

STRATEGY FOR FRESH FRUIT AND VEGETABLE SUPPLIERS: A CASE STUDY OF BOTANI FRESH MART

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Abstract

Background: West Java's Gross Regional Domestic Product (GRDP) growth rate for the agricultural sector, including the horticulture subsector, exhibited positive values in 2021 and 2022, while several other sectors demonstrated negative growth. However, this trend does not align with the observed conditions at Botani Fresh Mart, namely a decline in sales when the sector's conditions improved.

Purpose: This study aimed to identify the factors influencing fresh vegetable and fruit suppliers and propose recommendations for a suitable business strategy based on this analysis.

Design/methodology/approach: This research demonstrates that multiple methodologies can be employed to formulate appropriate strategies for agricultural enterprises, including PESTEL analysis, Porter's Five Forces Model, Structure-Conduct-Performance Concept, Value Chain Analysis, VRIO Framework, IFE and EFE Matrix, IE Matrix, and Analytical Hierarchy Process-SWOT (A'WOT).

Findings/result: Internal factors that have a strong influence as strengths are the label inclusion and the ability to plan shipping quotas as weaknesses. The most vital external opportunity factors are (1) government support in opening market access for farmers, (2) increasing vegetable consumption in Indonesia, (3) good horticultural practice regulations, and (4) the number of farmers as potential suppliers. The most vital external threat factor is the conversion of agricultural land. Formulating alternative strategies produced 13 strategies with the priority strategy of increasing the number of partner farmers to ensure product supply.

Conclusion: Based on external and internal factors, formulating alternative strategies resulted in 13 strategies. Although the primary priority strategy that can be implemented based on these factors is to increase the number of partner farmers meeting specific criteria, thereby enabling the company to meet market demand, the implementation of other strategies is necessary to enhance the company's performance and support future business growth.

Originality/value (State of the art): While the market for fresh produce is growing, Botani Fresh Mart is experiencing a decline in sales. This research aims to develop a customized business strategy for Botani Fresh Mart's unique situation. The proposed approach takes into account both general and industry-specific external factors, as well as internal aspects identified through value chain analysis and the VRIO framework. This comprehensive method ensures that the resulting strategy not only addresses current market and industry trends but also aligns with Botani Fresh Mart's particular strengths and weaknesses.

Keywords: A'WOT, business strategy, external environment, fresh produce, internal environment

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INTRODUCTION

Indonesia supports the Sustainable Development Goals (SDGs), comprising 17 global objectives adopted by all UN member states in 2015. The nation aims to integrate these goals into its government programs. Food security, a critical aspect of the SDGs, remains unresolved, tied explicitly to SDG number two: “End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.” Food security in Indonesia, as defined by Law Number 18 of 2012, is the fulfillment of food needs from the state to individuals, characterized by sufficient quantity and quality, safety, diversity, nutrition, equitable distribution, affordability, and cultural compatibility, enabling a healthy, active, and productive life sustainably. Achieving this goal necessitates cross-sector collaboration, especially in agriculture, to boost food production.

The agricultural sector plays a vital role in its contribution to GDP and its relationship with other sectors of the economy, as different sectors increasingly rely on the agricultural industry to meet their production input needs (Kusuma et al., 2024; Azhari & Purnomo, 2022). The agricultural sector is a sector that drives income growth for the Indonesian people (Syofya & Rahayu, 2018). Most rural communities in Indonesia depend on the agricultural sector, including vegetables, as their primary income source for domestic and commercial purposes (Arsanti & Perkasa, 2023). In addition, the agricultural sector can provide a variety of food menus that significantly affect consumption and nutrition (Fetra et al., 2021). As one of the potential agricultural subsectors, Horticulture is encouraged to improve the welfare of farmers and the economy and plays a crucial role in improving public health. Among the diverse agricultural commodities, horticultural products, including fresh vegetables and fruits, present an excellent opportunity for development and growth (Lestiarini et al., 2023). However, Indonesians consumed 237.5 grams of vegetables and fruits per capita per day in 2022 (NFA, 2023), below the World Health Organization’s recommended 400 g/capita/day. These data indicate substantial potential for increasing consumer demand for fresh produce, highlighting the necessity of addressing this discrepancy and enhancing the role of horticulture in Indonesia.

The agricultural sector ranks as the third-largest contributor to the regional economy in West Java (BPS, 2023). West Java’s Gross Regional Domestic

Product (GRDP) growth rate for the agricultural sector, including the horticulture subsector, exhibited positive values in 2021 and 2022, while several other sectors demonstrated negative growth. However, this trend does not align with the observed conditions at Botani Fresh Mart. Botani Fresh Mart is a retail business unit selling various vegetables, fruits, and frozen products under the Sustainable Fund Management Agency, Business and Investment, IPB University. Based on the regulation of the Rector of IPB University, No. 05/I3/LL/2011, the Academic Business Unit is an IPB business activity as an application of the field of science and technology to serve the needs of the community outside the Institute, whose implementation is related to the competencies possessed (agriculture in the broad sense) and supports the implementation of IPB academic activities.

