

# **Increasing The Economic Value of Cardamom Spices As A Business Development Strategy**

**Intan Shaferi<sup>1</sup>, Alisa Tri Nawarini<sup>2\*</sup>, Rio Dhani Laksana<sup>3</sup>**

<sup>1</sup>Universitas Jenderal Soedirman, intan.shaferi@unsoed.ac.id, Indonesia

<sup>2\*</sup> Universitas Jenderal Soedirman, alisa.nawarini@unsoed.ac.id, Indonesia

<sup>3</sup> Universitas Jenderal Soedirman, rio.laksana@unsoed.ac.id, Indonesia

\*corresponding author: alisa.nawarini@unsoed.ac.id

---

## **ABSTRACT**

A product will have a high selling value if it has economic value that can provide benefits and satisfaction for the community. Business development with great potential is very important, especially during the Covid-19 period where many businesses were destroyed but some businesses had the opportunity to be developed. Cardamom spice is a useful spice that is widely sought after and used as an alternative way to maintain health naturally other than as a spice. By identifying consumer needs and providing more benefits from the use of cardamom, it is hoped that it will have an influence on the economic value of cardamom. A business development strategy is carried out to address how this business develops. By using interview, observation, and focus group discussion methods to identify and then develop a marketing strategy, it is hoped that in the future it will contribute to the processing of cardamom products.

**Keywords:** Economic Value, Cardamom, Business Development Strategy.

---

## **1. Introduction**

Cardamom is one of Indonesia's commodities. Cardamom has many benefits both as food, medicine, and drink. Therefore, this commodity is very much in demand. Plantation products in Indonesia, because they are widely sought after, can be empowered with added value so that products are more valuable such as being made into practice package (Savitri, 2020). Therefore, it is possible for a business development strategy.

The business focuses on the production of cardamom spices. Cardamom is a type of spice produced from the seeds of several plants from the genera *Elettaria* and *Amomum* in the Zingiberaceae family (ginger family). These two genera are native to Bangladesh, Bhutan, India, Indonesia, Nepal and Pakistan; Cardamom seeds can be identified by their small seed pods, triangular cross-section, and coiled spindle-shaped, with a thin outer shell, and small black seeds. As a food ingredient, cardamom has characteristics and benefits. Therefore, it is quite attractive to the public.

Constraints faced by the community include limited funds, lack of skilled workers, production, marketing networks, and promotion. By solving this problem, it is hoped that business development to increase the economic value of cardamom can be carried out.

Measures of economic value are based on what people want or their preferences. Economists generally assume that individuals, not governments, are the best judges of what they want. economic value refers to the highest amount that consumers are willing to pay for a product. Commodities become products from the perspective of consumers and are no longer seen as differentiators by consumers. Commodification is a significant challenge today because of the level of consumer information and knowledge that forces businesses to match benefits, quality and price.

## **2. Literature Review**

Economic value is a measure of the benefits that a product provides to a person or company. Therefore, economic value refers to the highest amount that consumers are willing to pay for a product. Economic value is not the same as market price, which is the minimum price an item can offer in the market. The economic value is usually higher than the market price.

Economic value is one of many ways to define and measure value. While other types of value are often important, economic values are useful to consider when making economic choices. Measures of economic value are based on what people want or their preferences. Economists generally assume that individuals, not governments, are the best judges of what they want.

Foodstuffs have the opportunity to be further processed into processed food products that can provide added value so that the acceptance of farmers or the community from commodity development efforts will increase (Nofrida, 2019). The processing method is by applying the principles of good and correct processing methods to produce quality and safe processed products and meet the requirements of national standards for food. In addition, the material on packaging and licensing as well as product market opportunities were also given during the training as an effort to produce competitive products to increase added value and economic value.

## **3. Methodology**

The method used to identify the problem is by observation, conducting interviews and focus discussion group. This is done within three months observation period. The method applied in the implementation are problem identification, interviews and focus discussion group, training business development, monitoring and evaluation.

Policy makers in the local area which are quite free have not opened up derivative markets for commodities. However, benefits are not visible or are still difficult to access by the farming community. Efforts to identify managerial, regulatory and institutional arrangements make markets and their derivatives in the agricultural sector seek to achieve national goals. From previous research some steps are used to reach goals (Ahmad, 2014):

- Find ways to integrate the market with facilitates a national-level one-window trading platform.
- Explore and link future markets with authorized inventory-based settlements.

- Develop alternative zero-level marketing channels from producer to consumer through these markets.
- Capacity building of rural markets and enabling agricultural communities to active participation.
- Empowering regulatory agencies from the center to farmers.

#### **4. Results and Discussions**

Cardamom spice is made by processing cardamom seeds into package to increase economic value. Economic value is a measure of the benefits that a product provides to a person or company. Therefore, economic value refers to the highest amount that consumers are willing to pay for a product. Economic value is not the same as market price, which is the minimum price an item can offer in the market. The economic value is usually higher than the market price.

