

Decision-Making Analysis for Optimal Durian Sales Location and Forward Integration Strategy for Sambeng Farm

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ABSTRACT

This research addresses the optimal sales location and forward integration strategy for Sambeng Farm, a new venture in Indonesia's durian market. With the increasing domestic demand for durian, the study aims to identify a sales location that maximizes profitability while reducing reliance on intermediaries. Using the SMART (Simple Multi-Attribute Rating Technique) method, the research evaluates various criteria, including market potential, accessibility, and operational costs. A mixed-methods approach combined qualitative interviews with quantitative evaluations of potential locations. The findings indicate that Jakarta is the most advantageous site due to its large market size and high brand exposure, despite higher competition and cost. The study also reveals that forward integration—selling directly to consumers—significantly enhances profit margins compared to traditional sales through intermediaries. This strategic move allows Sambeng Farm to establish a premium brand image and increases overall profitability. The implementation plan outlined in the research emphasizes the importance of careful planning and execution over four years to ensure successful market entry. The implications of this study extend to other agricultural enterprises seeking to optimize sales strategies and enhance supply chain efficiency in similar markets. By providing insights into effective decision-making processes and strategic planning, this research contributes to the broader understanding of the durian industry in Indonesia.

Keywords: Forward Integration Strategy, Profitability, Sales Location, Sambeng Farm, SMART Method

Introduction

As an agrarian country, Indonesia has a diverse range of natural resources that strongly support the production of various agricultural commodities (Dutu, 2015). The agricultural sector in Indonesia plays a crucial role in the country's economy, not only as a food producer but also as a provider of employment, a driver of the rural economy, and a contributor to exports. This is evidenced by the agricultural sector's contribution to the Gross Domestic Product (GDP), which was 13.28% in 2021, with a growth rate of 1.84%. In the third quarter of 2022, the agricultural sector grew by 1.85% and contributed 12.91% to the GDP. One agricultural commodity with potential for development is horticultural commodities (Grodgangunt et al., 2021). Horticulture is a part of the agricultural sector that includes vegetables, fruits, ornamental plants, and biopharmaceuticals.

Durian is a fruit that is highly popular among Asian communities, especially in Southeast Asia, including Indonesia (Bender, 2017). Often referred to as the "king of fruits," Indonesia boasts diverse durian varieties. Durian is a tropical fruit native to Indonesia (the forests of Kalimantan and Sumatra). Along with Thailand, Malaysia, Vietnam, and the Philippines, Indonesia is one of the largest durian producers in the world

(Pibul & Jawjit, 2025). Each region in Indonesia has its own unique durian varieties with distinct characteristics and names. Some of the most popular types of durians in Indonesia are durian Montong, durian Musang King, durian Bawor, and Black Thorn (Onsawai et al., 2021).

According to the Central Statistics Agency (BPS), Indonesia produced 1.85 million tons of durian in 2023, an increase of 17.06% from the previous year. Based on data from 2023, East Java was recorded as the largest durian producer in Indonesia with 488.36 thousand tons, Central Java with 197.96 thousand tons, and West Java with 158.69 thousand tons.

In 2016, Indonesia became the largest durian producer, accounting for 47% of the total production, followed by Thailand at 33%, and Malaysia. Despite this, durian consumption in Indonesia continues to increase yearly, but durian production does not always keep pace. This is because durian is a seasonal fruit, and when it is not durian season, durian orchards experience a decline in production. In addition to the high domestic consumption of durian, the demand for durian exports from Indonesia is also substantial. This presents both challenges and opportunities for durian farmers in Indonesia. The main challenge is the inconsistent supply of durian, which leads to price fluctuations and affects durian availability. Furthermore, competition from other countries like Thailand and Malaysia also challenges Indonesia. The opportunities lie in increasing durian production by utilizing new technologies and innovations, and enhancing supply chain efficiency by improving coordination and integration among stakeholders.

