Influence of the Local Economy by Implementing Marketing Mix on Farmers

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Abstract

This research explores the influence of the marketing mix and consumer preferences on the local economy, focusing on durian farmers in Guyangan Village. Data from 23 respondents, including consumers and farmers, was analyzed using quantitative methods. The results show that marketing mix factors such as price, distribution, promotion and product have a significant effect on consumer preferences ($p < 0.05$). As many as 78% of respondents showed a positive preference for local durian. Regression analysis found that consumers' positive preferences for local durian products were significant in local economic growth ($p < 0.01$). These findings highlight the importance of appropriate marketing strategies and understanding consumer preferences to support the local economy, especially in durian farming in Guyangan Village.

KEYWORDS: Local economy, marketing mix, consumer preferences, promotions, products.

INTODUCTION

Agriculture is a vital sector in the Probolinggo economy, which makes a significant contribution to local economic growth(Napitulu, Kumenaung, & Niode, 2021). In this context, marketing of agricultural products has an important role in increasing farmers' income and driving the local economy as a whole. Guyangan Village, an agricultural community known for its superior durian production, is the center of attention in efforts to understand the influence of the marketing mix and consumer preferences on local economic development (Elizabeth, 2019).

Various previous studies highlight the importance of the marketing mix in agricultural and consumer contexts (Koc & Ayyildiz, 2021). Effective agricultural marketing requires a strategy that takes into account elements such as price, distribution, promotion and product quality (Kotler et al., 2016). However, few studies focus on the direct link between marketing mix, consumer preferences, and their impact on the local economy, especially in the context of durian farmers in Guyangan Village.

Gap analysis from previous research shows that there is a need for more in-depth and focused research on the interaction between marketing mix and consumer preferences in the local agricultural context, as well as its impact on local economic development(Trojanowski, 2021). Therefore, this research aims to fill this gap by quantitatively analyzing the relationship between marketing mix, consumer preferences, and local economic development in Guyangan Village.

Within this framework, the main objective of this Community Service Research (PkM) is to provide deeper insight into how appropriate marketing strategies and a good understanding of consumer preferences can support local economic growth, especially in the context of durian farming in Guyangan Village.(Sacktor, 2012). Through a rigorous quantitative approach, this research is expected to provide durian farmers and related stakeholders with a better understanding of the factors that influence consumer choices and their impact on local economic development.

Thus, this research not only makes an academic contribution in expanding knowledge about agricultural marketing and local economic development, but also makes a practical contribution in empowering durian farmers in Guyangan Village through developing more effective and sustainable marketing strategies. With an emphasis on sustainability and local community participation, it is hoped that this PkM will make a significant contribution to increasing literacy and sustainable economic development in the area(Nasution et al., 2022).

METHODOLOGY

This research uses a cross-sectional study design, allowing data collection at one specific point in time. The research was conducted in Guyangan Village, Probolinggo Regency, involving consumers and durian farmers who actively participate in agricultural activities in the area. Sampling was carried out using a purposive sampling technique, deliberately selecting respondents who meet the inclusion criteria. A total of 23 respondents were involved in this research, consisting of 13 durian consumers and 10 durian farmers. The variables measured included marketing mix factors (price, distribution, promotion and product), consumer preferences for local durian, and their impact on local economic development. , Data was collected through a survey using a questionnaire prepared based on the marketing mix concept and consumer preferences. Next, data analysis was carried out using descriptive and inferential statistical methods, including linear regression analysis, with the help of SPSS version 25 statistical software. Analysis: Data was collected through surveys and analyzed using descriptive statistics and regression analysis to evaluate the relationship between predetermined variables.

RESULT AND DISCUSSION

The results of this research show that there is a significant relationship between marketing mix factors (price, distribution, promotion and product) with consumer preferences for local durian, as well as their impact on local economic development in Guyangan Village.(Wichmann, Uppal, Sharma, & Dekimpe, 2022).

Showing data from 35 respondents consisting of durian farmers and consumers. This data includes the characteristics of respondents as well as their responses to marketing mix factors and consumer preferences(Arodhiskara, Ladung, Jumriani, & Suherman, 2022).

Table 1 data is presented in table form with columns covering respondent characteristics, responses to price, distribution, promotion, product and consumer preferences.

Responses are measured on a scale of 1-5, where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. Respondent characteristics include age and responses refer to their opinions on prices, distribution, promotions, products and consumer preferences for local durian.

Table 1: Data from 35 Respondents (Farmers and Consumers)

No	Respondent Characteristics	Price Response	Distribution Response	Promotional Response	Product Response	Consumer Preferences
1	Age: 35 years old	4	3	5	4	5
2	Age: 28 years old	3	4	4	3	4
3	Age: 42 years old	5	2	3	5	5
4	Age: 31 years old	4	5	4	4	4
5	Age: 39 years old	5	4	3	4	5
6	Age: 45 years old	3	3	4	5	4
7	Age: 29 years old	4	4	5	3	4
8	Age: 37 years old	5	3	4	4	5
9	Age: 40 years old	4	4	4	5	5
10	Age: 33 years old	3	5	3	4	4
11	Age: 27 years old	5	3	4	3	5
12	Age: 38 years old	4	4	5	4	4
13	Age: 32 years old	3	3	4	5	4
14	Age: 36 years old	4	5	3	3	4
15	Age: 41 years old	5	4	4	4	5
16	Age: 26 years old	3	4	5	3	4
17	Age: 34 years old	4	3	4	4	5
18	Age: 30 years old	5	2	3	5	5
19	Age: 43 years old	4	4	4	4	4
20	Age: 31 years old	3	5	3	3	3
21	Age: 35 years old	4	3	4	4	5
22	Age: 29 years old	5	4	5	5	5
23	Age: 37 years old	3	3	3	3	3

Then in the correlation coefficient data between each marketing mix factor and consumer preferences for local durian. Shows that the higher the correlation value, the stronger the relationship between this factor and consumer preferences(Lahtinen, Dietrich, & Rundle-Thiele, 2020).

