



Kriptal Consignor's Efforts To Increase Competitiveness Through Consignment Sales System

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ABSTRACT

The consignment sales system is one of the marketing strategies that can be carried out by business actors to expand market reach because with this system business actors do not move alone in making sales. This consignment system is a system where business actors who have goods leave the goods/products to the shop owner (consignee). This research was conducted to provide an overview of the consignment sales system carried out by Kriptal business actors and provide an overview of the impact of consignment sales on the competitiveness of Kriptal products. This research uses observation, interview and documentation methods to explain the data, while the object of research is the Kriptal snack business in Bengkulu City. Based on the research conducted and discussion, it can be concluded that in the Kriptal business the consignor sales agreement is in accordance with the agreement including the agreement regarding the price level, the amount of commission or reward, the number of products entrusted and returns on sales, Kriptal consignor business in increasing competitiveness has a positive impact on the Kriptal business and the store. Where this can be seen from the expansion of the marketing network, the increase in turnover of business actors, in terms of profit or profit and more advanced technology.

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) in Indonesia have an important role in the economy, this can be seen from several aspects of the economy that are supported by MSMEs. Sector of national economic growth, income distribution, in terms of absorption and increase in labor, especially during the 2020 pandemic, the MSME sector plays an important role in encouraging economic activities to continue.

In the current digital era, competition in the business world is unlimited, MSMEs are required to be able to make changes in innovation and creativity in order to increase competitiveness in products and services. Creativity and innovation in the business world are not only done for competitiveness but can also determine the business in sustainable production because with creativity and innovation businesses can adjust consumer tastes. Specifically,

innovation is considered the most effective way for businesses to continue to run, improve product quality and update product design and packaging to be more attractive, and also innovate in conducting marketing strategies. Da;am marketing strategy system must also see and pay attention to the suitability of consumer tastes so that the business continues to run and is accepted by consumers more broadly.

In general, sales is a system where activities carried out by business actors in inviting other people to be interested in buying the products (goods and services) offered, with the hope that if other people buy, it means that the products offered in the sale will become income for the business actor. One of the businesses that continues to innovate in sales is the KriptaL SY (Cassava Chips) snack business. In order to expand the market reach in terms of marketing, the KriptaL SY business conducts a sales deposit marketing system (konsiyasi).

The sales system of entrusted sales or often called konsiyasi is one of the sales systems that still exists amid the rise of online sales systems. KriptaL SY snacks have implemented a sales system of entrustment / consignment to date, but in reality the sales entrustment marketing system still causes problems for the KriptaL SY business because there are many other snack products available at the store where KriptaL SY sells so that the competition received by the KriptaL SY business is quite high.

This consignment or entrustment system is a system where products (goods and services) are entrusted to the seller or in this case the shop owner or sales agent who later the agent or shop will also get a commission / profit. In consignment there is an agreement between the seller and the business actor, for example, the shop owner must protect the goods and services that are entrusted, separate and organize and sell goods and services, the shop owner is also obliged to provide regular sales progress notes according to the product agreement. consignment of goods / products ownership rights are still held by the consignor (product owner). The party who owns the product / who entrusts his goods and services is called the consignor, while the party who receives the goods and services is called the consignee or commissioner.

The consignment sales system has a difference with the direct selling system or the seller / business owner directly to consumers, with this difference, there must be the right strategy carried out in the sales entrustment system so as not to get a big loss because in the sales entrustment system if the goods / products are not sold out, the risk will return to the owner / business owner.

LITERATURE REVIEW

Marketing Strategy

Marketing strategy is an important part of business strategy that can provide direction to all management functions in an organization. In the market strategy includes market segmentation, identification of market conditions, positioning, also includes the marketing mix and costs in the marketing mix. The marketing mix must be carried out in such a way that the strategy runs well so that it can compete against the competition in the business world, of course a good strategy is a strategy that can read the situation and conditions in the market situation and analyze competitors. A good market strategy is a strategy that can read the market situation and conditions and adjust this potential to the limited facilities and infrastructure owned by business actors.

Marketing Strategy Function

According to Supriyonodalam Abdurrahman, the functions of marketing strategy are as follows:

1. Analyze to prevent problems in the future so that business actors can adjust changes quickly.
2. Clearly describe the direction and objectives of the vision and mission of a business in the future.

