

Management Analysis the Relationship of Merchant Middlemen to Supplier and Customer Pepper in Merancang Ilir Village, East Borneo, Indonesia

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Abstract— The purpose of this study was to: Describe the status and role of middlemen in the trade and marketing of pepper, Describes the purchasing system is being run, describes how to set the price. Explaining SRM and CRM performed by middlemen in maintaining a relationship with supplier and customer. This research used qualitative that have descriptive explanation characteristic. The researcher used participant-observation interviews and photos as the tools of collecting data. The determination participants and key informant for this research used snowball sampling techniques, with one participant and four key informants. This research used qualitative data that have descriptive explanation characteristics, are analyzed descriptively. The results of this study indicate that: Status as a peppers collector in the pepper trading and marketing activities was the person who runs three roles at once, Purchasing system was done by the collectors by collecting and looking for pepper from farmers (suppliers) to be purchased in accordance with market prices, and payment usually by giving cash advance prior to the harvest or by paid upon trading activities are taking place, The system in pricing is applied and executed by an intermediary trader, namely the Mark-Up Pricing Method, amounting to IDR 2,000.00 /kg pepper from the price given to customers, The relationship management of supplier and customer who performed by collectors consist of: CRM activity (real relationship with customers and customer satisfaction), and SRM (commitment, communication, honestly, discussion, and sharing of information).

Keywords—Relationship Management, Merchant middlemen, Trading and Marketing

I. INTRODUCTION

The development of the agricultural sector cannot be separated from the presence of capital owners. They participate in agricultural market competition to find results from farmers to buy and sell again to gain profits. The dependence of farmers on the presence of intermediary agents, brokers or collectors is one proof that without them agricultural products may not be able to

decorate stalls, markets, retail outlets, shops or supermarkets and supermarkets, as a form of farmers' participation in the economic development of a country.

Particularly in the trade and marketing of agricultural products, the role of intermediary traders is needed by farmers, especially in rural areas, because of the distance traveled to reach the market, the limitations of transportation equipment, lack of market information, besides, limited capital and the desire of farmers to be able to get money quickly, making them finally must deal with intermediary traders. Status is the position of intermediary traders in the life of farmers, and the role carried out by intermediary traders in the marketing and trading activities of agricultural products.

Intermediary traders are looking for agricultural products from farmers in the village to buy and sell again for profit. Those who have sufficient capital have concurrently become moneylenders, namely people who provide capital loans to farmers. In general, farmers prefer to borrow capital from the owners of capital/moneylenders instead of borrowing capital from the banks that are channeled through farming credit programs through cooperatives in villages.

Brokers are generally in agricultural areas, especially in rural areas. The relationship between the farmer and the intermediary trader starts from the relationship between the trader and the buyer, then the relationship continues in a stronger direction and leads to relationships that are interrelated with each other (symbiosis of mutualism) and very difficult to separate because of mutual and beneficial relationships.

Management is science and art regulate the process of utilizing human resources and other sources effectively and efficiently to achieve a certain goal. In the meantime, relationship management is a special field. This field is important in maintaining and enhancing unrealized assets, the fact that this may be more difficult to do shows that there are more reasons to try harder to do it.

Pepper (*Piper nigrum L.*) gets the nickname "The King of Spice", this nickname describes how famous this spice is in the world. Pepper is one of the most important spices among other spices and is the oldest spice in the world

because of its distinctive use, this spice cannot be replaced with other spices.

One of the villages in East Kalimantan that developed pepper was the village of Merancang Ilir. The village, located in Gunung Tabur Subdistrict, Berau Regency, has been cultivating pepper since the 2000s and is a pepper producing area in East Kalimantan. Pepper is a superior commodity cultivated by farmers in Merancang Ilir village in addition to other crops such as rice, rubber, and others. Gunung Tabur subdistrict, the pepper plantation area in 2020 was around 70 ha with a production of 165.20 tons and the largest pepper production was in the village of Merancang Ilir.

