

## **Marketing Mix Based on Local Wisdom: A Case Study of Coconut Sugar Products in Ngoran Village**

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**Abstract:** Indonesia is recognized as an agricultural country that produces various kinds of food products based on local wisdom, one of which is coconut sugar. This study aims to analyze the marketing mix based on local wisdom, with a specific focus on coconut sugar products in Ngoran Village Blitar. A qualitative approach with a case study method was employed for this research. The respondents consisted of 20 persons from the Director of BUMDes Karya Mandiri and local coconut sugar craftsmen. The results of the study showed that the marketing mix strategy with the Kotler concept includes 4P (Product, Place, Price, Promotion). This study shows that the local wisdom-based marketing mix strategy for coconut sugar products in Ngoran Village, Blitar, has been implemented by emphasizing natural product quality, applying pricing strategies suited to market purchasing power, distributing through direct sales and collector networks, and relying on traditional promotional methods. Future research is recommended to explore innovative digital marketing strategies and product branding development to expand market reach and increase the value of coconut sugar products while preserving local wisdom.

### **INTRODUCTION**

Indonesia is globally recognized as an agrarian country where agriculture forms the backbone of the national economy and cultural identity [1]. Among its many agricultural commodities, coconuts hold a particularly strategic role. As the world's largest producer of coconuts, Indonesia contributes more than 30% of the global coconut supply (Among its many agricultural commodities, coconuts hold a particularly strategic role [2]. As the world's largest producer of coconuts, Indonesia contributes more than 30% of the global coconut supply. The coconut tree, often referred to as the "tree of life," provides not only food and shelter but also a wide range of derivative products that sustain rural economies. One of the most prominent products is coconut sugar (gula kelapa), a natural sweetener derived from the sap of coconut blossoms. Beyond its economic value, coconut

Sugar has strong cultural significance as it is produced using traditional knowledge systems passed down through generations [3].

Ngoran Village, located in Nglegok District, Blitar Regency, is a community where coconut cultivation and coconut sugar production have become an integral part of daily life [4]. The abundance of coconut trees in the area supports both farmers and craftsmen who rely on coconut-based livelihoods. However, despite the richness of this natural resource, many farmers continue to sell coconuts in raw form. At the same time, only a portion of the population engages in value-added processing of coconut sugar (Interview with Pak Teddy, 2<sup>nd</sup> August 2025). This pattern reflects broader challenges in rural agricultural industries, where the lack of optimized processing and marketing strategies often results in limited economic returns.

Coconut sugar production in Ngoran, as in many other villages, remains heavily reliant on traditional methods. Field interviews and observations indicate that local craftsmen prioritize maintaining authenticity by avoiding chemical additives and preservatives, producing what is considered “pure” coconut sugar. While this authenticity offers a competitive advantage in niche and health-conscious markets, the absence of modern packaging and professional branding significantly undermines its appeal to wider consumers [5], [6]. Products are often packaged in simple 5–10 kilogram plastic bags and distributed through direct sales in local markets or via collectors. Consequently, the products struggle to compete in modern retail systems, where presentation, hygiene, and branding are essential.

The urgency of addressing these challenges is supported by literature that highlights the crucial role of marketing in agricultural product competitiveness. According to Kotler [7], the marketing mix product, price, place, and promotion (4P) is a key framework for analyzing and improving market strategies. For small-scale rural industries, optimizing these four components can significantly enhance product value and consumer reach. Studies in other coconut sugar-producing regions provide evidence of this. For example, research in Banyumas Regency revealed that the coconut sugar industry has strong potential but requires

systematic improvement in branding, distribution channels, and promotion to compete in larger markets [8]. Similarly, research in Bali emphasized that packaging quality directly influences consumer trust and willingness to pay, making it a crucial determinant of success in traditional product marketing [9].

Recent developments in digital technology offer further opportunities for rural industries. Annisa, M.T [10]–[12] demonstrated how digital marketing optimization significantly increased brand awareness for a coconut sugar cooperative in Purworejo. Their study highlighted that simple steps such as building a website, using e-commerce platforms, and engaging on social media expanded consumer reach beyond local markets. Likewise, Chasanah et al. [13] found that integrating storytelling rooted in local wisdom into digital campaigns enhanced consumer connection and loyalty. These findings illustrate a clear state of the art: traditional food products like coconut sugar can compete effectively if marketing strategies blend authenticity with modern tools.

However, most studies to date focus on cooperatives or large-scale community groups, leaving a gap in understanding at the micro-level of individual villages or small producers. The unique contribution of this research lies in its case study of Ngoran Village, which allows for a more nuanced analysis of how local wisdom is integrated into the marketing mix. Unlike prior research that often isolates one element of marketing (e.g., packaging or promotion), this study adopts a holistic perspective by examining all four dimensions of Kotler's 4P framework in relation to local traditions. This integrated approach is expected to generate context-sensitive insights that balance modernization with cultural preservation.