Botani Fresh Mart faced a decline in sales despite the overall increase in sector conditions, as illustrated in Figure 1. This indicates that Botani Fresh Mart requires formulating a business development strategy that is more aligned with internal and external conditions. Subsequently, Botani Fresh Mart can maximize its potential and increase its revenue. Consequently, this study encompasses an analysis of internal and external factors, the formulation of alternative strategies, and the determination of priority business development strategies.

Numerous prior studies concerning business development strategies, particularly in the horticulture sector, have been conducted utilizing various analyses to ascertain external and internal factors for the generation of EFE and IFE matrices (Waliyanti et al., 2022; Lubis et al., 2019; Manalu & Tarigan, 2018; Putri et al., 2018; Junior et al., 2017; Widyastuti, 2017). However, Literature with general and industry external factor approaches integrated with value chain analysis and VRIO to identify internal factors is still limited, especially for fresh vegetable and fruit suppliers. This study fills this gap by employing value chain analysis to identify internal factors and determine external macro and micro factors, thereby obtaining a comprehensive assessment.

The approach used in this study followed the analytical framework of strategy formulation by David and David (2017). The input stage would comprise an analysis of internal and external factors, followed by the formulation of alternative strategies at the matching stage. Subsequently, the decision stage would involve

the determination of priority strategies. Based on this description, the study aims to (1) analyze the internal and external factors influencing the development of Botani Fresh Mart business and (2) formulate alternative strategies and determine strategic priorities for the business's development.

METHODS

This research was carried out at fresh fruit and vegetable suppliers of Botani Fresh Mart. The research was conducted in February – May 2024. This study utilized primary and secondary data from interviews, questionnaires, internal company records, journals, books, and other pertinent sources.

Primary data collection used in this study was conducted using interviews and questionnaires. Respondents in this study were divided into internal and external respondents of the company. Respondents were expert respondents who have information and understand the fresh vegetable and fruit supplier business, so relevant data is obtained according to research needs. Respondents include Botani Fresh Mart managerial decision-makers, academics, and business actors. The questionnaire was distributed to Botani Fresh Mart partner farmers to obtain their characteristics.

The processing of information and data in this study is based on the conditions of Botani Fresh Mart. The purpose of data processing is to design a business development strategy for Botani Fresh Mart. The

stages in processing data were based on the analytical framework of strategy formulation, according to David and David (2017), which consists of the input, matching, and decision stages (Figure 2).

At the input stage, information was collected on the company's external and internal factors. External factors were analyzed utilizing PESTEL, Porter's five forces, the Structure-Conduct-Performance concept, and descriptive analysis of farmer partners, thereby generating the EFE Matrix. Internal factors were analyzed using Value Chain Analysis and VRIO Analysis thereby generating the IFE Matrix. VRIO analysis will test the criteria of valuable, rare, difficult to imitate, and organized. At the matching stage, a match was made between the opportunities and threats the company faces and its internal strengths and weaknesses. This stage was carried out using the SWOT and IE Matrix analysis tools. The SWOT analysis produced four strategic perspectives, namely Strength-Opportunities (SO), Weakness-Opportunities (WO), Strength-Weakness (ST), and Weakness-Threats (WT). At the decision stage, the selection of alternative strategies based on priorities for the company is carried out using the A'WOT analysis tool, a combination of SWOT and the Analytical Hierarchy Process (AHP). AHP was utilized in evaluating SWOT factors systematically. AHP was used to determine scores and weights for each level. The optimal strategy was selected based on external and internal factors identified in the SWOT analysis, which serves as the foundation for determining an alternative strategy.

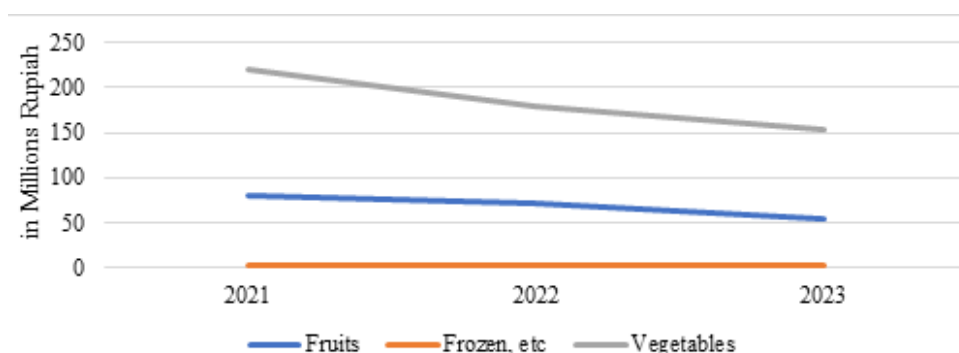


Figure 1. Botani Fresh Mart average sales 2021-2023 (*2021 only May – December)