From the background above, it can be concluded that the problem, in general, is the basic assumption of researchers in carrying out this research. The problems are problems regarding the status and role of intermediary traders in the field of trade and marketing of agricultural products, purchasing systems, pricing, and supplier and customer relationship management (Supplier Relationship Management) between brokers and suppliers and customer.

II. LITERATURE REVIEW

A. Intermediary traders

Intermediary traders are no strangers to the world of agriculture, especially for farmers in rural areas. Farmers consider them as heroes who are always ready to help him. Especially in activities Trading and marketing of agricultural products. According to Wirianto (2010), traders an intermediary is a person who makes a living as a trader collecting results agriculture by buying it directly to farmers and then selling it, both in the area itself and to be taken to other areas, in quantity a little or a lot. Meanwhile, the person who gives money is the person who has it large enough capital to provide loans to farmers for activities agriculture and urgent needs. At first, he was trader intermediaries are residents or from neighboring villages who own land, small farms or even no land at all, so to meet their living needs, they do alternative work as intermediary trader.

B. Supplier and Customer

The business world, an entrepreneur is not only obliged to establish relationships good relationships with customers, but also with suppliers. Success a company cannot be separated from suppliers. Suppliers provide raw materials and equipment for companies to produce goods for stored, processed, distributed and sold. For companies, suppliers provide goods for sale to retailers and customers. Companies in the service sector of course also require suppliers, for example, to supply equipment to help serve customers. In short, the supplier is a provider of company resources needs with quantity, quality and price appropriate so that the production, distribution and service processes can run fluently. Meanwhile, in business, customers are the most important. This matter is a fact that is true, but many people still do always forget or not realize it. All business fields will be the same just. Customers

must be prioritized, business goes up and down because of a service to customers, whatever and whatever the customer's circumstances, they must be respected and provided with the best and most satisfactory service they. According to Lupiyoadi (2001) defines a customer as an individual who continuously and repeatedly comes to the same place for satisfy a desire by having a product or getting something services and satisfying the product or service. The meaning of customer according to Dharmanesta and Handoko (1997) in Damanik (2012) are individuals who make purchases to meet personal or consumption needs household.

C. Status and Role of Intermediary Traders in Marketing And Agricultural Products Trading.

Status refers to position in the sense of the word as a place or position someone in a social group. Each role carries one status which reflects the general respect given by society according with the role played by a person. Meanwhile, intermediary traders is a person who makes a living as a trader collecting agricultural products by buying it directly to farmers and then selling it, either at the area itself or to be taken to other areas in small quantities or many (Witrianto, 2010), or people who work as buyers agricultural products from farmers (Sadikin and Sofwan, 2007). Marketing itself is an important subsystem of the agribusiness system. Marketing activities is a series of activities that occur in the flowing process goods and services from production centers to consumer centers to fulfill needs and provide satisfaction for consumers, as well as providing profits for producers, marketing activities concern the issue of flow products from producers to consumers (Assauri, 1990 in Damanik, 2012). Looking at the role played by an intermediary trader according to his position (status), requires an approach (approach). Approach can be interpreted as a way of looking at something problem from a certain point of view, so that the problem becomes clear and easy to complete. The approach used is an institutional approach that studies marketing from the perspective of institutions who are involved in the marketing process (Swastha, 1990 in Damanik, 2012) and approach from the function of the institution being observed, namely from the purchasing function (buying), and sales function (selling).

D. Customer Relationship Management

A true relationship between a business and its customers who are served. A customer decides to do business with a person certain business and not with other businesses and continues to do business with several ventures over the years. The long-term success of a business and increasing shareholder value is highly dependent on capabilities and effort to develop and maintain genuine relationships with its customers. Relationships are complex things that need to be managed carefully and always require expertise from the people involved. Draft Customer relationship management cannot be separated from a relationship perspective Marketing. Chaffey (2006), relationship marketing is the application of knowledge up-to-date information about individual

customers consistently for purposes designing products and services that are communicated interactively to develop mutually sustainable long-term relationships profitable. The main assumption of Customer Relationship Management is that it is the same with Relationship Marketing, namely building long-term relationships is the best way to create customer loyalty. Besides that, Loyal customers tend to be more profitable than disloyal customers. CRM or Customer Relationship Management which means Customer Relationship Management deals with creating mechanisms a relationship, including data acquisition, analysis, and process simplification business. Customer relationship management does have the ability to allows a business to understand customer purchasing behavior by better, or at least understand the other things that can be gained with that system, and to determine the type of communication that must be established by a business with customers.