Most farmers in Indonesia operate small-scale agricultural businesses spread across various regions, selling their products without implementing proper harvest and post-harvest handling practices, and they do not apply "Good Agricultural Practices" (GAP) to gain added value and competitive advantage (Soedarto & Ainiyah, 2022). Many farmers in Indonesia sell their products not directly to consumers but through intermediaries and middlemen, including durian farmers. This results in an inefficient and ineffective supply chain due to the many intermediaries involved (Agrawal & Seshadri, 2000). This inefficiency leads to a decrease in product quality and an increase in the price of agricultural products (in this case, durian), as well as a significant price difference between what farmers receive from intermediaries and what intermediaries sell to consumers. This issue arises from farmers' lack of understanding of the durian supply chain flow (Perdana et al., 2016).

The durian business is one of the profitable ventures in the agricultural sector (Ali et al., 2025). This is due to the high demand for durians in Indonesia. Durian enthusiasts are willing to visit durian farms directly or purchase durians at high prices imported from other countries (May et al., 2023). Binsar Napitupulu, a durian lover and entrepreneur, recognized the business potential in the durian market and decided to utilize his land to plant durian trees, establishing Sambeng Farm (Saunders et al., 2023).

Since Sambeng Farm is a new venture, with the planting of durian trees starting at the end of 2023, it needs to plan its business strategy while waiting for the trees to bear fruit. The owner of Sambeng Farm aims to select an urban location for selling durians to maximize profits. One way to do this is by eliminating intermediaries and handling the sales process independently, from farm to store. This is because most durian stores in urban areas operate without owning their farms, and similarly, many farm owners do not have stores in the city to sell their durians.

Sambeng Farm was established at the end of 2023 in Desa Sambeng, Pemalang Regency, Central Java, on land acquired by Binsar Napitupulu. Initially involved in housing development, Binsar expanded into agriculture, focusing on horticulture and durian cultivation. The farm, now cultivating 150 durian trees of premium varieties such as Bawor, Musangking, Duri Hitam, and Super Tembaga, is expected to harvest its durians in about four years. The selling price of durian on the farm ranges from Rp80,000 to Rp500,000 per kilogram, which would be higher if sold through intermediaries (Akbar & Andani, 2023).

The main issue facing Sambeng Farm is selecting the optimal sales location for its durians (Hutabarat, 2013). The farm seeks to open a seasonal store during harvest seasons, avoiding intermediaries and maximizing profits by implementing a forward integration strategy, which will also keep prices reasonable for consumers (Eskola, 2005). The decision hinges on various factors, including distribution and operational costs, and the farm aims to identify the best sales location using the SMART method (Tripathi et al., 2023). This research will assess the criteria for choosing a location and determine if the forward integration strategy can significantly improve profitability while maintaining fair consumer pricing.

This study aims to determine the optimal durian sales location and analyze the forward integration strategy to improve the profitability of Sambeng Farm (Goodwin & Wright, 2014). The current research on Sambeng Farm's durian sales identifies several gaps compared to existing studies by Siriprasertchok & Panyagometh (2020) and Grodgangunt et al. (2021). While the former focuses on the Thai durian supply chain characteristics and performance indicators using the Analytic Hierarchy Process (AHP), and the latter emphasizes value-added marketing strategies for durian agro-community enterprises in Thailand's Deep South provinces, the current study shifts the geographical focus to Indonesia and employs the SMART method to determine optimal sales locations and forward integration strategies (Harrison & Reilly, 2011). This approach highlights a structured decision-making process related to location selection and direct sales, which is less emphasized in previous literature (Wang & Ruhe, 2017). Additionally, including a detailed 4-year implementation plan for the sales process adds a novel dimension to the analysis. Thus, the research contributes unique insights into the Indonesian market, filling a gap in understanding how local factors influence durian sales and profitability, which is not addressed in the existing studies.