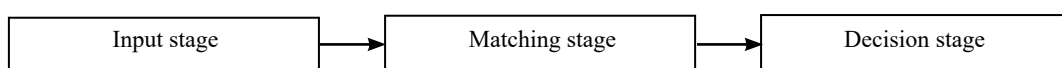


Figure 2. Analytical framework of strategy formulation (David and David, 2017)

The framework for this research is shown in Figure 3. Botani Fresh Mart faced problems that had an impact on hampering business development. Internal and external factors were analyzed to formulate alternative strategies based on Botani Fresh Mart's conditions. Furthermore, strategic priorities were determined to produce managerial implications for Botani Fresh Mart.

RESULTS

Internal Environment

At the input stage, internal factors could be identified through value chain analysis and the VRIO framework. Value chain analysis is used to identify a company's

resources and capabilities that can be a source of competitive advantage in each primary and support activity. Primary activities are activities that have an immediate effect on the production, maintenance, sales, and support of the products or services to be supplied. Meanwhile, supporting activities assist the primary activities and they form the basis of any organization. The value chain analysis is illustrated in Figure 4. Subsequently, based on this analysis, an assessment was conducted to categorize internal factors as strengths or weaknesses utilizing the VRIO framework, as presented in Table 1. If an internal factor constitutes a competitive disadvantage, it is considered a weakness. Conversely, Sustained Competitive Advantage and Temporary Competitive Advantage are categorized as strengths.