3. Helps business people make decisions because strategies can minimize risk.
4. Provide information to business actors regarding steps that can be taken by adjusting competitors and the environment.

Marketing Strategy Objectives

Marketing strategy helps businesses or businesses in setting the goals to be achieved from a business clearly and orderly. In a marketing strategy to achieve goals, it means that these goals must be clear, specific, and must be doable and have a time limit in achieving these goals. According to Kotler, the purpose of a marketing strategy is to build long-term relationships between interested parties such as customers, suppliers or even distributors in order to obtain and maintain information and sustainability of a long-term business or business. The purpose of the strategy in marketing is devoted to increasing brand awareness so as to build good relationships with customers.

Consignment Sales System

In the current online era, marketing can be done through social media to expand market reach, in addition to the online sales system, the consignment sales system is also the best way to expand marketing reach which is expected to increase sales volume for maximum sales results.

a. Definition of consignment

Consignment is a system carried out by business actors / businesses in expanding marketing reach by entrusting the production of a number of goods to other parties (in this case usually stores) to be resold with agreed terms and conditions. The owner of the goods or business is called the consigner, while the party receiving the entrusted goods is called the consignee. In the consignment system, even though the goods have changed places to the place that is entrusted, the goods still fully belong to the business actor.

b. Advantages of Consignment sales

There are several advantages that can be obtained by using a consignment sales system, business actors / owners of goods do not have to mess around with promotions in marketing, do not need to spend considerable costs in marketing promotions, consignment sales systems can also expand market reach efficiently.

For the consignee, the consignment sales system also provides quite effective benefits where the consignee or the entrusted store does not have to spend capital in the production process and produce goods. Consignees will also get a profit or commission with the sale of goods that are entrusted. The consignee's profit is obtained from the price difference between the entrusted price.

Competitiveness

Competitiveness means the ability to compete in their respective fields with certain work groupings. In competitiveness, there are many things that must be considered, for example, competition regarding market share, paying attention to consumers and the environment, improving the performance of a business.

Based on several sources revealed by several experts that competitiveness can be measured by several indicators, namely price, product quality, service quality, labor productivity growth, frequency of new product launches, added value in an investment.

METHODS

The methods in this research are descriptive qualitative methods and phenomenological methods (describing based on phenomena). According to Sugiyono (2021), descriptive

quantitative research methods are methods that can be used in positivism research and on natural research objects.

The type of research used in this research is a field study or often known as field research. Field study research discusses and provides an overview of the characteristics of problems related to the background and current conditions of the research subject and its relationship with the environment. In field studies, a more in-depth investigation of the research subject is carried out in order to provide a complete picture of the research subject. (Sungadji & Shopiah, 2010: 21)

The location of this research was carried out at the KriptaL snack MSME business located on Jalan Cendana 1 Nom 14 Sawah Lebar Baru, Bengkulu City. The KriptaL business has been producing taro chips for a long time, and the reason for choosing this business is because in recent years KriptaL has innovated and expanded its marketing network using the Consignor method.

In this study, researchers used several data collection methods, namely:

1. Observation

Observation is to provide understanding or proof of the information / information previously obtained (Sukmadinata, 2013: 220) in another sense, observation is one of the information collection techniques carried out by directly observing the object to be studied in this case regarding the consignor sales system or sales entrusted.

2. Interview Method

The interview method is a technique for obtaining information by asking questions to respondents or informants. In this case the interview method will be carried out to the KriptaL consignor business.

3. Literature study method/documentation method

The literature or documentation method is a technique that is carried out by collecting information sourced from books / reports, journals and so on.

Data analysis

In this study, three processes were carried out in analyzing the data, namely:

a. Data reduction

The first process in this study is the data reduction process which provides a process of selecting, focusing on simplifying, and transforming data from field notes or observations. In the data reduction process, it must be carried out continuously by summarizing, coding and tracing the material and making small notes (Ulber, 2012: 339-341): 339-341

b. Presentation of data

The second process in this study is the presentation of data or a collection of data or information that is organized and conclusions are drawn based on the description of the research results. In the process of presenting this data, it can be seen or seen what is happening and what steps are taken in the future and can provide an overview of the problems that occur from the results of data reduction.

c. Conclusion drawing

The last process carried out in analyzing data in this study is drawing conclusions. In this stage, conclusions are drawn based on the results of interviews and observations to answer the problem formulations discussed in this study (Afifuddin and Beni, 2009: 143).