The novelty of this study also lies in its explicit positioning of local wisdom as both a constraint and an asset in marketing. On one hand, traditional production methods limit scalability and create inefficiencies. On the other, authenticity and natural purity are increasingly valued by health-conscious and environmentally aware consumers. Understanding how to navigate this tension by enhancing packaging, adopting selective digital marketing, and designing culturally resonant branding can provide a model for other rural communities

across Indonesia. Furthermore, the study contributes to the broader academic discourse on sustainable rural development, where economic growth must be harmonized with cultural heritage and ecological stewardship [14].

Therefore, the objective of this research is to analyze the local wisdom-based marketing mix strategy of coconut sugar producers in Ngoran Village, Blitar. By examining the four elements of the marketing mix product, price, place, and promotion this study aims to identify strengths, weaknesses, and opportunities for development. Based on the above explanation, it is crucial to explore how local wisdom can be integrated into the marketing mix of coconut sugar products, particularly in Ngoran Village, Blitar. Previous studies have mainly focused on digital marketing, consumer behavior, and branding, but there is still limited research that specifically examines the role of local wisdom in shaping marketing strategies for traditional products. Therefore, this study aims to address the following research question: **How is the marketing mix strategy for coconut sugar in Ngoran Village, Blitar, implemented based on local wisdom?**

## RESEARCH METHODS

This study employed a qualitative case study approach [15], [16] to explore the implementation of the marketing mix strategy for coconut sugar products in Ngoran Village, Blitar, with a specific focus on the integration of local wisdom. The research subjects consisted of coconut sugar producers, local traders, and community leaders who were directly involved in the production and marketing of coconut sugar. Purposive sampling was used to select 20 participants who were considered to have relevant experience and insights regarding the marketing practices of coconut sugar.

The materials of the study included documentation related to local marketing practices, records of production activities, and promotional content used by producers. The main tools for data collection were semi-structured interview guidelines, observation sheets, and audio recorders. Interviews were conducted in an open-ended format to capture participants' perspectives in depth,

while field observations were used to understand the context of coconut sugar production and distribution within the community.

The data collection process involved three main techniques: in-depth interviews, direct observations, and documentation review. Interviews were transcribed verbatim, and field notes were systematically recorded during observations. All qualitative data were then coded and categorized to identify recurring patterns and themes. The process of the research was done as the following figure:

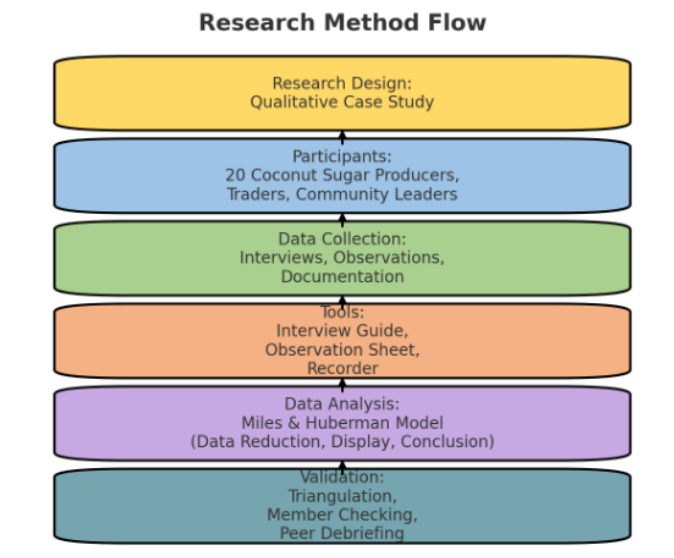


Figure 1. Research Method Flow

For data analysis, this study adopted the Miles and Huberman interactive model, which includes three concurrent stages: data reduction, data display, and conclusion drawing/verification. This method was chosen because it allows for a comprehensive analysis of complex qualitative data and provides a clear framework for identifying key themes related to the marketing mix and local wisdom. The credibility of the findings was ensured through triangulation of data sources, member checking, and peer debriefing.

The variables explored in this study centered on the components of the marketing mix (product, price, place, and promotion) and the role of local wisdom in shaping these strategies. The analysis was conducted descriptively to provide

insights into how traditional knowledge and cultural values influenced the marketing practices of coconut sugar in Ngoran Village.

## RESULTS AND DISCUSSION

This study investigated the implementation of the marketing mix strategy for coconut sugar in Ngoran Village, Blitar, with a particular emphasis on how local wisdom influences each element of Kotler's 4P framework: Product, Price, Place, and Promotion. The findings are derived from in-depth interviews with 20 respondents, including the Director of BUMDes Karya Mandiri and local coconut sugar producers, complemented by field observations. The results reveal a strong integration of cultural values, collective decision-making, and traditional practices in shaping the marketing strategy for coconut sugar, while some producers have begun to adopt digital media to enhance promotion.

