



Strategy for Development of Ground Coffee Business Production in Kaongkeongkea Village, Pasarwajo District, Buton Regency (Case Study Anes Coffee)

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ABSTRACT

This research aims to find out the best strategy for developing a ground coffee business in Kaongkeongkea Village, Pasarwajo District, Buton Regency. This research was carried out from June to July 2022. This research involved 3 respondents, 1 business leader and 2 production employees. Research data was obtained from interviews, filling out questionnaires and observations. The method used is SWOT analysis. From the results of research conducted regarding the Strategy for developing Ground Coffee Production, the most appropriate strategy that can be used in Ground Coffee Development is an Aggressive Strategy by utilizing S-O: Improving the quality of ground coffee products by optimizing the use of facilities and infrastructure in the production process. Meanwhile, the supporting strategy that can be utilized is the W-O strategy: Making more use of infrastructure in the production process in order to increase the amount of production. S-T Strategy: Create innovative ground coffee product variants and collaborate with products from other regions. W-T Strategy: Looking for investors to collaborate in processing the production of ground coffee business.

Keywords: Strategy, Business Development, Ground Coffee

1. Introduction

It turns out that Indonesia's superiority in coffee production has not been matched by its processing industry. As much as 80 percent of the coffee exported is coffee beans, only 20 percent of which is processed into ground coffee, instant coffee and mixed coffee. Many factors influence the development of industry in Indonesia, including the lack of good quality control, especially of coffee beans produced by smallholder plantations which are contributors to national coffee production. Apart from that, other factors such as technical factors, inadequate infrastructure, regulations, socio-economic conditions, and technological limitations are also thought to be obstacles in developing the coffee processing industry. Pramudya, (2021).

Table 1. Number of production and land area for Southeast Sulawesi Coffee in 2019-2021

No	Year	Land area (Ha)	Productivity (Ton)	Average Productivity (Kg/Ha)
1	2019	9.180	2.667	415
2	2020	9.173	2.804	440
3	2021	9.168	2.854	449
Amount		27521	8.325	1.304

Source: Directorate General of Plantations, Ministry of Agriculture, Republic of Indonesia. 2021

The data results show that the number of coffee in Southeast Sulawesi is 1,304. The plantation potential in Buton Regency currently has 12 types of

plantation crops being developed and are superior commodities in the regional plantation sector, including sugar palm or enau, tamarind, cloves, cashew, cocoa, kapok, hybrid coconut, candlenut, pepper, nutmeg and coffee. The coffee commodity is one of the priorities that regional governments are pursuing through an active role in agricultural extension. Another factor that is very influential is starting to increase demand for coffee in the domestic and global markets. This started to encourage coffee farmers to pay attention to their abandoned plants. Of several sub-districts, one of which is naturally a coffee producing area. Below summarizes the results of coffee production in several Buton Districts for 2020-2021.

Table 2. Land area and amount of coffee production by sub-district level in Buton Regency 2020-2021

No	Subdistrict	Land area (Ha)		Production (Ton)	
		2020-2021		2020-2021	
1	Lasalimu	119	81	18,55	14,00
2	Lasalimu Selatan	395	343	28,62	36,04
3	Siotapina	84	73	17,50	7,63
4	Pasarwajo	255	252	70,00	178,50
5	Wulowa	24	28	15,75	16,28
6	Kapuntori	96	82	17,00	13,78
Amount		973	859	167,42	266,23

The largest coffee producing areas in Buton Regency based on Table 2 are in three sub-districts, namely Pasarwajo Sub-district with 178.50 tonnes, then Lasalimu Selatan Sub-district with 32.04 tonnes and Wolowa Sub-district with 16.28 tonnes. Pasarwajo District is the capital of Buton Regency and is one of the better known coffee producers in Kaongkeongkea Village because it has a distinctive aroma and taste that is different from other coffee, and is also the gateway to Buton Regency which borders directly with Bau-Bau City.

Kaongkeongkea ground coffee is original ground coffee produced by Anes Coffee which is located in Kaongkeongkea Village, Pasarwajo District, Buton Regency, Southeast Sulawesi. A ground coffee product that is produced and then packaged in Aluminium Foil packaging and maintains the purity and authenticity of Kaongkeongkea ground coffee. Even though the processing method is traditional, it has been processed for a long time and is a source of family income. Anes Coffee Kaongkeongkea which offers original ground coffee in packages with different sizes and prices. The smallest size is 200 grams for 20,000 rupiah, the medium size is 250 grams for 25,000 rupiah and the largest size is 500 grams or 1/2 Kilo for only 50,000 rupiah.