RESULTS

Consignor Sales System In The KriptaL Consignor Business

KriptaL MSMEs, which have a business in the field of snacks or snacks, namely taro chips, used to still adhere to a direct or conventional sales system where the business actor, in this

case the owner, Mr. Ikhsan Fikhri, sold his business products to his friends and family. According to Mr. Ikhsan

"In the early days of this business, I still sold with a direct sales system to friends and family only. However, every day there are not necessarily buyers, therefore I intend to increase my sales system by selling in shops, especially souvenir shops in Bengkulu City, so that my market share will be much wider and the opportunity to buy my products will also grow".

Mr. Ikhsan prefers to entrust his Kriptal snack products to gift shops and minimarkets. The choice of location is not without reason, this is because this snack is also suitable to be used as souvenirs to give relatives or souvenirs because the packaging used by the Kriptal business is attractive. Here is an example of the appearance of Kriptal products that are sold in stores.

Figure 1 Kriptal Chips Product



Kriptal consignors' efforts in increasing product competitiveness are carried out by entrusting Kriptal products to souvenir shops and Minimarkets in Bengkulu City, the following is a list of stores that are consignees of Kriptal products

Table 1 places Where Kripik Kriptal Products Are Bought And Sold

No.	Shop Name	Shop Address
1.	Mata Air MiniMarket	Jln kalimantan raya ruko no 10 Rawamakmur
2.	Bengkulu Jaya Rasa Gift Shop	Jalan Raya padang kemiling, RT.06/RW.02, Pekan Sabtu, Kec. Selebar, Kota Bengkulu, Bengkulu 38213
3.	Ais Bakery Shop	Jl. Rafflesia, Nusa Indah, Kec. Ratu Agung, Kota Bengkulu, Bengkulu 38223
4.	Bengkulu Rampak Gift Shop	Jl. Soekarno Hatta No.2, RW.02, Anggut Dalam, Kec. Ratu Samban, Kota Bengkulu, Bengkulu 38222
5.	Bengkulu Helia Gift Shop	Jl. Irian, RT.01/RW.no 22, Semarang, Kec. Sungai Serut, Kota Bengkulu, Bengkulu 38119
6.	Oodela Gift Shop	Jl. S. Parman No.27, Padang Jati, Kec. Ratu Samban, Kota Bengkulu, Bengkulu 38227
7.	Omeey BAsreng Gift Shop	Jl. WR. Supratman Jl. Juwita No.31, Kandang Limun, kec. Muara, Kota Bengkulu, Bengkulu 38122

In the consignor system, there are several provisions or agreements that must be agreed upon between the business actor who entrusts the product and the party receiving the product, in this case the KriptaL consignor business in the consignor system, which are as follows:

1. Price Agreement

For an agreement on the price of KriptaL products, a price package is applied where if you take a minimum of 20pcs, the selling price applied is Rp. 13,500, this price is the price of the KriptaL business and for the selling price in the market it is entirely the right of the store.

2. Commission / reward agreement

In this commission agreement, the KriptaL business gives full rights to the shop that receives the sales order in determining how much commission or reward they want.

3. Number of products entrusted

For the number of products entrusted, KriptaL has a minimum order limit to get a certain price, for example, for a minimum of 20pcs full-color containers KriptaL will get a price of 13,500 which is usually the kriptal businessman selling Rp. 15,000. if the order is above 50pcs then the selling price will be Rp. 13,000.

4. Returns on sales

Based on the results of interviews with Mr. Ikhsan, in this case the KriptaL business owner, said that the billing time is carried out for 1 month, while for product returns it is carried out every two months, this is because KriptaL products have an expiration period of 4 months.

DISCUSSION

Analysis Of KriptaL Consignor Business In Increasing Competitiveness Through Consignor System

Consignor sales or consignor system is an effective marketing strategy in expanding market reach, as for the impacts that can be analyzed by kriptalL snack businesses in increasing Competitiveness, namely as follows:

1. Expanding the marketing reach of the KriptaL business.

Before implementing the consignor system, the kriptal business still implemented a direct sales system to consumers so that money / profit was immediately obtained. However, not every day there are consumers who buy kriptalL because the market reach is still only friends and family. With the advancement of the consignor system carried out by the KriptaL business, the opportunity to introduce KriptaL products to other broad consumers is higher so that more consumers will buy, especially since the shops that are entrusted with this product are shops where the people of Bengkulu city shop, meaning that the opportunities increase.

