



Temanggung Local Coffee Marketing Potential through Marketplace: Tokopedia, Bukalapak, Shopee. Which one is the best?

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Abstract

This paper compares the three largest marketplaces in Indonesia as a marketing platform for Temanggung coffee products. The three marketplaces are Tokopedia, Bukalapak, and Shopee. PPPUD Team of Universitas Muhammadiyah Magelang accompanied two partners, namely Palatiga Coffee SMEs and Garuda Coffee SMEs in product marketing through the marketplace. Tokopedia is one of the marketplaces that has a high user rating and has the complete features of the two other marketplaces. Also does Tokopedia also support Indonesian coffee by providing a special page of **Hot List Kopi Indonesia**. PPPUD team of Universitas Muhammadiyah Magelang is currently developing marketing through Tokopedia and does not rule out the possibility to expand the market by opening a shop in Bukalapak and Shopee

Keywords: Temanggung Coffee; Product Marketing; Marketplace;

1. Introduction

The economic development program in Temanggung District is directed at a fast growing/ strategic area. This implies that an area that has comparative advantages will be the target of development. The approach through the region is inseparable from the development of superior products in the region. At the beginning of the formation of the Forum for Economic Development and Employment Promotion (FEDEP) in Temanggung District, there were 4 SMEs clusters namely coffee clusters, clay, batik, and snacks. Then,

starting in 2011, coffee products were designated as one of the superior products in Temanggung District (Bappeda Temanggung, 2016).

The determination of coffee as a superior product is supported by the Temanggung coffee Geographic Indicator (IG) map released by the Temanggung Regency Government as presented in Figure 1. As follows (Bappeda Temanggung, 2011).

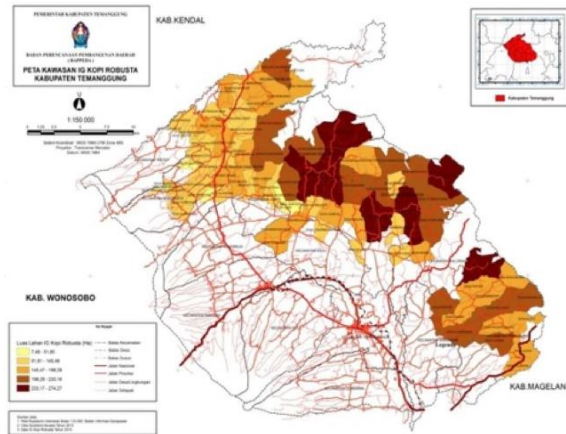


Figure 1. Geographical Indications (IG) and area of coffee plantations in Temanggung Regency

From Figure 1, the area, production, and the number of robusta coffee farmers in Temanggung district are presented in Table 1 as follows (Tri Risandwi, 2013).

Table 1. Area, production, and number of Robusta coffee farmers in Temanggung district

Districts	Area Size (ha)	Productivity (kg / ha)	Production (tons)	Number of Farmers
Parakan	3,13	334,7	0,81	16
Bulu	16,40	335,4	4,41	172
Temanggung	26,24	299,2	7,85	368
Tembarak	18,48	330,1	6,1	415
Kranggan	42,39	333,4	9,59	955
Pringsurat	1.076,05	336,3	260,2	5.813
Kaloran	400,22	338,6	133,45	1.839
Kandangan	1.333,25	299,6	277,3	5.250
Kedu	132	334,9	40,25	437
Ngadirejo	14,28	332,0	4,15	248
Jumo	606,43	343,8	205,3	2.402
Candiroto	1.620,6	327,1	529,65	8.283
Tretep	138	317,8	41,02	405
Kledung	1,10	318,2	0,35	16
Bansari	1,20	312,5	0,25	12
Tlogomulyo	8,00	327,3	1,8	32
Selomampang	22,00	351,7	7,35	293
Gemawang	1.005,76	336,5	490,25	5.363
Bejen	1.241,00	346,4	364,64	1.818
Wonobojo	555,49	340,6	159,5	2.085
Amount	9.262,02	331,8	2.544,22	36.222