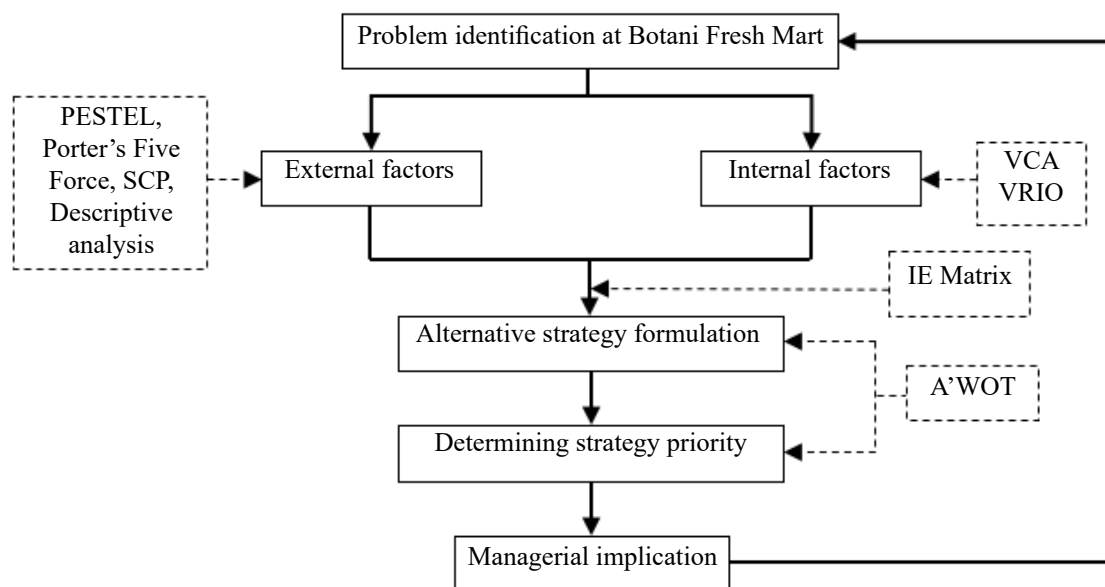


Figure 3. Research framework

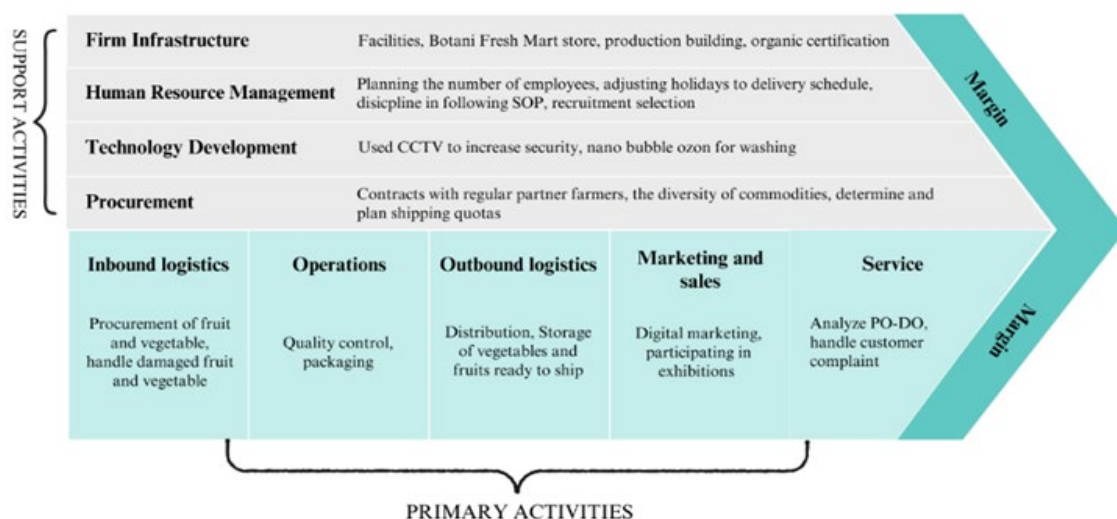


Figure 4. Value chain analysis of Botani Fresh Mart

Table 1. VRIO

Internal factors	V	R	I	O	Implications
Capacity of cold storage	√				Competitive Parity
Ability to reception vegetables and fruits	√				Competitive Parity
Ability to handle damaged vegetables and fruits	√				Competitive Parity
Washing tools equipped with nanobubble ozone	√	√			Temporary Competitive Advantage
Consistency quantity production	x				Competitive Disadvantage
Quality products	√	√			Temporary Competitive Advantage
Packaging based on customer request	√				Competitive Parity
Delivery of vegetables and fruits to consumers use a truck with a refrigerator to guard quality	√	√			Temporary Competitive Advantage
Inclusion of Botani Fresh Mart, IPB, and Certification labels Organic on packaging	√	√	√	√	Sustained Competitive Advantage
Planning the distribution of products to the customers in an effective way	√				Competitive Parity
Marketing products digitally using Google Ads, Instagram, and Facebook	√				Competitive Parity
Follow activity exhibition in frame promotion product	√				Competitive Parity
Determination price sold to customer	√				Competitive Parity
Ability to handle complaints from customer	x				Competitive Disadvantage
Ability PO-DO analysis	√				Competitive Parity
Use Zahir application in system recording accountancy	√	√			Temporary Competitive Advantage
Planning/adjustment amount employees who work with the stock of materials	√				Competitive Parity
Holiday team members adapt timetable delivery	√				Competitive Parity
Discipline team members follow SOP	√				Competitive Parity
Selection recruitment team member	√				Competitive Parity
CCTV at Botani Fresh Mart	√				Competitive Parity
Structure organization	√				Competitive Parity
Facilities and infrastructure	√				Competitive Parity
Botani Fresh Mart store on the IPB Dramaga campus	√	√	√		Temporary Competitive Advantage
Production Building in Dramaga	√				Competitive Parity
Certification organic by Inofice	√	√	√		Temporary Competitive Advantage
Contract with regular farmer partner	x				Competitive Disadvantage
Ability to determine and plan shipping quota	x				Competitive Disadvantage
Diversity commodities owned	x				Competitive Disadvantage

Based on the results of the analysis of Botani Fresh Mart's internal factors which is shown in Table 2, the IFE weighted score is 2.854. The internal strength factors with the largest weighted scores are (1) the inclusion of the Botani Fresh Mart, IPB, and Organic Certification labels on the packaging and (2) organic certification by Inofice. This phenomenon occurs because organic certification is a significant factor in purchasing decisions (Noor et al., 2023; Sutarni et al., 2017), as labeling information is a primary concern for consumers (Slamet & Nakayasu, 2017). Consequently, when these criteria are met, the likelihood of consumer purchases increases (Dasipah et al., 2017). The internal

weakness factor with the smallest weighted score is limitations in planning quotas for partner farmers.

External Environment

External factors could be identified as components of the input stage, as presented in Table 3. Government support in opening market access for farmers through partnerships with off-takers is considered influential as an external factor. The Indonesian Ministry of Agriculture fully supports business activities in the agricultural sector, for example, by holding Business Matching to bring together beneficiaries with potential

off-takers (Nurlaily, 2022). The support and facilities provided by the government to bridge farmers with off-takers can make it easier for off-takers to find partners while positively impacting Indonesia's agricultural sector.