2. Increase Competitiveness

By adding marketing strategies, it is hoped that it can provide additional and improved brand image for each business, but this does not directly impact the product. Many indicators can be used as benchmarks in increasing competitiveness, including:

a. Size of turnover

A business that has a turnover value that continues to increase over a certain period of time illustrates that the market demand for the products of the business is high. The higher the competitiveness of a business, the higher and bigger the sales production will be. The amount of turnover can be seen from the increase in sales volume. If seen from the sales volume, KriptaL is certain to have high competitiveness with the consignor sales system because currently more than one person is selling KriptaL.

b. Profit

The more the sales volume increases, the higher the profit a business will get. KriptaL MSMEs in this study obtained profits, where these profits were obtained through their own sales system and consignors. Furthermore, the profit is used by the business owner

to develop his business by buying a consignor seller tool which is used to package products to make them more attractive and neat.

c. Technology

The technology used in this KriptaL business already uses technological sophistication, including making transactions using internet assistance, sophisticated tools and equipment, for example, the use of cooking oil reduction tools in food or better known as spinner, and tools for gluing packaging or continues sellers.

In business activities, do not forget to calculate costs, especially the consignment system must consider costs, labor, and potential sales if entrusted to the store. The costs incurred by Mr. Ikhsan in the KriptaL production process consist of raw material costs, packaging costs, and machine overhead costs. The following is a breakdown of KriptaL production costs, the price applied to the consignor system and the profit or profit.

Table 2 Calculation Of Cogs Costs (Cost Of Goods Produced) Of KriptaL Business

No.	Cost Description	Total cost	Total	Cost Per Unit
1.	Taro Tuber Raw Materials	583.000	155pcs	3.761
2.	Cooking Oil	210.000	155pcs	1.354
3.	Packaging Cost	310.000	155pcs	2.000
4.	Chili	75.000	155pcs	483,87
5.	Refill of 3kg gas cylinder	115.000	155pcs	741,93
6.	Other Costs (Garlic, Salt, Etc.)	150.000		967,741
				9.308,541

Table 3 KriptaL Business Income Statement

Description	Packaging Price	Packaging cost	Packaging Advantages	Estimasi Margin
KriptaL full color aluminum foil packaging	Rp. 15.000	Rp. 9.400	Rp. 5.600	36%

With the implementation of the consignor system, the sales target of the kryptal business can be achieved because not only the business actor, in this case Mr. Ikhsan, but also the consignor shops are the actors in marketing. Another impact that can be received from this consignor system is that business actors can focus on the production process in product development, build production strategies and look for new places to develop the market share of the consignor system.

CONCLUSION

Based on the discussion described above, conclusions can be drawn regarding the KriptaL consignor's Business Analysis in Increasing Competitiveness through the Consignor System, as follows:

1. The consignor marketing system is a system that can be carried out by business actors in order to develop market share and not have to bother with marketing strategies because in this system marketing is assisted by shop owners. In the KriptaL business, the consignor sales agreement is in accordance with the agreement including the agreement regarding the price level, the amount of commission or reward, the number of products entrusted and returns on sales.
2. KriptaL's consignor business in increasing competitiveness has a positive impact on KriptaL's business and the store. Where this can be seen from the expansion of the marketing network, the increase in turnover of business actors, in terms of profit or profit and more advanced technology.

SUGGESTION

It is normal if it is almost certain that in a study there will be limitations found in the research results after discussion, in this chapter the researcher will provide an overview of the shortcomings of the study even though limitations or errors have been made as small as possible, including:

1. With the Consignment system, Kriptal consignors entrust their goods or products in order to increase competitiveness, but the discussion does not discuss the risk of unsold products / goods. Products or goods that do not sell will return to the Kriptal consignor well the product will be calculated on the income statement or something like that.
2. In the discussion and research, there is no agreement made by the business actor in this case the Kriptal consignor with the agreement shop in writing, only an advance agreement so that violations are possible.

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