Table 3. Annual Production Data for Anes Coffee Kaongkeongkea Ground Coffee for 2019-2021

Year	Amount
2019	420 kg
2020	320 kg
2021	612 kg
Amount	1.352 kg

Source: Anes Coffee Kaongkeongkea 2021

Based on Table 3 above, it shows that Anes Coffee ground coffee production in 2019 produced 420 kg, whereas in 2020 it only reached 320 kg and in 2021 Anes Coffee Kaongkeongkea ground coffee experienced an increase in production of 612 kg. This shows a decrease in ground coffee production in 2020.

Based on several problems in the production process of the Kaongkeongkea ground coffee business, as an indicator that hinders the development of the production business, research needs to be carried out to study and formulate the best strategy, namely determining the internal and external factors of the Kaongkeongkea ground coffee business. Internal problems are seen from strengths and weaknesses while external factors are seen from Opportunities and Threats of Kaongkeongkea ground coffee. The development of agro-industry can create opportunities for the creation of business opportunities for business owners and will influence the level of quality of life and can encourage economic growth in the community.

2. Methods

The type of data used in this research is divided into two, namely qualitative data and quantitative data. 1) Qualitative research method is a method based on the philosophy of postpositivism, used to research the conditions of natural objects, (as opposed to experiments) where the researcher is the key instrument, sampling of data sources is carried out proportionally and snowballing, the collection technique is triangulation (combination), data analysis is inductive/qualitative, and qualitative research results emphasize meaning rather than generalizations, 2) The quantitative data in this research is data from questionnaire research in the form of respondents' research scale scores regarding the strategy for developing the Anes Coffee ground coffee business in Kaongkeongkea Village. Census data is a method of collecting data when all elements of the population are investigated one by one. The sample in this study was the entire population of 3 people.

The data collection technique in this research is as follows: 1) Observation is a data collection technique, researchers observe the amount of production, increased work productivity, and workforce development of ground coffee business activities in Kaongkeongkea Village; 2) Interview method, the researcher conducted a direct interview with the owner of the ground coffee business Anes Coffee Kaongkeongkea. The data obtained from the results of the interview were the price of coffee, number of workers, and ground coffee production activities or whatever were the obstacles faced in developing the Anes Coffee ground coffee business Kaongkeongkea; 3) Questionnaire Method, In this case the researcher provides a format in the form of questions about the ground coffee production process; 4) Documentation Method, researchers record the research process carried out in personal notes, diaries, photographs, and others. So the information obtained is expected to be well documented.

Strategy formulation in efforts to develop the ground coffee business in Kaongkeongkea Village, Pasarwajo District, Buton Regency was carried out using SWOT analysis. The strategy formulation is carried out from the results of data identifying internal and external factors which are depicted in the SWOT matrix. The SWOT matrix clearly describes the strengths and weaknesses as well as the opportunities and threats that exist in the development of the ground coffee business. So that it can produce an effective strategic arrangement in increasing strengths and opportunities and reducing existing weaknesses and threats.

3. Findings and Discussions

3.1. Analysis of Internal Environmental Factors

Analysis of the internal environment obtained during the research and discussed with key informants resulted in factors that are strengths and weaknesses in the production of the Anes Coffee ground coffee business, namely: 1) Strengths, namely a) sufficient production, availability of coffee production, b)

quality The coffee available, c) Has a distinctive ground coffee taste, d) Already has a business license and BPOM certificate. 2) Weaknesses are a) Lack of labor, b) Tools and technology are still simple, c) Libelization of product packaging is not yet complete, d) Production quantities are still small.

The level of strengths and weaknesses in the development of the Anes Coffee Ground Coffee Production Business can be determined by weighting and rating the elements of strength and weakness factors as an assessment of the level of influence on business development.

Table 4. Results of Internal Factor Analysis

Internal Factor Analysis			
Strenghts	Weight	Ratings	Score
1. Sufficient production availability	0.73	3.67	2.69
2. Quality of coffee available	0.67	3.33	2.22
3. Has a distinctive taste of ground coffee	0.60	3.00	1.80
4. Already have a business license and BPOM certificate	0.53	2.67	1.42
Sub-Total	2.53		8.13
Weakness	Weight	Ratings	Score
1. Lack of labor	-0,53	-2.67	-1.42
2. Tools and technology are still simple	-0.40	-2.00	-0.80
3. Libelization of product packaging is not complete	-0.33	-1.67	-0.56
4. Production numbers are still small	0.17	-1.33	-0.23
Sub-Total	-1.09		2.55
Total Internal Factor Analysis	1.44		10.68

Based on the table above, the results of the internal factor analysis are the main strengths which are expected to minimize the weaknesses in developing the ground coffee business. Anes Coffee has a distinctive taste with a score of 2.22 with a weight of 0.67 and a rating of 3.67 followed by the quality of the coffee available with a score of 2.22 with a weight. 0.67 and a rating of 3.33. Another factor that is a strength is that it has a distinctive taste of ground coffee, has a score of 1.80 with a weight and a rating of 3.00, already has a business license and a BPOM certificate with a score of 1.52 with a weight of 0.53 and a rating of 2.67.