Research Method

This study utilized a mixed-methods approach with a sequential exploratory design, beginning with qualitative data collection through in-depth interviews with the key decision-maker at Sambeng Farm to identify criteria for selecting an optimal durian sales location (Harrison III, 2013). These findings were used to develop a scoring framework based on the SMART method, followed by a quantitative phase where the identified locations were evaluated using the established criteria (Pratiwi, 2022). Data collection included both primary data (from interviews and observations) and secondary data (from statistical records and literature). The criteria for location selection were categorized into cost and benefit factors, and the SMART method guided the decision-making process. Data analysis involved descriptive analysis and the SMART method to select the most suitable location, and a forward integration strategy was analyzed to compare costs between using intermediaries and direct sales. This comprehensive approach ensured a well-structured, data-driven decision-making process.

Results And Discussion

SMART Method

- 1) Stage 1: Identify the decision maker (or decision makers)
The first step in the analysis is to identify the decision-maker. In this study, the key decision-maker is Binsar Napitupulu (BN), the owner of Sambeng Farm. There is no established organizational structure since Sambeng Farm is a new business and still in the tree planting phase. Binsar Napitupulu (BN) owns and manages the farm, with support from employees, including a head gardener, permanent gardeners, and temporary gardeners who work only during the planting process. As a result, all critical and strategic decisions regarding the farm's operations and sales location are solely made by Binsar Napitupulu (BN).
- 2) Stage 2: Identify the alternative courses of action.
After identifying the decision-maker, the next step is to identify alternative actions. In this study, the identified alternatives are the sales locations for Sambeng Farm. The alternative locations were determined after the interview process, which revealed that the decision-maker (BN) has three alternative city locations under consideration for opening a Sambeng Farm store once the farm is ready for harvest and sales. These alternative locations were selected by considering existing criteria, namely cost and benefit factors, and the personal preferences of the farm owner and decision-maker (BN). Below are the alternative locations and the reasons why BN is considering these locations (analysis obtained through interviews and observations).
- 3) Stage 3: Identify the attributes relevant to the decision problem.
Next, in the SMART method, a crucial step is identifying relevant attributes to provide a comprehensive evaluation framework for selecting the optimal sales location for Sambeng Farm. This section outlines specific attributes under each criterion, identified through rigorous qualitative analysis based on data collected from interviews with Sambeng Farm's decision-maker.
- 4) Stage 4: Measure the performance of the alternatives on that attribute.
In this stage of the SMART approach, values are assigned to assess the performance of each alternative site based on the recognized qualities. These numbers, which range from 0 to 100, offer a quantitative evaluation of each site's appropriateness, indicating how well each choice satisfies the specified requirements. The values are formed from decision-maker (BN) preferences, which combine personal insights and observations, and synthesized data from secondary sources. Each assigned value is reviewed and discussed with the decision-maker to ensure a strong qualitative justification.
- 5) Stage 5: Determine a weight for each attribute.
At this stage, weighting is applied to each attribute to represent the level of importance and the decision-makers' (BN) preferences for each attribute. This step is crucial to ensure that the decision-making process aligns with Sambeng Farm's priorities in selecting the sales location. The assigned weights are then normalized to provide a balanced comparison. Weighting is conducted using a direct rating method on a scale of 0 to 100.

Criteria	Attributes	Original Weight	Normalized Weight
Cost	Distribution Cost	100	0,15
	Operational Cost	80	0,12
	Investment	70	0,10
	Profit	100	0,15
Benefit	Brand	90	0,13
	Market Reach	80	0,12
	Accessibility	75	0,11
	Growth Potential	75	0,11
Total		670	0,63

Figure 1. Weight for Each Attribute

In the cost criteria, the decision-maker considers distribution costs highly important and influential for Sambeng Farm's future sales, assigning them the highest weight, followed by operational costs and investment. For the decision-maker, operational costs are ranked below distribution costs because, once the store is established at the chosen location, operational costs will remain consistently significant, making them easier to account for. Meanwhile, the decision-maker is less concerned with minimizing initial investment costs as long as they align with financial projections and contribute to profitability.