Based on BPS (2023), the agricultural sector experienced the highest increase in IHPB (5.31%). The rise in IHPB in Indonesia's agricultural sector has a multifaceted effect. Increased producer-level prices impact the entire supply chain, including suppliers who must purchase produce from farmers at higher costs, directly affecting the Cost of Goods Sold (COGS). Suppliers often adjust their selling prices to maintain profitability, potentially increasing the consumer market price. Consequently, higher prices can reduce consumer purchasing power, particularly among low-income groups, prompting them to seek cheaper alternatives or modify consumption habits. Economic growth slowed to 5.05% because of reduced household consumption due to the weakening purchasing power of the upper middle class and the relatively limited consumption of the low-income segment (Setkab RI, 2024).

Indonesia's population growth presents a significant opportunity for suppliers of fresh vegetables and fruits. The rising demand for food due to population increases drives companies to expand distribution areas and scale up production. The conversion of agricultural land to non-agricultural land can affect the performance of the

agricultural sector. This process can lead to a decrease in available cultivated land, potentially affecting agricultural productivity and food security (Azhar, 2022; Han et al., 2022). Indonesia's harvested area of vegetables and fruits from 2021 to 2023 decreased by 27% (BPS, 2023).

Various processes that trigger climate change and extreme weather, such as El Nino and La Nina, directly impact regional water availability, including agricultural land. Fluctuations in rainfall result in production instability, so commodity prices fluctuate. The subsequent impact is changes in planting time and patterns and planting intensity due to changes in the planting season or growing period available due to seasonal shifts (Nangimah et al., 2018). As a result, suppliers must face challenges such as increased operational costs, difficulties meeting market demand, and higher risks of financial losses. The technological aspect is considered a significant factor but not of immediate priority for the vegetable and fruit supplier industry. This finding suggests that technology plays a significant role in the vegetable and fruit supplier industry, but it may not be the most pressing concern requiring immediate action. This phenomenon is attributed to the fact that economic, social, ecological, and legal conditions are not yet conducive to the implementation of technologies such as e-commerce, particularly in the context of fruits and vegetables (Sari et al., 2022).

Table 2. IFE matrix

Internal Factors	Weight	Rating	Weighted score
Strength			
Inclusion of label	0.111	4	0.444
Organic certification	0.111	4	0.444
Delivery using a truck with a refrigerator	0.076	4	0.306
Have a retail store in the IPB Dramaga campus area	0.076	4	0.306
Washing tools equipped with nanobubble ozone	0.069	4	0.278
Product quality has a damage rate below 10%	0.076	3	0.229
Use Zahir application in system recording accountancy	0.069	3	0.208
Weakness			
Limitations in planning quotas for partner farmers	0.097	2	0.194
Contracts with regular partner farmers are less binding	0.056	2	0.111
Handling of B2B customer complaints related to unfulfilled requests is still low	0.076	2	0.153
The quantity of production is not yet consistent	0.111	1	0.111
The diversity of commodities owned has decreased	0.069	1	0.069
IFE Weighted Score			2.854

Table 3. External factors

External Factors	Source	Category
Government support in open market access for farmers through partnership with guarantor (off-taker)	PESTEL	Opportunity
The development of the wholesale price index (IHPB)	PESTEL	Threat
Growth economy 2023 slows down compared to the year 2022	PESTEL	Threat
Amount Indonesia's population is projected to increase and achieve the figure of 324.05 million people in 2045	PESTEL	Opportunity
Change of agricultural land function	PESTEL	Threat
Consumption of vegetables in Indonesia is experiencing an increase in 2021-2023	PESTEL	Opportunity
The Change pattern of rainfall rain and more increasing intensity incident climate extreme	PESTEL	Threat
Regulation-related practice of good horticulture (Ministry of Agriculture Regulation No. 22 of 2021)	PESTEL	Opportunity
Regulation Governor of West Java No. 36 of 2023 concerning Regeneration of West Java farmers	PESTEL	Opportunity
Minister of Agriculture Regulation no. 64 About System Agriculture Organic	PESTEL	Opportunity
Level of differentiation products inside the industry	Five Forces	Threat
Amount farmer as supplier candidate	Five Forces	Opportunity
Yields farmers become an essential input in production	Five Forces	Threat
Product price substitution is more affordable compared to products offered by the company	Five Forces	Threat
Convenience buyers in getting product substitution	Five Forces	Threat
Amount buyer compared to seller	Five Forces	Opportunity
Amount competitor businesses similar	Five Forces	Threat

The price of fresh and raw vegetables is formed at the wholesale market, where it cascades from wholesalers to direct buyers and farmers, and is passed on to retailers and consumers, where the final market price is formed (Cao & Mohiuddin, 2019). Suppliers generally compete based on price, where suppliers with the lowest selling price will attract more customers. Possible differentiators for vegetable and fruit supplier businesses are product quality (taste, color, and level of product damage) and a strong brand (Alamsyah & Wulandari, 2022). Based on the explanation, it will be easy for new entrants to enter this industry. The bargaining power of suppliers is reviewed through the number of farmers as potential suppliers. Indonesia has 9,623,027 horticultural farmers, with 1,434 located in Bogor City and 81,093 in Bogor Regency (BPS, 2023). This indicates that a few suppliers do not dominate suppliers in this industry. The substantial number of farmers will intensify competition among agricultural producers, affecting their market access. The bargaining position of farmers is significantly influenced by the accessibility of farmers to the market (Permadi & Winarti, 2018). Agricultural harvests are essential for production, particularly for fresh produce suppliers who rely extensively on these as primary raw materials. This dependence presents a potential

risk; if the organization cannot secure harvests from agricultural producers, it may cease production and sales activities.