### Product

The interview data demonstrate that the coconut sugar industry in Ngoran Village offers diverse product variations, including large-sized coconut sugar blocks, small-sized blocks, coconut sugar crystals (locally known as *gula semut*), and mixed products such as coconut sugar infused with ginger for beverages. This product diversification reflects the adaptive strategies of local producers in responding to different consumer preferences while maintaining authenticity.

Field observations further confirmed that production techniques remain largely traditional. Most craftsmen continue to use wood-fired stoves and rely on natural evaporation processes without chemical additives. These practices not only preserve the quality and natural taste of coconut sugar but also embody elements of local wisdom, such as sustainable resource management and respect for ancestral recipes. As Kotler and Keller [7], [17] emphasize, product differentiation based on authenticity and quality is a key factor in building competitive advantage in niche markets. The Ngoran case demonstrates how tradition-based methods contribute to product uniqueness and sustainability branding.

### **Price**

Price-setting mechanisms in Ngoran Village are deeply influenced by local norms of consensus and fairness. Prices vary depending on the product type about 20.000 per kilo, with coconut sugar mixed with ginger generally receiving a slightly higher value due to its perceived health benefits. Producers often negotiate prices with local collectors, ensuring that both production costs and consumer purchasing power are taken into account.

This community-based approach reflects the cultural principle of *musyawarah* (deliberation), where fairness and collective agreement outweigh individual profit maximization. Such practices align with [18] who noted that rural product pricing strategies in Indonesia often integrate socio-cultural values to maintain harmony between producers and buyers. While this model ensures inclusivity, it also poses challenges in scaling up pricing strategies to align with competitive national or international markets.

### **Place (Distribution)**

Distribution channels for coconut sugar in Ngoran Village rely primarily on two pathways: direct sales to consumers through local traditional markets and shops, and distribution through collectors who resell the products in broader regional markets. A smaller portion of producers has also begun to collaborate with the village-owned enterprise (BUMDes Karya Mandiri) to organize collective marketing.

Field observations revealed that despite the potential of expanding to modern retail or e-commerce platforms, infrastructural and logistical limitations constrain producers to rely heavily on collectors. This is consistent with the findings of [19], who observed that small-scale agricultural producers in Indonesia often depend on intermediaries due to resource limitations and market access barriers.

**Figure 1. Traditional coconut sugar distribution in Ngoran Village**

### Promotion

Promotion practices among coconut sugar producers in Ngoran Village illustrate a hybrid approach between traditional and digital methods. Word-of-mouth promotion remains the most common, reflecting trust-based communication within the community. Additionally, producers often participate in village fairs, local bazaars, and government-sponsored exhibitions to showcase their products.

At the same time, some producers have begun using digital platforms such as Instagram, Facebook, and WhatsApp to reach younger and more urban consumers. However, the use of digital media is still basic, primarily limited to posting product photos and responding to direct inquiries. Digital marketing adoption among rural producers often faces obstacles in terms of digital literacy and resources, yet it remains crucial for expanding market reach [6].

Table 1. Marketing Mix Strategies of Coconut Sugar Producers in Ngoran Village

No	Responden	Main product	Price	Distributor Channel	Promotion media
1	A	Large blocks, coconut sugar crystals	20.000	Traditional market	WhatsApp, Facebook
2	B	Small blocks, coconut sugar with ginger	21.000	Collector	Instagram
3	C	Coconut sugar crystals	19.000	Collector + local market	Word of mouth, Facebook
4	D	Large blocks	18.500	Collector	WhatsApp
5	E	Coconut sugar crystals, coconut sugar + ginger	20.000	BUMDes + market	Instagram, village bazaar
6	F	Small blocks; crystals	20.000	Traditional market	WhatsApp, WhatsApp Group
7	Producer G	Ginger-infused sugar	21.000	Collector	Instagram, Word of mouth
8	Producer H	Large blocks	19.000	Collector	Facebook
9	Producer I	Crystals	18.500	Traditional market	WhatsApp, Word of mouth



10	Producer J	Large & small blocks	20.000	Collector + BUMDes	Instagram, Facebook
11	Producer K	Ginger-infused sugar	20.000	Market Collector	WhatsApp
12	Producer L	Crystals; small blocks	21.000	Traditional market	Word of mouth, WhatsApp
13	Producer M	Large blocks	19.000	Collector	Facebook, WhatsApp
14	Producer N	Small blocks; crystals	18.500	BUMDes	Instagram
15	Producer O	Crystals; ginger-infused sugar	20.000	Traditional market	WhatsApp
16	Producer P	Large blocks	20.000	Collector	Word of mouth, Instagram
18	Producer Q	Small blocks	12.000	Collector + BUMDes	Facebook, Word of mouth
19	Producer R	Crystals	20.000	Traditional market	Instagram, WhatsApp
20	S	Ginger-infused sugar	20.000	Collector	Instagram, Facebook