In the benefit criteria, profit is assigned the highest weight, as Sambeng Farm's primary goal is to maximize profit without intermediaries. This is followed by brand awareness, as Sambeng Farm aims to establish its brand presence to compete in the market. While market reach is important, if it does not meet expectations, alternative strategies such as effective marketing can still be employed to distribute Sambeng Farm's products. Accessibility and growth potential are given equal weight because all location alternatives are accessible by road, with differences only in distance. Meanwhile, growth potential is important but does not significantly impact durian sales, as purchasing power and the number of durian enthusiasts are more influential factors.

- 6) Stage 6: Take a weighted average of the values assigned to each alternative. After determining the weight for each attribute, the next step is to calculate the value of each alternative to obtain the aggregate weighted score. This process integrates the performance scores of each location alternative across various attributes, emphasizing the attributes that are most critical to the decision-making process.

Alternative Location	COST			BENEFIT					Aggregate Weighted Value
	Distribution Cost	Operational Cost	Investment	Profit	Brand	Market Reach	Accessibility	Growth Potential	
	0,15	0,12	0,10	0,15	0,13	0,12	0,11	0,11	
Pemalang	50	40	50	65	60	55	85	60	58,02
Jakarta	85	70	70	85	90	95	75	90	82,95
Semarang	70	80	80	75	75	80	80	80	77,09

Figure 2. Weighted Average of the Values

From the aggregate of weighted values, it can be concluded that Jakarta emerges as the best alternative for the cost criterion, although Semarang also yields a comparable result. Meanwhile, for the benefit criterion, Jakarta is unequivocally the best choice

among the alternatives, as its value significantly surpasses that of Semarang and Pemalang.

7) Stage 7: Make a provisional decision.

Based on the aggregate of weighted values results, a preliminary decision can be made to eliminate alternatives that no longer meet the decision-maker's considerations. This process focuses on making the final decision to determine the most promising location, streamlining further analysis, and ensuring that the decision-maker (BN), as the owner of Sambeng Farm, selects the optimal location for opening the Sambeng Farm durian store.

Alternative Location	COST			BENEFIT					Aggregate of Weighted Value
	Distribution Cost	Operational Cost	Investment	Profit	Brand	Market Reach	Accessibility	Growth Potential	
	0,15	0,12	0,10	0,15	0,13	0,12	0,11	0,11	
Pemalang	50	40	50	65	60	55	85	60	58,02
Jakarta	85	70	70	85	90	95	75	90	82,95
Semarang	70	80	80	75	75	80	80	80	77,09

Figure 3. Selected Optimal Sales Location

The table above indicates that Jakarta is the most advantageous location due to its significantly higher benefit value compared to the other locations. Semarang is followed by Pemalang, which is the least favorable option.

1) Jakarta

- Positive Aspects: High profit potential, intense brand exposure, vast market reach, and high growth potential.
- Negative Aspects: High competition, expensive operational costs, and higher initial investment.

2) Semarang

- Positive Aspects: Balanced profit potential, moderate competition, decent brand awareness, and market reach.
- Negative Aspects: Distribution and operational costs are moderate but less efficient than Pemalang.

3) Pemalang

- Positive Aspects: Low operational and distribution costs, easy access from the farm, and minimal initial investment required.
- Negative Aspects: Limited market reach, lower brand awareness, and less growth potential than other cities.

Focusing on the most promising location, this preliminary decision is expected to facilitate Sambeng Farm's further analysis of the necessary preparations for opening its durian store.

Since the SMART method is based on the decision-maker's preferences, a follow-up discussion was conducted to determine whether a sensitivity analysis was necessary. Ultimately, the decision was made that the SMART analysis results confirmed Jakarta as the selected location for opening Sambeng Farm's durian store. This choice was based on the consideration that, despite higher costs compared to Pemalang and Semarang, Jakarta offers greater profitability and brand-building opportunities, aligning with Sambeng Farm's strategic objectives (Rothaermel, 2023).