Problems faced by partners were identified by direct observation, interviews. This study is carried out by providing counseling narratives for marketing and assistance. Problems faced can be solved by alternative methods, the procurement of machines and training. In addition, training is conducted to provide business skills, namely marketing training to be able to distribute production and market more widely, and training in marketing. The steps of solution are:

- Direct observations were made at the first visit. This observation is used to explore the condition and the obstacles.
- Interviews were conducted to find out the problems faced by partners in more depth. The results obtained from the interview are:
  - Cardamom is a good potential to be developed. This is the strength that can be found. That the original and traditional spices are growth well. But they need attention more in order to get the best form of cardamom.
  - There is no marketing system yet. The farmers still need a lot of potential market to handle the marketing. But for now, it is enough because they have local market. Moreover, they need to expand the market.
- Providing an inaugural narrative regarding marketing. By providing information about the marketing that can be done for cardamom products. Some information are used to give description about the product.
- Business development training as a solution to the problems. To expand the market, better distribution channels are needed. Therefore, it is necessary to understand the concept of marketing with training to provide direction on how marketing should be carried out.
- Business development training as a solution to the problems faced.

Identification of partner problems is done by looking at the condition of the situation and extracting information from partners. This village has great human resource potential with the main livelihood as a farmer. The majority of people have time to produce raw cardamom into processed cardamom. However, most of the population's cardamom production is still sold in the form of cardamom seeds so that the sales are still not maximized. The level of economy and education in this village is still relatively low with the majority of underprivileged families and residents not completing elementary school. The solution offered in this activity is in the form of business empowerment through the production of cardamom spice which has more economic value so that the selling value is high.

Cardamom spice is made by processing cardamom seeds into powder to enhance the taste. The core activity of this program is the re-activation of partner businesses with attractive packaging and cardamom powder production as well as increasing marketing distribution to increase the selling value of cardamom. Increasing the economic value of cardamom spice through a developed business strategy will provide promising opportunities.

Economic value is a measure of the benefits that a product provides to a person or company. Therefore, economic value refers to the highest amount that consumers are willing to pay for a product. Economic value is not the same as market price, which is the minimum price an item can offer in the market. The economic value is usually higher than the market price.

Economic value is one of many ways to define and measure value. While other types of value are often important, economic values are useful to consider when making economic choices, namely choices that involve sacrifices in allocating resources. Measures of economic value are based on what people want or their preferences. Economists generally assume that individuals, not governments, are the best judges of what they want.

Marketing is driven by product processing. Product ideas have been expanded to include those related to services or ideas that impact society. Marketing strategy provides a framework for demonstrating that marketing strategies are used to transform core goods or services into distinct products with benefits, preferences. Commodities become products from the perspective of consumers, and are no longer seen as differentiators by consumers. Commodification is a significant challenge today because of the level of consumer information and knowledge that forces businesses to match benefits, quality and price. After commoditization occurs, price becomes the main marketing variable used by consumers for decision making. Therefore, attributes and intangible resources emerged as a way to differentiate products (Farrell, 2014).

Thus, economic valuation theory is based on individual preferences and choices. People express their preferences through the choices and sacrifices they make, with certain limitations, such as income or available time. The successful commercialization of commodities and the prevention of possible commoditization of offerings are key tasks of companies in many industries (Enke, 2022).

## **5. Conclusion and Suggestion**

The study has been well identified. The study provides a special value by contributing to providing economic value to cardamom spices. Furthermore, the program can assist the business being run. Government and also farmers are to be considered by its policy, to make some commodities especially traditional commodities will be explored as the original spices from Indonesia.

The program can be implemented further by expanding production capacity and machinery. This is to provide a wider distribution network. In addition, consider using sales to expand the market area.

## **References**

Ahmad, S., & Jamshed, M. (2014). Nurturing an Agriculture Friendly Commodity Derivatives Marketing in India. *MIJBR–MITS International Journal of Business Research*, 1.

- Aribawa, D. (2015). Hubungan Antara Orientasi Strategis Dan Kemampuan Inovasi Berbasis Layanan Studi Pada UMKM Kreatif Di Indonesia. *Jurnal Manajemen*, 19(2), 249-262.
- Enke, M., Geigenmüller, A., & Leischnig, A. (2022). Commodity marketing: An introduction into key concepts and processes. In *Commodity Marketing* (pp. 3-20). Springer, Cham.
- Ferrell, O. C., Ferrell, L., & Sawayda, J. (2014). A historical review and reconceptualization of commodity marketing. In *Commodity marketing* (pp. 431-447). Springer Gabler, Wiesbaden.
- Sari, A., Windani, I., & Hasanah, U. (2020). Strategi Pengembangan Produksi Kapulaga Kelompok Tani “Tani Jaya” di Desa Watuduwur Kecamatan Bruno Kabupaten Purworejo. *Surya Agritama: Jurnal Ilmu Pertanian dan Peternakan*, 9(1), 1-12.
- Setiawati, B. R., & Soejono, D. (2019). Nilai Tambah dan Prospek Pengembangan Agroindustri Kopi Herbal Kapulaga di Desa Sumberpakem Kecamatan Sumberjambe. *UNEJ e-Proceeding*.