Based on data from the District Plantation Office, the 2014 Robusta coffee price range at the farmer level is between IDR 22,000 - 25,000. Meanwhile, the price of kilogram powder coffee reached IDR 100,000 - 300,000. This is an economic potential of the coffee processing industry which is very promising. Until now, most coffee farmers in Temanggung sold coffee in the form of logs or rice to middlemen. Then, starting in 2010 a household-scale coffee industry emerged which was sold for packaging. Until 2017, the exact number of powdered coffee SMEs in Temanggung is unknown, but the number is estimated to reach more than 100 SMEs. Of the total amount, only around 10% process the production standards, take care of brand rights and have a good marketing pattern, the rest has not been appropriately patterned. This was due to limited knowledge about aspects of production and marketing as well as the lack of socialization provided by the relevant agencies in the Temanggung district.

For this reason, two partners, who have produced ground coffee for two years each, have been selected and needed science and technology diffusion especially in the field of marketing. From the results of the field survey and discussion with the Department of Industry, Trade, and Cooperatives, two partners were chosen, namely Garuda Coffee SMEs, located in Ngadirejo Temanggung and Palatiga Coffee SMEs, located in Temanggung Sub-district. The current condition of the marketing patterns of the two partner products can be seen in the following table:

Table 2. Marketing patterns of the two partner products

Marketing	Garuda SMEs	Palatiga SMEs
Market	Temanggung	Temanggung
Marketing Techniques	<ul style="list-style-type: none"> ▪ Self-retailed in a shop ▪ Selling Fees ▪ Reseller 	<ul style="list-style-type: none"> ▪ Self-retailed in a shop ▪ Selling Fees ▪ Reseller
Product selling price	IDR 12.000/ 100 grams of brewed coffee IDR 100 grams of coffee + ant sugar	IDR 125.000/kg (Robusta) IDR 200.000/kg (Arabica)
Consumer	Consumers from Temanggung and surroundings	Consumers from Temanggung and surroundings

In product marketing, the problems faced by the two partners are marketing techniques that still tend to be conventional, that is, by being retailed in their stalls or selling points. Such marketing techniques tend to have a tiny marketing scale, which is around the stage. This results in a lack of profit from both partners. Currently, the tools to market on a national scale are huge, and one example is through online sales. The market expansion of the two partners with online media is the best step and carried out by the team through the Regional Superior Product Development Program (PPPUD).

In Indonesia today, the concept of a marketplace has a different concept from the usual online shop concept. The marketplace is a location for buying and selling products where sellers and consumers also meet somewhere. Seller will sell the goods in the stall that has

been provided by e-commerce with the concept of the marketplace. Goods sold in the marketplace will then be advertised by e-commerce to get potential customers. The success of e-commerce with the concept of the marketplace is determined by a large number of sellers and consumers who join the e-commerce website. There are 3 (three) marketplaces that dominate e-commerce businesses in Indonesia, namely Tokopedia, Bukalapak, and Shopee. This article compares these three marketplaces as a marketing container for Temanggung coffee products.

1.1 Tokopedia

Tokopedia is one of the online malls in Indonesia that carries the business model of marketplace and online mall. The form of an online mall that brings sellers and buyers together and allows for the PPPUD team sees that the Tokopedia marketplace has the most complete features among the two other marketplaces as a comparison. However, for market expansion, it is very possible to open a partner shop in Bukalapak and Shopee, considering that opening the shop in both marketplaces is also the same - there is no charge. Local coffee has excellent marketing potential when marketed in online stores because coffee lovers in Indonesia tend to increase every year sale and purchase of online transactions safely and comfortably. Despite being very young, Tokopedia has been able to compete in the Indonesian marketplace regarding the number of members, active online stores, and number of products to the number of purchases and sales transactions every day. Besides having a different method from its competitors, Tokopedia can continue to advance in the competition of e-commerce business. Tokopedia does not have a company branch. Tokopedia only has its head office located in Jakarta but has various users (sellers) throughout Indonesia. Tokopedia sells all kinds of items from fashion, food, drinks, electronics and other items. Ease of buying and selling in Tokopedia is also obtained by the availability of Android-based applications available on Playstore and iOS-based available in the Appstore.

