

MARKETING ANALYSIS OF PUREBRED CHICKEN EGGS IN PADANG SIDEMPUAN CITY

#### Oleh

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Article History:	Abstract: This research aims to find out about marketing
Received: 18-04-2024	channels, marketing margins and marketing efficiency of
Revised: 25-04-2024	purebred chicken eggs in the city of Padang Sidempuan. This
Accepted: 21-05-2024	research was carried out in September 2023. The analysis examined is the marketing channel which consists of marketing channel I (Producer $\rightarrow$ Collector $\rightarrow$ Retailer Consumer),
Keywords:	marketing channel II (Producer $\rightarrow$ Retailer $\rightarrow$ Consumer), and
Analysis, Marketing, And Chiken Egg, Margins, Marketing Efficiency	marketing channel III (Producer $\rightarrow$ Collector $\rightarrow$ Consumer). The sampling technique in this research used a stratified random sampling technique. Stratified random sampling is a sampling method, where a heterogeneous population is divided into completely separate layers and from each layer (strata) can be taken randomly. This technique is used when the population has elemnts that are not homogeneous and are proportionally stratified so that each stratum can be represented in the sample. The data collected is primary data through interviews and questionnaires. The data analysis used in this research is descriptive analysis, marketing margin analysis and marketing efficiency of purebred chicken eggs in the city of Padang Sidempuan.The marketing Channels for purebred chicken eggs in Padang Sidempuan City have sufficient efficiency values with marketing channel III being the best channel of the three marketing with efficiency value of 2,76% and farmer's share of 84,31%.

#### **INTRODUCTION**

Eggs are one of the livestock commodities that are widely consumed by the community, either directly or used as processed materials for certain products. Eggs are one of the livestock products that provide the largest contribution to the creation of nutrition for the community. Besides the relatively affordable price, eggs also have a high nutritional content, especially protein content, and high digestibility value by the body as well. Food products derived from animal protein are foods that are needed by the community in addition to staple foods. Since ancient times, people juxtaposed staple foods to increase nutritional value.

The purebred chicken egg business in Padang Sidempuan City has marketing prospects that are quite profitable in terms of the number of laying hen businesses in the city of Padang Sidempuan which is still small while the demand for eggs in Padang Sidempuan City is quite large. This condition is a very big opportunity for entrepreneurs to get big profits.

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Based on these previous descriptions, the author feels interested in discussing the pattern of marketing channels for purebred chicken eggs in Padang Sidempuan.

Production from animals, especially eggs is a source of protein that serves to educate, maintain body stamina, and keep red blood cells so that they do not break easily. This role cannot be replaced by vegetable protein sources. To meet the needs of protein from animals. To increase income for purebred chicken farmers, these farmers cultivate their livestock in large numbers of livestock. Efforts to obtain higher profits (income) can be realized by utilizing most of the livestock commodities developed, especially laying hen farming businesses (Ardhiana, et al, 2014). In the city of Padang Sidempuan, there are 6 purebred chicken egg farmers with a production of  $\pm$  9500 eggs, which farmers market with different marketing channels.

Marketing can be done directly and indirectly. Direct marketing can be done directly with consumers without going through intermediaries, but when eggs in large quantities result in hampered marketing Indirect marketing can be through agents, wholesalers, and retailers. The purpose of marketing channel activities run by a company is none other than to provide convenience for consumers so that they can easily meet their needs while providing job opportunities to someone who is petrified of marketing. Marketing channels for an item are channels used by producers to channel the good from producers to consumers. The selection of the right distribution channel will affect the flow of goods from producers to use because distribution channels influence all other marketing decisions. (Binta dan, Risdawati 2023).

In the marketing activities of purebred chicken eggs, by traders, the element of cost is a very important thing, because, without costs, distribution cannot be done properly, so the products to be sold cannot be distributed to consumers. Therefore, companies that have an advantage in market competition, will look for the ability within the company to market their products in markets that have great opportunities, namely potential buyers. Thus the company knows the characteristics of the market and market structure and strives to produce goods and services by the wants and needs of consumers.