Weaknesses in developing the ground coffee production business are the lack of labor with a score of -1.42 with a weight of -0.53 and a rating of -2.67. Apart from that, the tools and technology are still simple, they have a score of -0.80 with a weight of -0.40 and a rating of -2.00. Apart from that, there is also the libelization of product packaging. incomplete, which has a score of -0.4 with a weight of 0.22 and a rating of -1.67, then the last weakness factor, namely the amount of production is still small, has a score of -0.2 with a weight of 0.17 and a rating of -1.33. Based on internal factor analysis, the Anes Coffee ground coffee business has a total score of 10.68.

3.2. External Environmental Analysis

Analysis of the external environment obtained during the research and discussed with key informants, the factors that become opportunities and threats in the production of the Anes Coffee ground coffee business, namely: 1) Opportunities are a) Ground Coffee Business is able to increase the income of coffee bean and Ground Coffee business actors, b) Domestic demand for Coffee beans is wide open, c) Job creation is created, d) Regional governments hold Ground Coffee exhibitions, and 2) Threats are: a) There is competition between local products and products from other regions, b) Market competition is getting bigger, c) Ground Coffee product innovation, d) Quality is influenced by weather climate.

Table 5. Results of External Factor Analysis

External Strategy Factors			
Opportunity	Weight	Ratings	Score
1. The ground coffee business can increase the income of coffee bean and ground coffee business actors.	0.79	3.67	2.90
2. Domestic demand for coffee beans is wide open	0.57	2.67	1.52
3. Creation of jobs	0.71	3.33	2.38
4. The local government holds a ground coffee exhibition	0.43	2.00	0.86
Sub-Total	2.50		7.64
Threats	Weight	Ratings	Score
1. There is competition for sales of local products with products from other regions.	-0.43	-2.00	0.86
2. Market competition is getting bigger	-0.43	-2.00	-0.86
3. Ground coffee product innovation	-0.36	-1.67	-0.60
4. Quality is influenced by climate and weather	-0.29	0.19	-0.05
Sub-Total	1.50		-2.26
Total Internal Factor Analysis	1.00		10.03

Based on the table above, the analysis of external factors shows that the factor that is a very good opportunity is the creation of jobs with a total score of 2.90 and a weight of 0.79 with a rating of 3.67. Furthermore, the ground coffee business is able to increase the income of coffee bean and ground coffee businesses with a total score of 1.52 and a weight of 0.57. with a rating of 2.67. Next, another factor that is an opportunity in developing the production of Anes Coffee's ground coffee business is that demand for coffee beans in the country is wide open with a total score of 2.38 and a weight of 0.71 with a rating of 3.33 and the last is that the regional government holds a ground coffee exhibition with a score of 0.86 with a weight. 0.43 and a rating of 2.00.

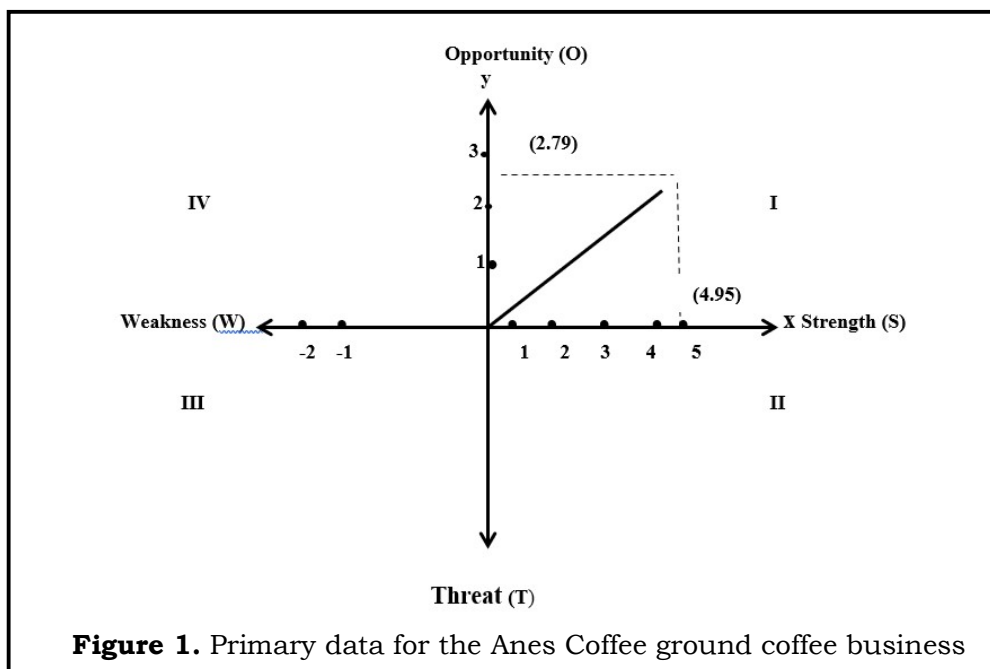
The threat factor that has a big influence on the production of Anes Coffee's ground coffee business is competition between sales of local products and products from other regions with a score of -0.86 with a weight of -0.43 and a rating of -2.00, then market competition is getting bigger with a score of -0.86 with a weight of -0.43 and a rating of -2.00 then Ground coffee product innovation has a score of -0.60 with a weight of -0.36 and a rating of -1.67. Another factor that is a threat is quality influenced by climate and weather which has a score of -0.05 with a weight of -0.19 and a rating of -0.29. Based on Anes Coffee's ground coffee business factor analysis. The results of the EFAS Matrix analysis obtained a total score of 10.03.