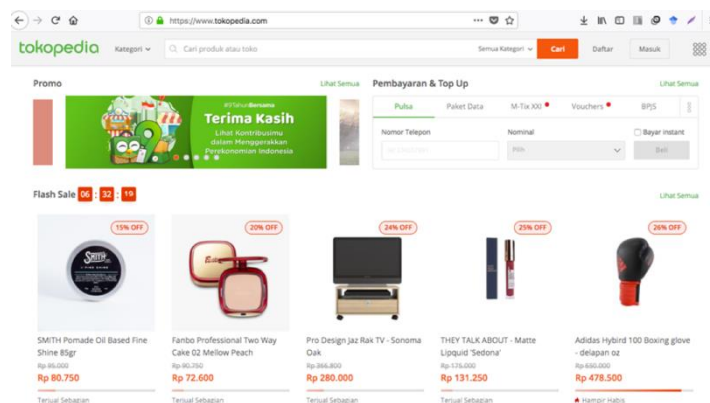


Figure 2. Tokopedia web display
Accessed on August 18, 2018

1.2 Bukalapak

Bukalapak is one of the leading online marketplaces in Indonesia (commonly known as online store networks) owned and run by PT. Bukalapak. Like the online buying and selling service site with the consumer to consumer (C2C) business model, Bukalapak provides a means of selling from consumers to consumers everywhere. Anyone can open an online

store then to serve potential buyers from all over Indonesia, either in units or large quantities. Individual users or companies can buy and sell products, both new and used, such as bicycles, cell phones, baby gear, devices (gadgets), accessories, computers, slates (tablets), household appliances, clothing, electronics, etc. Bukalapak was founded by Achmad Zaky in early 2010 as a digital agency division called Suitmedia based in Jakarta. However, Bukalapak was only a Limited Liability Company (PT) in September 2011 and managed by management led by Achmad Zaky as CEO (Chief Executive Office) and Nugroho Herucahyono as CTO (Chief Technology Officer) (Source: www.startupbisnis.com (accessed August 20, 2018)).

Bukalapak has a program to facilitate SMEs in Indonesia to make buying and selling transactions online. This is because transactions through online can make it easier for SMEs to sell their products without having to have an offline store. For those who already have offline stores, Bukalapak hopes that this site can help increase the sales of offline stores.

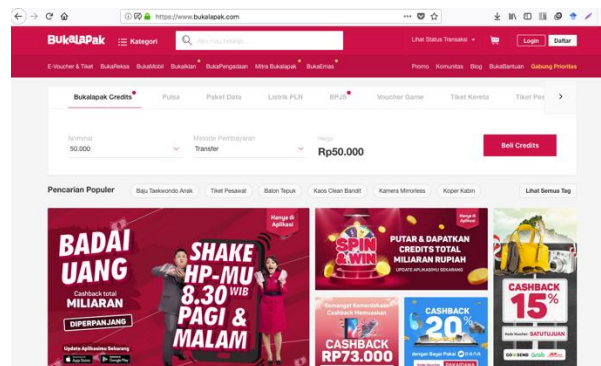


Figure 3. Bukalapak web display
Accessed on August 18, 2018

Just like Tokopedia, the convenience of shopping on Bukalapak is also due to the availability of the Bukalapak application on Play Store (Android) and Appstore (iOS).

1.3 Shopee

Shopee is an online Marketplace application for buying and selling on mobile easily and quickly. Shopee offers a variety of products ranging from fashion products to products for daily needs. Shopee comes in the form of a mobile application to make it easier for users to do online shopping without having to open a website through a computer device.

Shopee began to enter the Indonesian market at the end of May 2015, and Shopee began operations at the end of June 2015 in Indonesia. Shopee is a subsidiary of Garena based in Singapore. Shopee has been present in several countries in Southeast Asia such as Singapore, Malaysia, Vietnam, Thailand, the Philippines and Indonesia. Shopee Indonesia is located at Wisma 77 Tower 2, Jalan Letjen. S. Parman, Palmerah, Special Capital Region of Jakarta 11410, Indonesia. Shopee is present in Indonesia to bring a new shopping experience.