#### **RESEARCH METHODS**

This research was conducted in the city of Padang Sidempuan. This research will be conducted from February to March 2024

## **Data Types and Sources**

This research uses two types of data, namely primary data and secondary data. Primary data is data obtained directly in the field by researchers as the object of writing. Primary data includes researchers directly to farmers and taking data from respondents about egg production, selling prices, and marketing. While secondary data is data obtained from reports or records of farmers that have been reported or recorded and data directly provided to researchers, also secondary data can be obtained through various sources such as books, general description data of research locations obtained from the region, general description of the laying hen business (Sugiyono, 2005).

# **Data Retrieval Techniques**

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The data collection technique used in this study was conducted by interviews with farmers and observation.

# **Data Analysis Methods**

To answer the problem in the problem statement, use: the following method:

- 1. Marketing Margin Analysis
  - Marketing Margin Analysis is the difference in prices received by farmers and with prices paid by consumers (Rasyaf, 2012). To calculate the marketing margin of chicken eggs use the following formula:

Mp = Hk - Hp

Information:

- 1. Mp = Marketing Margin (Rp)
- 2. Hk = Price at Consumer level (Rp)
- 3. HP = Price at Producer level (Rp)Analisis *faemer's share* Analysis of the price share received by farmers is the proportion of the price received by laying hen farmers to the costs paid by the final consumer (Fanani, 2000).

 $Spf = Pf \times 100\%$ Pr

Information:

Spf = price share at farmer level (%)

Pf = Price at farmer level (Rp/Rak)

Pr = Price at Consumer level (Rp/Rak)

4. Using Marketing Efficiency

Marketing efficiency is the ratio between marketing costs and product value. Efficient marketing efficiency if marketing costs are lower than the value of the product being marketed. The lower the marketing cost of the value of a product being marketed, the more efficient it is to do marketing (Soekartawi, 2002).

For the decision to determine efficiency, the formula used is:

$$Ep = \frac{TB}{NP} \ge 100\%$$

Information:

Ep = Marketing Efficiency (Rp)

TB = Total Marketing Cost (Rp)

NP = Production Value (Rp)

Decision-making criteria:

Ep = 0 - 33% = efficiency

Ep = 34 - 67% = less efficient

Ep = 68 - 100% =inefficient

# **RESULTS AND DISCUSSION**

#### Marketing Channels

The main role of the marketing channel is to turn potential buyers into profitable customers who not only serve the market but also shape the market. The choice of channel depends on the company's marketing strategy by paying attention to the segmentation of target determinants and marketing physique (Kottler, et al., 2012).

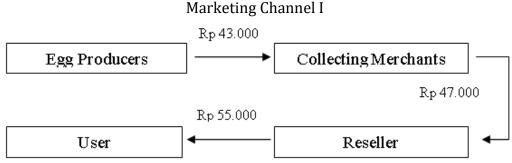
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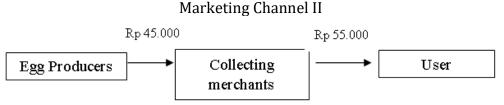


A distribution channel or marketing channel is a business structure consisting of interrelated organizations starting from the place where the product was originally made to the last seller to transfer the product and ownership to the last user, namely personal consumers or business users (Bowersox and Cooper, 1992).

A distribution channel is a set of organizational participants who perform all the functions needed to deliver a product/service from a seller to a final buyer (Tjiptono, 2014). The marketing channel of purebred chicken eggs in the city of Padang Sidempuan can be seen in the following picture:



Marketing channel I am that farmers or chicken egg producers sell eggs to collectors for IDR 43,000 / egg rack, then collectors market the eggs to retailers at a sales price of IDR 47,000 / egg rack, then retailers market the eggs directly to end consumers for IDR 55,000 / egg rack.



Marketing channel II, namely breeders or producers of purebred chicken eggs that sell eggs directly to retail traders for IDR 45,000 / egg rack, then retail traders market the eggs directly to end consumers for IDR 55,000 / egg rack.

Marketing Channel III



Marketing channel III, farmers or chicken egg producers sell eggs to collecting traders (collectors) for Rp 43,000 / egg rack, then collecting traders market the eggs directly to the end consumer for Rp 51,000 / egg rack.