The threat of substitute products or services arose from the price of substitute products being more affordable than those offered by the company. Botani Fresh Mart primarily offers organic products like green spinach, kale, pakcoy, and caisim, while various sources supply non-organic alternatives. In the B2B segment, non-organic products come from farmers or other entities to market partners, whereas in the B2C segment, consumers find them in traditional and modern markets like supermarkets. Organic farming excludes the use of synthetic pesticides and fertilizers, requiring alternative methods that often involve more manual labor and time (Mohanapriya et al., 2022). This increased production cost contributes to higher retail prices for organic produce. The availability of substitute products is another critical factor. For the B2B segment, buyers include supermarkets, hotels, and restaurants, while for the B2C segment, they are end consumers. In both segments, substitute products are non-organic items easily obtained from traditional markets, supermarkets, and other sources in the Bogor area.

The bargaining power of buyers is reviewed through the number of buyers compared to sellers. Buyers in the fresh vegetable and fruit supplier industry for the B2B market include supermarkets and restaurants. Based on BPS (2023), the number of hypermarkets in Bogor City is 11. Meanwhile, there are 47 supermarkets spread across all sub-districts in Bogor City. Bogor City has 986 restaurants distributed across all sub-districts. Based on BPS (2023), the number of Individual Agricultural Businesses in Bogor City is 4,185 units, Legal Entity Agricultural Companies are four units, and Other Agricultural Businesses are 35 units. The number of Individual Agricultural Businesses at Bogor Regency was 190,891 units, Legal Entity Agricultural Companies were 73 units, and Other Agricultural Businesses were 84 units. The intensity of competition among existing firms is gauged by examining the number of businesses in similar sectors, with quantitative data on competitors provided in the previous analysis.

Structure-Conduct-Performance

The Indonesian vegetable and fruit supplier industry consists of many small to medium-sized farmers, several farmer cooperatives, and large companies operating both locally and nationally as previously mentioned. This shows that there are many similar business competitors, so competition between competitors in this industry is high. Botani Fresh Mart's main product line is organic vegetables, differentiating and strategically challenging the company. Based on the analysis of BPS data (2023) and the Indonesian Organic Alliance (2023), it can be estimated that the market share of organic vegetables in Indonesia is 0.03%. This will have an impact on the revenue generated from the product. The tiny market share causes the revenue to be obtained to be very limited. Therefore, to survive with this superior product, Botani Fresh Mart needs to increase consumer awareness so that consumers will prefer Botani Fresh Mart over products from other brands. Analysis of company data and BPS (2023) estimates Botani Fresh Mart's market share in the Bogor area for specific commodities, such as onion leaf (0.06%), green spinach (0.04%), baby chickpeas (0.01%), water spinach (0.01%), and carrot (0.04%). The market share is notably tiny, indicating the public's limited consumption of Botani Fresh Mart's fresh vegetable and fruit products.

Conduct shows behavior in the industry. Fresh vegetables and fruits are perishable products, have a short life cycle, and are highly influenced by seasonal factors (Alamsyah & Wulandari, 2022). Price flexibility can occur because prices are adjusted according to market fluctuations and seasons. For instance, prices tend to be lower during post-harvest periods and higher during lean seasons (Noonari & Nm, 2016). Fruit and vegetable prices are influenced by vegetable age, vegetable segmentation (leaf vegetables and non-leafy vegetables), and packaging of products (Miranda, 2017; Fritschi et al., 2023). Indonesia's fresh vegetable and fruit supplier industry demonstrates promising performance, as evidenced by the rise in vegetable and fruit consumption from 2021 to 2023. Vegetable products have increased by 8.5%, and fruit products have increased by 68.2% (BPS, 2023). Marketing margin is calculated for both B2B and B2C segments. In B2B, the process involves farmers, off-takers, supermarkets, and end consumers, whereas in B2C, it involves farmers, off-takers, and B2B consumers. Based on Table 4, the market margin for the B2C segment is more significant than B2B.