Shopee facilitates sellers to sell quickly and provide buyers with a secure payment process and integrated logistics arrangements. Target Shopee users are young people who

are currently accustomed to doing activities with the help of gadgets including shopping activities. For that Shopee comes in the form of a mobile application to support shopping activities that are easy and fast. Product categories offered by Shopee are more directed to fashion products and household appliances.

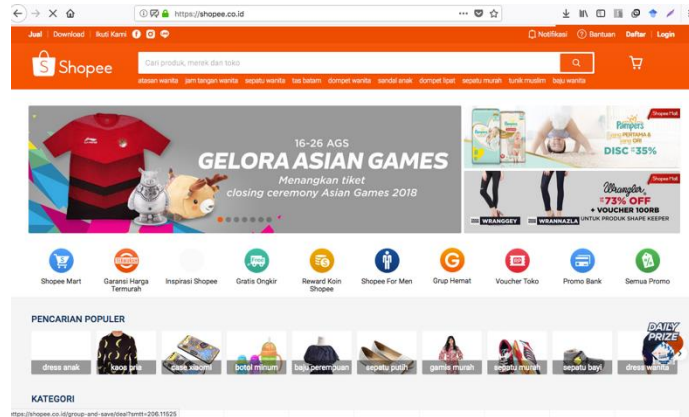


Figure 4. Shopee web display
Accessed on August 18, 2018

2. Feature Comparison

The methods used in problem solving include analytical methods. The methods used in the completion of the study are listed in this section.

This article compares the three features of the marketplace as a container for selling Temanggung Partners PPPUD Coffee. The following is a comparison table of the three marketplaces:

Table 3. Feature Comparison Between Tokopedia, Bukalapak and Shopee
Date Accessed from Playstore 20 August 2018

	Tokopedia	Bukalapak	Shopee
Platform	Android, iOS	Android, iOS	Android, iOS
Downloads in Playstore	10.000.000+	10.000.000+	10.000.000+
Cost of Opening Store	Free	Free	Free
Rating in Playstore	4,4	4,4	4,2
Number of Rating Givers	1.016.033	677.071	625.251
Product Discussion	√	√	-
Product Complaint Features	√	√	-
Chating Feature	√	√	√
Auto Payment Confirmation	√	√	√

Payment Receipt	√	√	√
Product Delivery Tracking	√	√	√

Looking at the comparison above, Tokopedia has the most complete features for a marketplace. Another exciting thing is that the number of rating providers is quite high, namely 1,016,033 users and the rating itself is quite high at 4.4 stars from a maximum of 5 stars. Then followed by Bukalapak and Shopee.

Temanggung coffee in the three marketplaces is included in the food and beverage category. Temanggung coffee has the potential to be marketed through the marketplace because the coffee is very familiar, especially for the people of Indonesia. The trend of increasing coffee consumption is also reflected in the online buying and selling channel. Coffee sales on the marketplace platform have nearly tripled. Of the previous around 40 thousand products in 2016 to nearly 120 thousand products in 2017 (VIVA, 2018). Coffee from the type of Arabica and Robusta coffee beans is still the most popular variant by the public in 2017. Not only that, many coffee connoisseurs are interested in concocting their coffee in the style of a cafe. This can be seen from the sales balance in Tokopedia, where there are three types of products that are the people's favorite, namely pour overhand grip, manual and electric grinders, and coffee filters (VIVA, 2018).