E. *Supplier Relationship Management*

According to Handinata (2014), SRM or Supplier Relationship Management means Supplier Relationship Management. Suppliers are sometimes overlooked in measuring a business and its relationships, possibilities because supplier selection is too often considered to be at the operational level and not at the strategic level and is often based on what suppliers can do provide at the lowest price. But without a strong relationship complies Satria, (2013) with suppliers, a business may be in a situation that is very dangerous and undesirable. Suppliers are very important in enabling a business to fulfill commitments, communication, discussion, honesty and sharing their information with customers.

F. *An Overview of Pepper Plants*

The genus *Piper* was discovered by Linnaeus and has many species. Around 600 – 2,000 species of them are distributed in tropical areas. Of this amount, there are several species that have been cultivated (Rukmana, 2003). Pepper is a spice plant that has long been grown in Indonesia. This plant comes from the Indian Ghats-Malabar and is not found in its country of origin less than 600 types of varieties, meanwhile in Indonesia there are no less of 40 varieties. There are many pepper varieties developed in Indonesia including: Jambi, Lampung, Bulok Belantung, Muntok or Bangka. In nature itself, there may have been an evaluation of the enrichment of pepper germplasm as due to natural mutations that may arise in adaptation efforts self (acclimatization) to the environmental conditions of the planting area.

III. METHOD

A. *Research Location*

This research was conducted from October 2023 to December 2023. The place for the implementation of this research was carried out in Merancang Ilir Village, Gunung Tabur District, Berau Regency, East Borneo, Indonesia.

B. *Method of collecting data*

Data collection method of this research with qualitative data, using questionnaires, interview methods, observation methods, and documentary methods. This research was carried out by following the stages as follows:

1. Through participant observation or participatory observation. Through this method, it is expected to be able to collect the data needed, especially in describing the general picture of the object under study, as well to conduct further studies with interviews.
2. The interview stage to support the data obtained through observation and at the same time in the effort to deepen the material, then the next method used is open interviews. In addition, if deemed necessary, for example, because the data needed is still not obtained, then research can be done by interview methods that are in-depth (in-depth interviews). To strengthen the data obtained.
3. Take pictures and photos of observed subjects. Photos are expected to produce important descriptive data according to the subject being observed. There are two categories of photos that can be used in qualitative research, namely photos produced by people and photos produced by the researchers themselves.

Data collected in this study is primary data and secondary data. Primary data obtained from participant observation, interviews and documentation. While secondary data is obtained from books, research results, and the internet.

C. *Sampling Method*

The sampling method in this study used the technique of determining participants and key informants with a snowball sampling technique, which is a process of spreading samples such as snowballs which at first was small then rolling to enlarge. The participants in this study were Ms. Ntin who works as a pepper collector in Merancang Ilir Village. Key informants in this study, there were 4 people who were considered to know exactly the research problems, they consisted of: Mr. Alimudin as a collector and a business partner of the subject observed, Mr. Saharudin as a relative of the subject observed, Mr. Password a pepper farmer as a supplier from research subjects, and Mr. Latip as a wholesaler as a customer of the research subject.

D. *Variable definition and measurement*

Variable definitions and measurements include:

1. This research is an activity carried out by someone as a collector/middleman, here collectors are referred to as intermediary traders.
2. Suppliers are pepper farmers and customers who are pepper traders. Relationships that occur between intermediary traders and their suppliers and customers, so we can know the ways in which intermediary traders maintain relationships with suppliers and customers so that suppliers and customers do not move elsewhere.
3. The role that is applied or implemented in accordance with the status, which includes: in implementing and

establishing a system of buying and selling agricultural products in the form of pepper.