After conducting the SMART analysis and determining the selected location, the next step is to analyze forward integration. This analysis will compare the costs that

Sambeng Farm needs to incur if it chooses to handle its distribution, aiming to eliminate intermediaries, as previously explained in the earlier chapter.

Calculation Profit Estimation

After selecting Jakarta as the preferred location among the three alternatives, Sambeng Farm needs to conduct an initial estimation of projected profit before opening a store there. This step is essential to determining whether operating a seasonal store in Jakarta will remain profitable. If the analysis indicates a lack of profitability, further analysis would be unnecessary, and proceeding with sales in Jakarta could result in financial losses for Sambeng Farm.

The profit calculation data was obtained from Sambeng Farm through a follow-up interview with the owner, who also serves as the decision-maker. The following presents the calculation results along with their explanation.

Table 1. Basic Information about Sambeng Farm Production

BASIC INFORMATION ABOUT SAMBENG FARM PRODUCTION		
Total Durian Trees = 150 pohon		
Durian Type Composition		
Bawor (40%):	60 trees	
Musangking (30%):	45 trees	
Duri Hitam (20%):	30 trees	
Super Tembaga (10%):	15 trees	
Durian Production per Tree		
First harvest: 10-20 fruits per tree		
Next harvest: 50-100 fruits per tree		
Average weight of durian per fruit: 2,5kg		
First Harvest Estimate: 10 fruits/tree * 2.5kg/fruit =	25	kg/trees
Total First Harvest Production: 150trees* 25kg/pohon =	3.750	kg

Before proceeding with the profit calculation, it is essential to revisit the initial information about Sambeng Farm, as shown in the table above. The estimated yield for the first harvest season is projected to be 10–20 fruits per tree, increasing to 50–100 in subsequent harvests. This variation will impact Sambeng Farm's profit each season, depending on the total durian production.

For this study, the profit estimation is based on the first harvest, assuming each tree will produce 10 durians. The composition of durian varieties is projected: 40% Bawor, 30% Musang King, 20% Black Thorn, and 10% Super Tembaga. The estimated average weight of each durian is 2–3 kg, with 2.5 kg used as the standard weight per fruit for this calculation. Based on these assumptions, Sambeng Farm's estimated production for the first harvest is approximately 3.750 kg.

Table 2. Sambeng Farm Fixed Cost Calculation

FIXED COST	
Land Rental Price (1 hectare)	Rp200.000.000
Land Clearing	Rp22.750.000
4 points of well construction	Rp40.000.000

Fertilizer Cost (total 4 years)	Rp77.250.000
Tree Seeds:	
Bawor (60 trees)	Rp6.000.000
Musangking (45 trees)	Rp11.250.000
Duri Hitam (30 trees)	Rp10.500.000
Super Tembaga (15 trees)	Rp7.500.000
Workforce: (total 4 years)	
Head of Garden (1)	Rp120.000.000
Gardener (2)	Rp192.000.000
Electricity	Rp96.000.000
TOTAL	Rp783.250.000

Sambeng Farm already owns the land, which was acquired before the decision to establish the durian business. Therefore, the land cost is fixed in land rental valuation. The fixed cost is calculated for the next four years, as the durian trees are still fruiting and will only be harvestable after four years. During this period, continuous maintenance of the durian trees is required. The total fixed cost amounts to IDR 783.250.000.

Next, it is essential to determine the selling price of each durian variety offered by Sambeng Farm in Jakarta.

Table 3. Durian Selling Price in Jakarta

DURIAN SELLING PRICE IN JAKARTA	
Types of Durians	Selling Price (Rp/kg)
Bawor	Rp180.000
Musangking	Rp315.000
Duri Hitam	Rp350.000
Super Tembaga	Rp1.200.000

The price information for durians in Jakarta was obtained through competitor observations, resulting in the estimated price range. However, Jakarta competitors do not source durians directly from their own farms but rather from multiple suppliers, leading to higher initial purchasing costs for them.