## **Marketing Margins**

Distribution margin (marketing) can be defined as the price paid by consumers to the distribution sector or the price for services provided during the distribution process, which is the sum of the costs incurred during the distribution process and the profits obtained by



distribution participants (Kim and Sounghun, 2015). The Marketing Margin is the difference between the price paid by the end consumer and the price received by producer farmers (Sudiyono, 2014).

Margin can be defined in two ways, namely: first, marketing margin is the difference between the price paid by consumers and the price received by farmers. Second, the margin is the cost of marketing services required as a result of the demand and supply of marketing services. The marketing margin group consists of the costs required by marketing agencies to perform marketing functions called marketing costs or functional costs and profits (Profit) of marketing agencies (Reny, 2017).

There are two ways to define marketing margins. First, the marketing margin is the difference between the price paid by consumers and the price received by farmers. Second, the marketing margin is required as a result of the demand and supply of marketing services. Table 3. Marketing margin of purebred chicken eggs in the city of Padang Sidempuan.

Marketing Agency	Marketing channels	Purchase Price (Rp/Rak)	Selling Price (Rp/Rak)	Margin (Rp)
I	Manufacturer		43.000	12.000
	Collector Trader	43.000	47.000	
	Reseller	47.000	55.000	
	User	55.000		
	Manufacturer		45.000	
II	Reseller	45.000	55.000	10.000
	User	55.000		
III	Manufacturer		43.000	
	Reseller	43.000	51.000	8.000
	User	51.000		

Based on table 3, shows that in the marketing of chicken eggs in marketing channel I the producer's margin to the final consumer is IDR 12,000 / egg rack, the margin is obtained from the price of egg producers to collecting traders of IDR 43,000 / egg rack, while the selling price of chicken eggs from retailers to final consumers is IDR 55,000 / egg rack. In marketing channel II, the marketing margin at the merchant level of the end consumer retailer is IDR 10,000/egg rack. The margin is obtained from the purchase price of retailers of IDR 45,000 / egg rack from producers, while the price of egg sales by retailers to end consumers is IDR 55,000 / egg rack. In Marketing Channel III, the marketing margin at the price of egg sales by retailers to end consumers level is Rp 8,000 / egg rack. The margin is obtained from the purchase price of retailers of IDR 43,000 / egg rack from producers, while the price of egg sales by retailer to end consumer level is Rp 8,000 / egg rack. The margin is obtained from the purchase price of retailers of IDR 43,000 / egg rack from producers, while the price of egg sales by retailer to end consumer level is Rp 8,000 / egg rack. The margin is obtained from the purchase price of retailers of IDR 43,000 / egg rack from producers, while the price of egg sales by retailers to end consumers is IDR 51,000 / egg rack from producers, while the price of egg sales by retailers to end consumers is IDR 51,000 / egg rack from producers, while the price of egg sales by retailers to end consumers is IDR 51,000 / egg rack.

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#### Marketing Efficiency

According to Mubyarto (1989), all economic activities, including marketing, also require the efficiency of the marketing system to be considered efficient if it meets two conditions, namely: a. Able to deliver the results of producer farmers to consumers at the lowest possible cost. Able to make a fair distribution of the overall price paid by the end consumer to all parties who have participated in the production and marketing activities of the commodity

Marketing efficiency is the negotiation between the resources used and the output produced during the marketing process. Marketing efficiency is the activity of delivering agricultural products from producers to consumers. The product will go through marketing channels that can differ in length and short. Customer efficiency can occur if the system can provide satisfaction to the parties involved, namely: producers, marketing institutions (marketing intermediaries), and end consumers. To achieve efficiency, marketing arrangements are needed by applying the principle of efficiency so that farmer Share's farmers until the last institution can get profits by the price level explained by consumers (Koestiono & Agil, 2010).

The marketing efficiency of a commodity can be examined by quantitative and qualitative analysis. Qualitative analysis is used to analyze marketing institutions, channels, and functions. The quantitative analysis aims to analyze marketing margin, margin distribution, and farmer share in each marketing channel. Efficiency is obtained based on price efficiency and operational efficiency (Mushofa, 2007).

By looking at the integration of the market both vertically and horizontally by looking at marketing efficiency, there is a fair distribution and the ratio of added value achieved to the costs incurred in the production activities of each actor. Marketing of chicken eggs involves a marketing agency consisting of collecting merchants and retailers. Marketing efficiency in each marketing channel in the marketing of purebred chicken eggs in the city of Padang Sidempuan is listed in the following table.