4. Status which is the position of intermediary traders in the life of the farmer and the role carried out by intermediary traders in the marketing and trading activities of agricultural products.
5. "Supplier and Customer Relationship Management" is the management of supplier and customer relationships run by intermediary traders, CRM which includes giving a good impression, using good conversation skills, letting customers experience something, provoking feedback, and closing interactions well in maintaining a relationship with business relations. SRM has social aspects in the daily lives of its business relations, so customers can remain loyal.

E. Data Analysis Method

This study uses qualitative data that is descriptive explanatory. In the plan for implementing this study, the data will be analyzed descriptively. So, the process of analyzing data according to:

1. It starts with examining all data obtained from participant observation, interviews, and photographs. After being read, studied, seen and studied, the next step is unit processing, which is compiling data into units.
2. The next step is data categorization, which is data that has become categorized units while making coding.
3. The final stage of analysis of this data is to hold a validity check of the data. In checking the validity of the data using triangulation techniques.

This can be achieved by comparing observational data with interviews and photos, comparing what people say in public with what is said personally, comparing what people say about the research situation with what they say all the time.

IV. RESULTS AND DISCUSSION

Status and role of intermediary traders in the field of trade and marketing of agricultural products. Ntin Sutirnah (NS) was born July 16, 1974, in Pandeglang District, Pandeglang Regency, Banten Province. He is an intermediary trader for agricultural commodities in the form of pepper in the area where he now lives, namely the village of Merancang Ilir, Gunung Tabur Subdistrict, Berau Regency. Figure 1 provides information about Profiles of businesses run by intermediary traders.

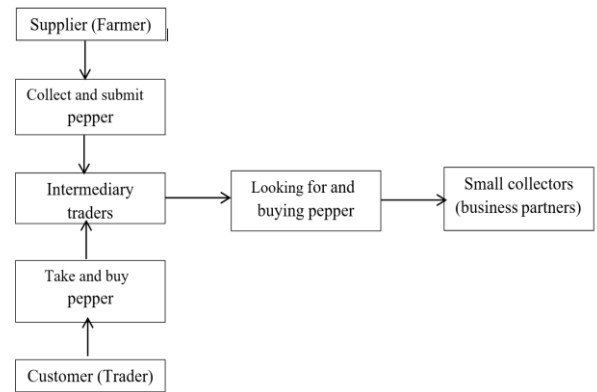


Figure 1. Profiles of businesses run by intermediary traders

A. Status and Role of Intermediary Traders in the Field of Trade and Pepper Marketing

The results of the observation explained that Ms. NS's status was as collectors (intermediary traders). Status can be interpreted as the position of someone in the community regardless of one's differences. Whereas the position is as a place or position of a person in a social group, in relation to other people in the group, or the place of a group in connection with other groups in the larger group. Each role carries a status that reflects the general appreciation given by the community in accordance with the role performed by someone. Table 1 provides information about Status and role of traders in trade and marketing of agricultural products.

Table 1. Status and role of traders in trade and marketing of agricultural products.

Status	Role	
	to Supplier	to Customer
Collectors	1. As a person who receives, collects, and seeks pepper from farmers. 2. As a person who helps farmers in overcoming pepper marketing problems.	1. As a person who markets and distributes pepper from producers to consumers.

The purchasing system that is implemented and carried out by intermediary traders (the method used in buying agricultural products). The statement from the key informant explained that the purchasing system and pricing system applied and implemented by intermediary traders is a system of buying and selling agricultural products in the form of pepper by collecting and looking for pepper, both from farmers and from other collectors in the village purchased according to market prices, but payments to other farmers and collectors are made after the merchandise is taken and then paid by the buyers. The