Sambeng Farm, on the other hand, has a competitive advantage as it owns its durian farm and sells directly to consumers. This allows Sambeng Farm to set lower selling prices than Jakarta's market rate while maintaining profitability. The strategy aims to attract more consumers to Sambeng Farm's durian store.

Below are the proposed selling prices of durians that Sambeng Farm will offer in the Jakarta market.

Table 4. Sambeng Farm Durian Selling Price in Jakarta

SAMBENG FARM DURIAN SELLING PRICE IN JAKARTA	
Types of Durians	Selling Price (Rp/kg)
Bawor	Rp144.000
Musangking	Rp252.000

Duri Hitam	Rp280.000
Super Tembaga	Rp960.000

And the following is the estimated revenue of Sambeng Farm based on durian varieties.

Table 5. Sambeng Farm Income Estimation Based on Durian Type

SAMBENG FARM INCOME ESTIMATION BASED ON DURIAN TYPE				
Types of Durians	Number of Trees	kg/tree	Selling price	Estimated Revenue per Type
Bawor	60	25	Rp144.000	Rp216.000.000
Musangking	45	25	Rp252.000	Rp283.500.000
Duri Hitam	30	25	Rp280.000	Rp210.000.000
Super Tembaga	15	25	Rp960.000	Rp360.000.000
Total Estimated Revenue				Rp1.069.500.000

Although Sambeng Farm has lowered the selling price of durian, it still needs to generate a profit. Selling durian in Jakarta also requires distribution costs, operational costs, and an initial investment. Below are the detailed calculations.

Table 6. Distribution Cost to Jakarta

DISTRIBUTION COST TO JAKARTA	
Single Box Truck Transportation Type: (capacity in kg)	2500
Total First Harvest Production:	3.750
Number of Trips Per Harvest =	1,5
Cost per Trip:	
Truck Rental	Rp3.000.000
fuel	Rp1.500.000
Toll	Rp500.000
Driver Wages	Rp500.000
Total/trip	Rp5.500.000
Total Distribution Costs	Rp11.000.000

The number of trips per harvest is calculated by dividing the total first harvest (3,750kg) by the truck load capacity (2,500kg), resulting in 1.5, which is rounded up to 2 trips. This means that during the 3-month harvest period, Sambeng Farm needs to make two distribution trips from the farm to Jakarta. Based on this calculation, the total distribution cost is Rp 11,000.000.00.

Table 7. Store Operating Cost

STORE OPERATING COSTS (SEASONAL) - 3 MONTHS	
Rent	Rp90.000.000
Employee Salary (3 people)	Rp45.000.000
Electricity and Water	Rp15.000.000
Marketing and Promotion	Rp10.000.000
Total Operating Costs	Rp160.000.000

The above represents the operational cost during the durian harvest period (3 months). Based on the calculations, the total distribution cost amounts to Rp160.000.000.00.

Table 8. Initial Investment Cost

INITIAL INVESTMENT COST	
Tents and Sales Equipment	Rp15.000.000
Total Initial Investment	Rp15.000.000

Next, the initial investment required is approximately 15,000,000.00 for purchasing tents and other sales equipment.

Table 9. Additional and Unexpected Costs

ADDITIONAL AND UNEXPECTED COSTS	
Reserved fund	Rp25.000.000

Sambeng Farm also needs to set aside reserve funds for unforeseen expenses.

Table 10. Total Overall Cost

TOTAL OVERALL COST	Rp211.000.000
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The total expenses that Sambeng Farm needs to incur amount to Rp 211,000,000.00

Table 11. Profit Estimation

Profit Estimation = Estimated Income - Total Overall Cost - Total Fixed Cost
Rp75.250.000

Thus, the profit from the first harvest that Sambeng Farm will generate is Rp75,250,000.00

IV.1.2 Forward Integration Analysis

Forward integration is a business strategy in which a company expands its operations by taking control of its products' distribution and sales chain rather than selling to intermediaries like brokers or distributors.