Botani Fresh Mart partners with farmers in procuring fresh vegetables and fruits. The performance of partner farmers can be measured through service level. The service level of partner farmers can be calculated through historical data and the shipping quota set between Botani Fresh Mart and partner farmers. Based on the analysis as shown in Figure 5, the average service level of the highest partner farmers is 75.33%, and the lowest is 0%. Based on partner farmer service level data, two farmers consistently have a service level above 60% from January to March 2024. From January to March, one farmer had a service level value of 0%. This is because the farmer experienced crop failure.

The results of the identification and grouping of general and industry external factors are then subjected to a weighting process. Based on Table 5, the most vital opportunities are (1) government support in opening market access for farmers through partnerships with guarantors, (2) increasing vegetable consumption in Indonesia, (3) good horticultural practice regulations, and (4) the number of farmers as potential suppliers. These factors are in line with research by Putri et al. (2018) and Manalu & Tarigan (2018).

Table 4 Marketing margin based on market share

Commodity	Market Margin (End Consumer)	Market Margin (B2B)
Onion leaf	84.35%	47.06%
Green spinach	74.42%	60.71%
Red spinach	71.62%	53.57%
Baby chickpeas	68.63%	30.77%
Caisim	72.09%	57.14%
Edamame	29.27%	18.18%
Sweet corn	76.47%	73.68%
Crystal guava	51.52%	42.86%
Water spinach	80.35%	62.50%
White cabbage	80.77%	58.33%
Pakcoy	69.43%	50.00%
Curly lettuce	69.62%	53.85%
Eggplant	57.89%	46.67%
Cherry tomatoes	61.54%	44.44%
TW tomatoes	83.87%	64.29%
Sweet potatoes	79.22%	38.46%
Carrots	65.22%	42.86%

Table 5 EFE matrix

External factors	Weight	Rating	Weighted score
Opportunity			
Government support in open market access	0.065	3	0.194
Amount Indonesia's population is projected to increase	0.058	3	0.173
Consumption of vegetables increased	0.065	3	0.194
Regulation-related practice of good horticulture	0.065	3	0.194
Regulation concerning the Regeneration of West Java farmers	0.054	3	0.163
Minister of Agriculture Regulation no. 64 About System Agriculture Organic	0.061	3	0.184
Amount farmer as supplier candidate	0.065	3	0.194
Amount buyer compared to seller	0.051	2	0.102
Threat			
The development of the wholesale price index	0.054	3	0.163
Growth economy slows down compared to the year 2022	0.051	3	0.153
Change of agricultural land function	0.065	3	0.194
The Change pattern of rainfall rain and more increasing intensity incident climate extreme	0.058	2	0.116
Lower product differentiation compared to other industries	0.048	3	0.143
Farmers' harvests become an essential input in production	0.065	2	0.129
The price of substitute products is more affordable	0.058	2	0.116
Ease of buyers in obtaining substitute products	0.061	2	0.122
Many competitors	0.058	2	0.116
EFE Weighted Score			2.650

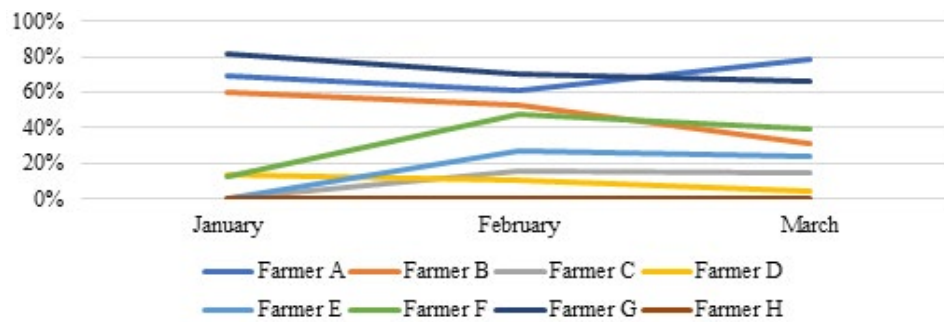


Figure 5. Farmer partner's service level of Botani Fresh Mart

Formulating Alternatives and Determining Strategic Priorities

IE Matrix is a strategic analysis tool used to evaluate a company's competitive position. The IFE Matrix and EFE Matrix calculations results are IFE Weighted Scores of 2.854 and EFE Weighted Scores of 2.650. This indicates that internal factors are more vital than external factors. Based on these results, Botani Fresh Mart's position is in quadrant V, namely Hold and Maintain, so the recommended alternative strategies are market penetration and product development. In the business strategy, market penetration was chosen because it had low market risk and product risk, while product development was recommended because Botani Fresh Mart's position was strong internally, so it was considered more capable of facing product risk than market risk originating from external companies. However, one of Botani Fresh Mart's problems was the low service level, as shown in Figure 3, indicating that there are problems in meeting demand and supply that still need to be stronger. Therefore, in addition to formulating the two strategies, a strategy will be added to strengthen the supply of Botani Fresh Mart products so that market penetration and product development strategies can be implemented. The alternative strategy formulation generated 13 strategies, as presented in Table 6.