purchasing system is a function concerned with the transfer or possession of several goods intended production supplies or for the need to meet the needs (collection of sources). The method carried out and carried out by intermediary traders in determining the purchasing system by buying pepper from farmers according to market prices at that time. Pricing systems that are implemented and carried out by intermediary traders (ways to set prices). Determination of selling prices, based on the existing theory explains that intermediary traders run the Mark-Up Pricing Method, the method shown in the product purchased for resale without further processing (selling price = purchase price + mark-up). Mark-Up is the excess of the selling price of the product above the purchase price. The profit obtained by the intermediary trader from the mark-up is IDR 2,000.00 /kg of the price given to the buyer. For example, the purchase price from a farmer for 1 kg of pepper IDR 70,000.00 the selling price is, IDR 70,000.00 (IDR 70,000.00 + IDR 2,000.00 = IDR 72,000.00). Management of supplier and customer relations by intermediary traders. Customer Relationship Management (CRM) activities for Intermediary Traders.

The statement of the key informants explained that the intermediary trader had implemented "Customer Relationship Management" so that his customers did not move to other collectors, which consisted of:

1. A true relationship with customers

The attitude of brokers in treating and welcoming customers is very good. Customers who come are welcome and friendly, are welcome to enter first, be treated to drinks and food, and are invited to chat, which looks like their own family. Intermediary traders always provide information, for example about changes in pepper prices to traders as buyers, with the intention that buyers are not surprised and can prepare the money, because usually the buyers like everything that is informed first. Intermediary traders always try to order what the buyers always have, even though the buyers do not know that the broker's house is lacking in pepper supply and must look outside the village. This is done by intermediary traders simply to give the best to customers, so that customers remain loyal.

2. Customer satisfaction

Communication is done with customers, intermediary customers do not like to monopolize the conversation, trying to be a good listener, what the customer wants, thus incorporating the balance of giving and receiving. So, creating a "safe" environment for interaction is an important task for interviewees not to monopolize a conversation and by gaining and encouraging feedback by being a good listener.

Intermediary customers always allow customers to recheck the ordered pepper, and for example, pepper is not suitable can be exchanged for better pepper at that time. Intermediary customers always receive input/complaints from customers for the progress of their business, so that customers feel cared for and valued, so they can grow their loyalty. When closing meetings with customers, intermediary customers also do not forget to always say

"thank you" so that the small things have a deep meaning to create positive values in the eyes of customers.

Supplier Relationship Management (SRM) activities from Intermediary Traders. Based on the key informant's statement and discussion, it shows that the intermediary trader has implemented and carried out a "Supplier Relationship Management", which includes the following:

1. Commitment

Intermediary traders as pepper collectors always keep their promises, when there are farmers who ask for money, either prior notification or the farmer immediately comes to the collector's house.

2. Communication

The activity of bidding and buying pepper at the farmer, brokers always try to communicate first with the farmers as suppliers, this is so that farmers know and understand about the prices given by collectors.

3. Discussion

Brokers always give time, and the opportunity if when the farmer asks for money, there is someone who explains their reasons, for example, there is an urgent need, then they need money, etc.

4. Honesty

Intermediary traders always try to be honest when buying pepper from farmers. And invite farmers to check again elsewhere. This is so that the farmers feel satisfied and feel not being lied to.

5. Sharing information

Sharing information about pepper market prices with farmers is also done so that farmers can feel the openness of brokers, so they can create a positive impression, and in the end, can continue to foster the loyalty of suppliers.

V. CONCLUSION

Status as a middleman pepper in pepper trading and marketing activities is a person who carries out three roles at once: first is as a person who receives, collects, and seeks pepper from farmers. Secondly as people who participate in marketing and distributing pepper from producers to consumers. The third is as a person who helps farmers in overcoming the problem of marketing pepper. The purchasing system is carried out by collectors by collecting and searching for pepper from farmers (suppliers) to buy, according to market prices, and payments are usually paid before harvest or paid when buying and selling activities take place. The system in pricing is applied and executed by an intermediary trader, namely the Mark- Up Pricing Method, amounting to IDR 2,000.00 /kg pepper from the price given to customers. Supplier and customer relationship management carried out by collectors consists of: Customer Relationship Management activities (true relationships with customers and customer satisfaction), and Supplier Relationship Management (commitment, communication, honesty, discussion, and information sharing).

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