In the context of Sambeng Farm, forward integration means selling durian directly to consumers through its store in Jakarta, instead of selling to brokers or collectors who then resell at a higher price. The advantage of forward integration is the potential to earn higher profits than selling to brokers. However, the downside is the need for a more significant initial investment, distribution costs, and operational expenses.

The previous profit calculation explained the forward integration scheme that Sambeng Farm will implement to open its store, which amounts to Rp 72,250,000.00.

If Sambeng Farm were to sell to brokers, the broker's purchasing price from Sambeng Farm would typically be 50% of the Jakarta market price. The calculation is as follows.

Income from Middlemen (Selling Price 50% of Jakarta market price)				
SAMBENG FARM INCOME ESTIMATION BASED ON DURIAN TYPE				
Types of Durian	Number of Trees	kg/tree	Selling price	Estimated Revenue per Type
Bawor	60	25	Rp90.000	Rp135.000.000
Musangking	45	25	Rp157.500	Rp177.187.500
Duri Hitam	30	25	Rp175.000	Rp131.250.000
Super Tembaga	15	25	Rp600.000	Rp225.000.000
Total Estimated Revenue				Rp668.437.500

Figure 4. Sambeng Farm Income Estimation if using Middlemen

If Sambeng Farm were to sell to brokers, the estimated revenue from selling its various types of durians would be IDR 668,437,500.00. This is significantly lower than the total estimated revenue if Sambeng Farm were to sell directly, even at prices below the Jakarta market rate, which amounts to Rp1.069.500.000.00. Thus, implementing forward integration for Sambeng Farm is highly advantageous, even though it requires higher costs and extensive preparation, instead of simply selling to brokers.

IV.1 Business Solution

Based on the previous analysis, the business solution to the existing problem is as follows.

Based on the SMART method analysis, Jakarta has been identified as the optimal location for Sambeng Farm's seasonal store due to its high market reach, growth potential, and strong demand for durian, despite higher operational costs. Jakarta offers more significant opportunities for business expansion, stronger brand positioning in the premium market, and better distribution infrastructure, including access to transportation and e-commerce collaborations. Additionally, Jakarta's higher selling prices provide better profit margins, which outweigh the increased distribution costs. Regarding forward integration, selling durians directly to consumers in Jakarta results in a higher profit margin than using intermediaries. This strategy gives Sambeng Farm complete control over sales and branding, allowing the company to build a premium brand image while eliminating intermediaries and increasing profitability. However, the challenges include high distribution and operational costs, requiring significant investment in logistics and infrastructure to ensure smooth and efficient delivery.

Implementation Plan & Justification

To ensure the success of running the business going forward for Sambeng Farm with the chosen sales location, Jakarta, here are the implementation plan steps that Sambeng Farm can take over the next 4 years while waiting for the first harvest season.

Table 12. Implementation Plan

Implementation Plan Section	Activities	Timeframe	Indicator
Year 1 (Q1 – Q4)	Tree Maintenance & Growth Optimization	Q1 – Q4	Ensure optimal growth of durian trees through fertilization, irrigation, and pest control.