Based on the results of the A'WOT method, the inconsistency value for each factor is below 0.1, so the justification from the expert is done logically and consistently. Table 6 demonstrates that Botani Fresh

Mart must initially increase the number of partner farmers using specific criteria to secure essential raw materials, meet market demand, and enhance service levels. This finding aligns with the study conducted by Sundram et al. (2016), which indicates that choosing partner farmers based on specific criteria positively influences the performance of the supply chain. This strategy is part of the supply chain management practice, which according to Mkumbo et al. (2019) could have a direct positive impact on overall firm performance.

Managerial Implications

Managerial implications that can be recommended for Botani Fresh Mart based on the analysis results are that Botani Fresh Mart needs to increase the number of partner farmers so that the supply of raw materials will also increase. However, this increase in the number of farmers needs to be accompanied by a study of commodities that require additional partner farmers and commodities that will be revived because they have the potential to be developed. Botani Fresh Mart can implement a marketing strategy, namely increasing sales by optimizing the promotion of Botani Fresh Mart's product advantages on social media platforms. Based on the results of the A'WOT method and interviews with the General Manager, the recommended strategy implementation timeline for Botani Fresh Mart is presented in Table 7. The initial implementation phase prioritized operational strategies to strengthen the supply of raw materials, subsequently supported by marketing strategies.

Table 6. Business development strategy priority ranking of Botani Fresh Mart

Strategy Type	Alternative strategy	Weight	Priority
WO	Increasing the number of partner farmers using specific criteria	0.144	1
SO	Having Inofice certification in the name of Botani Fresh Mart and adding other certifications	0.126	2
SO	Increase sales through optimization promotion/marketing excellence product Botani Fresh Mart on social media platforms	0.101	3
WT	Providing incentives to farmers so that the quality and quantity of the harvest increases	0.092	4
WO	Selection of partner farmer vendors	0.086	5
WO	Emit products with specific grades and prices more affordable	0.079	6
ST	Use a refrigerated truck to take farmers' harvest	0.076	7
SO	Cooperate with healthy F&B	0.068	8
WO	Give after-sales services such as customer loyalty	0.064	9
ST	Offer economical package	0.059	10
ST	Cooperate with the health community	0.056	11
SO	Offer pre-washed and pre-cuts	0.028	12
SO	Providing special promotions at the Dramaga store	0.021	13

Table 7. Timeline for implementing Botani Fresh Mart strategy

Types of Strategy	2024	2025	2026
	Oct-Dec	Jan-Jun	Jul-Dec
Operational	Increasing the number of partner farmers		
		Having certification in the name of Botani Fresh Mart	
		Providing incentives to farmers	
		Selection of partner farmer vendors	
			Use a refrigerated truck to take harvest
Marketing	Increase sales through optimization promotion/marketing		
		Emit products with specific grades and prices more affordable	
		Cooperate with healthy F&B	
		Offer economical package	
		Cooperate with the health community	
		Offer pre-washed and pre-cuts	
			Give after-sales services
			Special promotions at the Dramaga store

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Internal factors that have a strong influence as strengths are the inclusion of the Botani Fresh Mart, IPB, and Organic Certification labels on the packaging and limitations in planning quotas for partner farmers as weaknesses. The most vital external opportunity factors are (1) government support in opening market access

for farmers through partnerships with guarantors, (2) increasing vegetable consumption in Indonesia, (3) good horticultural practice regulations, and (4) the number of farmers as potential suppliers. The most vital external threat factor is the change in agricultural land function. Formulating alternative strategies with the IE Matrix and A'WOT produces 13 strategies. The first priority order of the strategy is increasing the number of partner farmers with specific criteria.

The results of this study corroborate and reinforce the results of other research. Fresh fruit and vegetable suppliers must consider labeling and organic certification factors, particularly in modern markets, as consumers consider these elements when making purchasing decisions. Furthermore, governmental support factors and the substantial number of farmers should be utilized as opportunities for business development. Although the primary strategic priority that can be implemented based on these factors is to increase the number of partner farmers meeting specific criteria, thereby enabling the company to meet market demand, the implementation of other strategies is necessary to enhance the company's performance and support future business growth.

Recommendations

Botani Fresh Mart, namely Botani Fresh Mart can focus on increasing the number of partner farmers with specific criteria so that farmers' harvest as the primary input increases. Botani Fresh Mart can implement other alternative strategies based on the recommended timeline. As for suggestions for further research, researchers can analyze the strategy implementation based on the recommended timeline.

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