Marketing channel I, at the collecting merchant level, is the first marketing channel to receive chicken eggs from producers by buying the eggs directly from laying hen farmers so that marketing costs are burdened to collecting traders. Based on the results of the analysis, data on the level of marketing efficiency at collecting merchant marketing institutions was 3.65%, which means that collecting traders are efficient in marketing eggs to retailers. Furthermore, in the marketing channel II chicken eggs at the retailer level, the retailer makes purchases directly to the manufacturer, so that marketing costs are burdened to the retailer. Based on the results of the analysis, data was obtained that the level of marketing efficiency at retailers was 4.63%, meaning that retailers were efficient in selling eggs to end consumers. Then in marketing channel III chicken eggs at the merchant level, collectors also make purchases directly from producers but sell directly to end consumers at adjusted prices.

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ISSN 2798-3471 (Cetak) ISSN 2798-3641 (Online)



Cable 4. Marketing efficiency of purebred chicken eggs in Padang Sidempuan.					
Marketing Channels	Marketing Institute	Marketing Fee (Rp/Rak)	Total Cost (Rp/Rak)	Efficiency (%)	
I	Manufacturer		2012,19	3,65852727 3	
	Transportation	877			
	Straps, Carton Racks	535			
	Collector merchant				
	Reseller				
	Transportation	600			
	User				
	Manufacturer		2550	4,63636363 6	
	Straps, Carton Racks	550			
II	Reseller				
	Transportation	2.000			
	User				
	Manufacturer		-	2,76862745 1	
III	Transportation	877			
	Straps, Plastic, etc.	535	1412		
	Collector Trader				
	User				

Based on the results of the analysis, efficiency data was obtained of 2.76%, which means that in marketing channel III, collectors are efficient in selling eggs to consumers. From the data above, it is known that channel III is the best efficiency value. The efficiency value of channel III is higher than the efficiency value in the previous study (Nasrul, 2022), with an efficiency value of 1.17%.

#### **Farmer Share**

*Farmer's share* is one indicator that can be used to see the efficiency of marketing activities, by comparing the share received by farmers (farmer's share) against the price paid by the end consumer. The share received by marketing agencies is often expressed in percentage terms (Limbong and Sitorus, 1987).

Decision rules according to Downey and Erickson (1992):

> 40% = efficient

< 40% = inefficient

Farmer's share is one of the operational efficiency indicators that shows the share that farmers receive from marketing activities. The amount of farmer's share value does not

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necessarily indicate that the marketing channel is efficient. Marketing margins are based on the functions of marketing channels which have implications for the costs and profits obtained at each marketing agency involved. The following is the value of the farmer's share in the marketing of purebred chicken eggs in the city of Padang Sidempuan.

Saluran Pemasaran	Harga Tingkat Peternak (RpRak)	Harga Tingkat Konsumen (Rp/Rak)	Farmer's Share(%)
I	43.000	55.000	78,181818
II	45.000	55.000	81,818182
III	43.000	51.000	84,313725

Tabel 5. *Farmer's share* pemasaran telur ayam ras di kota Padang Sidempuan.

Based on Table 5, it can be seen that the value of farmer's share in all marketing channels is  $\geq$  40%, where marketing channel I with a farmer's share value of 78.18% which is the lowest value, in marketing channel II with a farmer's share value of 81.81%, and in marketing channel III with a farmer's share value of 84.31%. The value of the farmer's share is higher than in the previous study (Nasrul, 2022) with a farmer share value of 78.18%.

#### **CONCLUSION**

In this study, the marketing channel of purebred chicken eggs in the city of Padang Sidempuan has sufficient efficiency value, with decision-making criteria namely Ep = 0 - 33%= efficiency, Ep = 34 - 67% = less efficient, and Ep = 68 - 100% = inefficient. Then the value of the farmer's share with Ep > 40% = efficient and Ep < 40% = inefficient. It was concluded that marketing channel III is the best channel of the three marketing channels with an efficiency value of 2.76% and a farmer's share of 84.31%.

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Journal of Innovation Research and Knowledge ISSN 2798-3471 (Cetak) ISSN 2798-3641 (Online)