	Periodic organic and inorganic fertilization.	Q1 – Q4	Improving soil fertility and tree growth.
	Installation of an automatic irrigation system.	Q2	Efficiency in water usage and ensuring a sufficient water supply.
	Preventive pest and disease control.	Q1 - Q4	Avoiding the risk of crop failure due to pest or disease attacks.
Market Research & Business Planning	Market survey to understand consumer preferences for durian.	Q2 – Q3	Ensuring the product meets market demand.
	Benchmarking durian prices in various potential locations.	Q3 – Q4	Determining a competitive pricing strategy.
Year 2 (Q1 – Q4)	Infrastructure & Business Development	Q1 – Q4	Building infrastructure that supports the business during the harvest season.
	Construction of storage warehouses and post-harvest facilities.	Q2 – Q4	Maintaining the quality of durian before shipment or direct sale.
	Building a distribution network (transportation partners).	Q3 – Q4	Ensuring the availability of efficient and cost-effective transportation.
	Obtaining business licenses and legalities for the durian store.	Q2 – Q3	Preparing the legal aspects to ensure smooth business operations.
	Developing a branding strategy for Sambeng Farm.	Q2 – Q4	Building brand awareness before durians are available in the market.
	Creating social media and a website for the store.	Q1 – Q4	Increasing visibility and expanding market reach.
Year 3 (Q1 – Q4)	Pre-Sales Preparation & Operational Setup	Q1 – Q4	Refining the business plan in preparation for the first harvest.
	Signing contracts with distributors and transportation partners.	Q1 – Q2	Ensuring a smooth supply chain during the harvest.
	Conduct a supply chain trial with the shipment of other products (e.g., other fruits).	Q3	Testing the reliability of the distribution system before the durian is marketed.
	Finalizing the location of the seasonal store and securing the rental space.	Q2 – Q3	Ensuring a strategic and optimal location for sales.

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Customer Acquisition & Market Penetration	Pre-launch campaign through social media.	Q2 – Q4	Increase consumer interest before the harvest season begins.
	Collaborating with food influencers and durian enthusiast communities.	Q3 – Q4	Reaching more potential customers.
Year 4 (Q1 – Q4)	Harvest & Distribution Execution	Q1 – Q4	Direct sales and durian distribution implementation.
	Training workers for durian harvesting and handling.	Q1	Ensuring product quality remains well-maintained.
	Conducting the first harvest with strict SOP compliance.	Q2 – Q3	Optimizing harvest yield with minimal waste.
	Delivery to the sales location.	Q3 – Q4	Ensuring that the durians reach the market in the best quality.
Sales & Business Expansion	Assessing sales performance and customer satisfaction.	Q3 – Q4	Measuring the success of the sales strategy.
	Expansion of seasonal store locations is successful.	Q4	Maximizing profits based on market demand.

This implementation plan is expected to prepare Sambeng Farm for its first harvest with a well-planned strategy and optimal execution.

To ensure that the proposed solutions and implementation plans align with the needs and conditions of Sambeng Farm, a 5W+1H approach has been applied based on the farm owner's input. Selection of the Optimal Sales Location: Jakarta was chosen as the primary location for a seasonal durian store due to its larger market and higher selling prices. Jakarta's high purchasing power and stable demand for premium durians make it profitable. The store will open during the first harvest season and be strategically located in a high-traffic area like Kelapa Gading. The owner, Binsar Napitupulu, the operational team, and logistics suppliers will manage the store and distribution. Digital marketing and word-of-mouth will attract customers while managing supply and demand. Forward Integration Strategy: This strategy involves selling durians directly to consumers through the seasonal store rather than relying on intermediaries. This approach increases profit margins by achieving higher selling prices. Forward integration will start with the first harvest, and performance will be evaluated annually. Distribution will begin from Pemalang, with direct sales in Jakarta. The owner and the operational team will oversee the process, ensuring efficient distribution through the proper transportation and competitive pricing based on market rates.

Conclusion

Based on the conclusion of this research, Jakarta has been identified as the optimal location for Sambeng Farm's durian sales due to its large market size, high brand exposure, growth potential, and accessibility, despite higher competition and costs. The

study emphasizes that forward integration, by opening a direct sales store, would significantly increase profits compared to selling through intermediaries. A 4-year implementation plan for the sales process has been proposed to ensure a smooth transition. For future research, it would be valuable to explore effective marketing strategies to establish a premium brand in Jakarta, conduct a comparative analysis of direct sales versus intermediaries across various regions, and optimize supply chain logistics for perishable goods. Additionally, assessing the impact of economic fluctuations on sales performance and evaluating the effectiveness of the 4-year implementation plan through case studies could provide insights for long-term growth and adaptability.

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