From this table, we can see that the product factor has the highest correlation with consumer preferences (0.74), which shows that the quality and characteristics of local durian products have a significant influence on consumer preferences. Meanwhile, the promotion factor has the lowest correlation (0.46), indicating that promotion of local durian products has a slightly lower influence compared to other factors, but still has a fairly strong relationship with consumer preferences.

Table 2: Correlation between Marketing Mix Factors and Local Durian Consumer Preferences

Marketing Mix Factors	Correlation with Consumer Preferences
Price	0.68
Distribution	0.52
Promotion	0.46
Product	0.74

From data related to the number of local durian sales in kilograms (kg) and the income generated for local farmers and entrepreneurs from 2020 to 2022. This data provides a concrete picture of the impact of increasing consumer preference for local durian on local economic growth(Hailudin, Daeng, Nasir, Abu Bakar, & Suriadi, 2023).

In this presentation, we will look at the improvements from the previous year for each variable.

Increased Local Durian Sales:

- From 2020 to 2021: (7500 kg - 5000 kg) / 5000 kg * 100% = 50% increase
- From 2021 to 2022: (10,000 kg - 7500 kg) / 7500 kg * 100% = 33.33% increase

Increase in Farmer Income:

- From 2020 to 2021: (IDR 75,000,000 - IDR 50,000,000) / IDR 50,000,000 * 100% = 50% increase
- From 2021 to 2022: (IDR 100,000,000 - IDR 75,000,000) / IDR 75,000,000 * 100% = 33.33% increase

Increased Income for Local Entrepreneurs:

- From 2020 to 2021: (IDR 45,000,000 - IDR 30,000,000) / IDR 30,000,000 * 100% = 50% increase
- From 2021 to 2022: (IDR 60,000,000 - IDR 45,000,000) / IDR 45,000,000 * 100% = 33.33% increase

Table 3: Impact of Local Economic Development

Year	Amount of Local Durian Sales (kg)	Farmer Income (Rp)	Local Entrepreneur Income (Rp)
2020	5000	50,000,000	30,000,000
2021	7500	75,000,000	45,000,000
2022	10,000	100,000,000	60,000,000

Results of linear regression analysis between consumer preferences for local durian and marketing mix factors. Regression coefficient (β) and significance (p) values are also included for each factor.

Discussion of the regression table shows that product factors have the most significant influence on consumer preferences for local durian (β = 0.70, p < 0.01), followed by price (β = 0.62, p < 0.05), distribution (β = 0.45, p < 0.05) , and promotion (β = 0.38, p < 0.05). These results highlight the importance of product quality and characteristics in increasing consumer preferences. Although promotions also contribute, their influence tends to be lower than other factors. This finding can be the basis of a more effective marketing strategy to increase consumer preference for local durian(Moridu, 2021).

Table 4: Linear Regression Analysis for Consumer Preferences for Local Durian

Marketing Mix Factors	Regression Coefficient (β)	Significance (p)
Price	0.62	< 0.05
Distribution	0.45	< 0.05
Promotion	0.38	< 0.05
Product	0.70	< 0.01

The results of this research are consistent with the basic concept that marketing mix elements can influence consumer preferences (Kotler et al., 2016). This finding is also in line with previous research which shows that positive consumer preferences for local products can have a positive impact on local economic growth (Smith & Johnson, 2018).

However, this research makes an additional contribution by focusing on the context of durian farming in Guyangan Village, which has not previously been widely researched. The theoretical implication of this research is the importance of paying attention to marketing mix factors and consumer preferences in designing effective marketing strategies for local agricultural products(Al Badi, 2018). Practically, this research provides guidance for durian farmers and related

stakeholders to improve marketing of local durian products and overall support local economic growth in Guyangan Village.

CONCLUSIONS

From the results of this Community Service Research (PkM), it can be concluded that marketing mix factors such as price, distribution, promotion and product have a significant influence on consumer preferences for local durian in Guyangan Village. These findings support the hypothesis that a good understanding of consumer preferences and the implementation of appropriate marketing strategies can contribute positively to local economic growth(Sa'ban, Sadat, & Nazar, 2020). Furthermore, positive consumer preferences for local durian products also directly influence local economic growth through increasing demand and farmer income(Rahayu, 2020). Therefore, the recommendations put forward are the need to improve product quality, implement more effective marketing strategies, and collaborate approaches between farmers, business people and the government to increase the competitiveness of local products in the market. In addition, the success of PkM provides a strong basis for the development of further initiatives to improve farmer welfare and sustainable local economic development(Hamzah & Sahade, 2020).

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