years (23%), more than 6 years (17%), and 1 – 2 years at 13%. Based on the data above, it can also be seen that the types of products that are often purchased by respondents are food and other products, each of which gets the same percentage amount, which is 63% and when compared to other types of food products, the percentage is much higher.

#### 4.2 Data Quality Test Results

The correlation value of each item is above the r table, which is 0.3061 so it can be said that all items are valid. The Cronbach alpha value of each construct is above 0.5 so it can be concluded that the construct in the research model is reliable. The Durbin Watson value of 2,390 is greater than the upper limit (dU) of 1.8326 and less than 4-dU so that it can be concluded that there is no autocorrelation. The data spread randomly both in the upper and lower positions of zero so that it can be concluded that there is no heteroscedasticity in the regression model.

Table 1. Respondents Characteristics

ITEM	R-COUNT	R-TABEL	CRONBACH ALPHA	RESULT
PR1	0.632			
PR2	0.344			
PR3	0.626			
PR4	0.540	0.3061	0.612	RELIABEL
PR5	0.604	VALID		
PR6	0.528			
PR7	0.619			
PM1	0.543			
PM2	0.799	0.3061	0.525	RELIABEL
PM3	0.674	VALID		
PM4	0.565			
PBO1	0.827			

PBO2	0.774	0.3061	0.726	RELIABEL
PBO3	0.795	VALID		
PBO4	0.534			
NBO1	0.704			
NBO2	0.833	0.3061	0.787	RELIABEL
NBO3	0.826	VALID		
NBO4	0.798			
PRC1	0.666			
PRC2	0.821	0.3061	0.648	RELIABEL
PRC3	0.818	VALID		
PUBO1	0.497			
PUBO2	0.798	0.3061	0.602	RELIABEL
PUBO3	0.887	VALID		

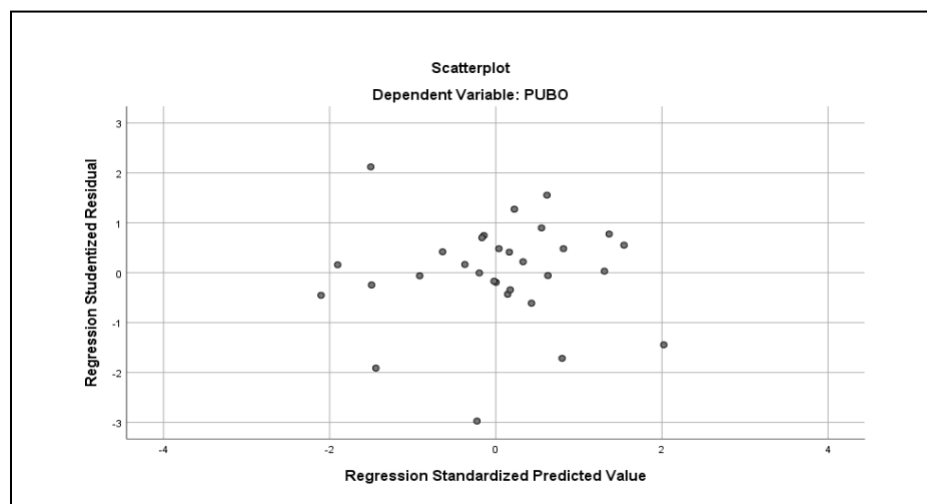


Figure 2. Scatterplot Test

### 4.3 The Goodness of Fit Test

The goodness of fit test determines whether the data match those predicted by the model. This test indicates a substantial F value, indicating that the data fit the regression. Online shopping experience, shopping intention and trust. While 61.8% is explained by other variables outside the model.

### 4.4 Hypothesis Testing Results

According to T-test on data, five independent variables that included in the model, it appears that the risk considerations, benefit considerations, online shopping experience, shopping intentions and trust do not have a significant impact on online shopping behavior variables because their values are far above 0.055.

## 5. Conclusion

Organically processed coconut sugar products have value in the community and have enormous potential in the trade market, especially exports. However, it will not run well if it is not supported by good sales performance as well. For this reason, KUB Central Agro Lestari in 2021 will begin to engage in the world of digital marketing to be able to market its products more broadly, namely



through website media and Instagram accounts. This is done so that KUB Central Agro Lestari is able to trade directly to consumers and has database as a whole spread throughout Indonesia and the world.

However, after almost a year in digital marketing, KUB Central Agro Lestari does not yet know whether the marketing media owned by KUB Central Agro Lestari has been able to reach the whole world or not and whether it has been effective in marketing its products. Seeing these problems, the solution offered by the team is to focus on the segmentation and target market of the organic coconut sugar product and then branding the product and KUB Central Agro Lestari itself by cooperating with influencers and related agencies.

## **References**

- Effendi, M. I., Sugandini, D., & Istanto, Y. (2020). Social Media Adoption in SMEs Impacted by COVID-19: The TOE Model\*. *Journal of Asian Finance, Economics and Business*, 7(11), 915–925. <https://doi.org/10.13106/jafeb.2020.vol7.no11.915>
- Han, H., Xiong, J., & Zhao, K. (2021). Digital inclusion in social media marketing adoption: the role of product suitability in the agriculture sector. *Information Systems and E-Business Management*. <https://doi.org/10.1007/s10257-021-00522-7>
- Nurcahya, Hanifa, Sali Alas Majapahit.(2018). Kajian Penerapan Teknologi Informasi Pada UMKM Sebagai Upaya Memperluas Pasar Produk Lokal. Konferensi Nasional Sistem Informasi 2018, STMIK ATMA LUHUR Pangkalpinang, 8 – 9 Maret 2018
- Suliyanto, Agus Suroso & Dian Purnomo Jati. (2013). *Potential and Problems of Small Medium Enterprise (Smes) Coconut-Sugar: Case Study In Banyumas Regency, Central Java, International Journal of Business and Management*; Vol. 8, No. 3.
- Vahdat, A., Alizadeh, A., Quach, S., & Hamelin, N. (2021). Would you like to shop via mobile app technology? The technology acceptance model, social factors and purchase intention. *Australasian Marketing Journal*, 29(2), 187–197. <https://doi.org/10.1016/j.ausmj.2020.01.002>