3.3. SWOT Analysis Cartesian Diagram

Based on the analysis of internal factors and external factors in the Anes Coffee ground coffee business, the total results of calculating the IFAS and EFAS matrix scores are as follows:

1. Total Strengths score = 8.13
2. Total Weaknesses score = 2.55
3. Total Opportunity score (Opportunities) = 7.64
4. Total Threats score = -2.26

So, the coordinates are located at (2.79;4.95)



Based on Figure 1 Cartesian Diagram SWOT Analysis of the Anes Coffee Ground Coffee Business, Quadrant I is a very profitable situation. The company has 1 opportunity and strength to take advantage of existing opportunities, the strategy applied in this situation is to support an aggressive growth policy (grow oriented strategy). Is at the coordinate point (2.79):(4.95) indicating a very favorable situation with opportunities and strengths so that it supports aggressive growth policies because it has several strengths. Supported by several opportunities, namely the ground coffee business is able to increase the income of coffee bean and ground coffee business actors, domestic demand for coffee beans is wide open, job opportunities are created, local governments hold ground coffee exhibitions. In the analysis of internal factors and external factors, the total results of calculating the IFAS and EFAS matrix scores are as follows: Total strength score = 8.13, Total weakness score = 2.55, Total opportunity score = 7.64, Total threat score = -2.26. So the appropriate strategy is in quadrant I, namely point (2.79; 4.95). This indicates a very profitable situation that has opportunities and strengths so that it supports aggressive growth policies and in the SWOT matrix implements the S-O strategy, namely improving the quality of ground coffee products by optimizing the use of facilities and infrastructure in production process, making variations in processing by utilizing good skills in processing ground coffee, making variations by utilizing good skills in processing ground coffee, with education and training in ground coffee you can increase business production.

This is in line with what was done by Ismaya et al, (2015). The Cinnamon Syrup Agriculture Industry in Kerinci Regency is in the first quadrant, namely Strength Opportunity. Strengths are equity capital, affordable capital, strategic location, experienced workforce, and raw materials to meet production capacity. This is supported by government policy and the existence of capital lending institutions. This is in line with previous research conducted by Purnamasari and Azizu (2021) with research entitled Marketing Strategy for Robusta Coffee in Rongi Village as an Effort to Promote Marine Tourism, Sampolawa District, South Buton Regency. Where the research results for the opportunity factor have a subtotal of 1.01 while the threat factor is 0.47, while the results in the IFAS Matrix table show

that the strengths are 1.20 while the weaknesses are 0.48. Based on these results, it can be concluded that the right strategy that can be applied in the ground coffee business is an aggressive strategy, so that the right strategy can be seen in business development.

Quadrant I has seven strategies: market development, market penetration, product development, backward integration, integration, horizontal, and concentric diversification (Liang and Chen, 2008). Product development is a strategy to improve or modify existing products to increase sales. Concentric diversification adds new products that are related to current products (David and Forest, 2016)

4. Conclusion

Research results on the Kaongkeongkea Ground Coffee Business Production Development Strategy, Pasarwajo District, Buton Regency. The best strategy for developing ground coffee business production is in quadrant I, which indicates a very profitable situation with opportunities and strengths so as to support aggressive growth policies and in the SWOT matrix implementing the S-O strategy, namely improving the quality of ground coffee products by optimizing the use of facilities and infrastructure in the production process, make innovations by utilizing good skills in managing ground coffee, with ground coffee education and training, business production can increase.

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