From the 20 respondents, interview data show that:

- **12 respondents** use WhatsApp as their primary promotional tool, mainly due to its accessibility and familiarity.
- **9 respondents** use Facebook to connect with wider community networks.
- **6 respondents** use Instagram, mostly younger producers seeking urban consumers.
- **15 respondents** still rely heavily on word-of-mouth and local events as promotional strategies.
- **Only 5 respondents** actively collaborate with BUMDes for collective promotion and branding.

This indicates that while digital media use is increasing, traditional promotional practices remain dominant. Producers view social trust, personal relationships, and face-to-face interactions as more effective, reflecting the strong role of local wisdom in communication and marketing.

### **Comparative Discussion with Previous Studies**

The findings align with Kotler's marketing mix framework, demonstrating how the 4Ps are applied in a rural Indonesian context. However, the integration of local wisdom makes this case distinctive. Product differentiation is tied to traditional recipes and sustainable methods, price-setting reflects consensus-based culture, distribution relies on trust with collectors, and promotion blends traditional and digital channels.

These results resonate with Sumarwan et al. (2020), who highlighted the cultural underpinnings of pricing strategies in rural Indonesia. They also support Nugroho and Wulandari (2021), who identified structural constraints in agricultural distribution channels. Moreover, the partial adoption of digital promotion is consistent with Leong et al. (2019), who emphasized the challenges and opportunities of digital marketing for small-scale producers.

Taken together, the Ngoran case underscores the importance of embedding local wisdom in marketing strategies, while also acknowledging the need to innovate in branding and digital promotion. Future efforts could focus on capacity-building programs to enhance digital literacy, collaborative branding initiatives through BUMDes, and expanding access to modern retail channels.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusions**

This study explored the implementation of the marketing mix strategy for coconut sugar products in Ngoran Village, Blitar, within the framework of Kotler's 4P concept and rooted in local wisdom. The findings revealed that the **product strategy** emphasizes authenticity, variety, and natural quality, offering several forms such as traditional coconut sugar blocks, small-sized sugar, granulated coconut sugar (*gula semut*), and ginger-infused coconut sugar for beverages. These product variations are closely tied to local traditions of production, which maintain their unique taste and cultural value.

The **pricing strategy** is aligned with the purchasing power of local and regional markets, ensuring affordability while still sustaining the livelihood of coconut

sugar craftsmen. Prices are set to remain competitive, with adjustments made to market demand and production costs.

In terms of **place (distribution)**, the study found that products are marketed both through direct sales in local markets and through collector networks that connect craftsmen with larger distribution channels. This dual system allows the products to reach both village-level consumers and wider market segments.

Regarding **promotion**, local coconut sugar craftsmen have begun to adopt digital platforms such as Instagram, Facebook, and WhatsApp alongside traditional word-of-mouth promotion. However, the utilization of social media is still basic and lacks structured branding strategies. Among 20 respondents, most reported using WhatsApp for direct marketing, with fewer adopting Instagram and Facebook as consistent promotional tools.

Overall, the results demonstrate that the marketing mix of coconut sugar in Ngoran Village has been effectively implemented with strong reliance on local wisdom—prioritizing authenticity, affordability, and community-based distribution. Yet, there remains significant potential to strengthen digital marketing and develop a cohesive brand identity to increase market competitiveness without abandoning cultural values.

### **Recommendations**

Based on the findings of this study, several recommendations are proposed:

1. **Digital Marketing Development:** Future initiatives should focus on enhancing digital marketing strategies, including the creation of visually appealing content, product storytelling, and regular engagement through Instagram and Facebook to reach a wider audience.
2. **Branding Strategy:** Efforts to establish a unique brand identity for Ngoran Village coconut sugar are crucial. Branding should highlight both product quality and cultural heritage, which could increase perceived value in national and international markets.
3. **Training and Capacity Building:** Coconut sugar craftsmen should receive training on digital marketing, e-commerce, and packaging design to ensure consistency and professionalism in product presentation.

4. **Product Innovation:** Beyond traditional coconut sugar, further product diversification such as flavored variations or health-focused packaging could expand consumer interest while staying aligned with local traditions.
5. **Further Research:** Future studies are encouraged to investigate the impact of advanced e-commerce platforms and export opportunities on the sustainability of coconut sugar businesses in rural areas. A comparative analysis with other villages or regions could also provide broader insights into the scalability of local wisdom-based marketing strategies.

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