Especially for coffee connoisseurs, this identical green-color buying and selling platform also provides a special page in the form of Indonesian Coffee Hot List which makes it easier for users to get local coffee products with more than 4,000 vendors throughout Indonesia. The partners of the Temanggung coffee products accompanied by the Muhammadiyah Magelang University PPPUD team can be seen in the figure below:



Figure 5. Products of Palatiga Coffee and Laden Coffee

Currently, the PPPUD team has developed marketing through the Tokopedia marketplace and is in the stage of developing content. Development of partner product marketing can be seen in the following figure:

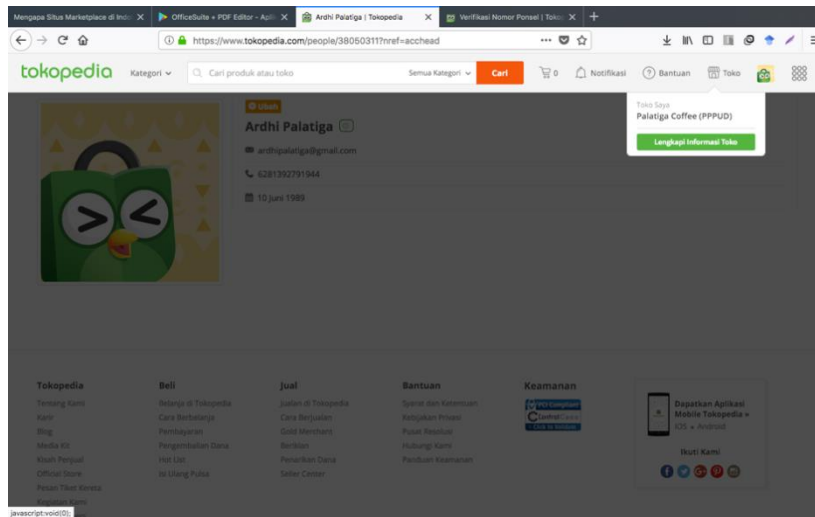


Figure 6. Marketing of Palatiga Coffee Products through Tokopedia

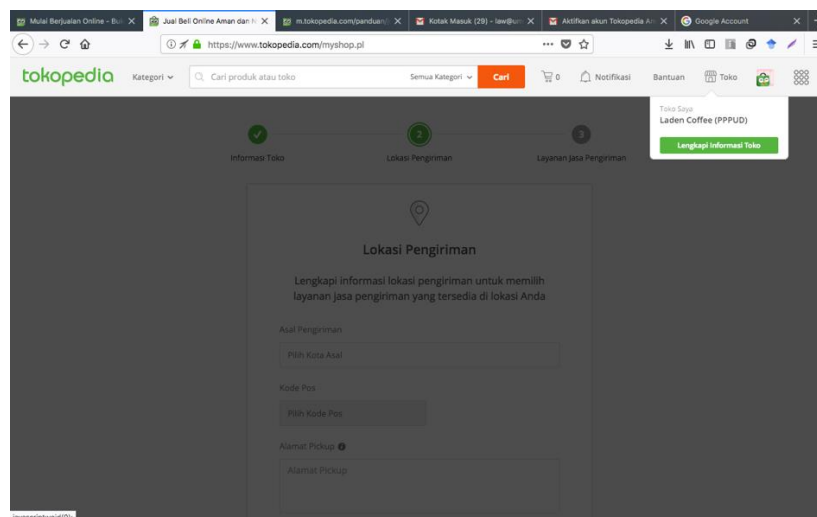


Figure 7. Marketing of Laden Coffee Products through Tokopedia

The PPPUD team sees that the Tokopedia marketplace has the most complete features among the two other marketplaces as a comparison. However, for market expansion, it is

very possible to open a partner shop in Bukalapak and Shopee, considering that opening the shop in both marketplaces is also the same - there is no charge. Local coffee has excellent marketing potential when marketed in online stores because coffee lovers in Indonesia tend to increase every year.

3. Conclusion

Based on the feature comparison above, it can be seen that Tokopedia has the most complete features accompanied by a high rating from users. Tokopedia also supports Indonesian Coffee by providing a special page for Indonesian Coffee Hot List on its application. Temanggung coffee has the potential to be marketed in all three marketplaces. Currently, the PPPUD Team has developed partner product marketing through Tokopedia and in the product content development stage. However, the PPPUD team will also expand the market by opening stores at Bukalapak and Shopee.

4. Acknowledgement

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