



## Business Development Strategy for Orchid Plant

Beatrix Yolanda Napitupulu\*, Ni Luh Made Indah Murdyani Dewi  
Department of Agribusiness, Faculty of Agriculture, Udayana University, Indonesia

\*Correspondence email: [beatrixyolanda45@gmail.com](mailto:beatrixyolanda45@gmail.com)

### Abstract

The high demand for orchid plants is also followed by many similar business actors so each business actor needs to carry out a business development strategy. This research aimed to identify the internal (strengths and weaknesses) and external (opportunities and threats) factors of CV. Duta Orchid's orchid business development process and to formulate general strategies and alternative strategies for developing CV. Duta Orchid's orchid business is based on a SWOT analysis (strengths, weaknesses, opportunities, and threats). The results of the IE matrix analysis, the general strategy of the CV. Duta Orchid's business is currently in a grow and build position, namely an intensive strategy (market penetration, product development, product development). The results of the SWOT analysis resulted in eight alternative strategies, namely, SO strategy, namely maintaining the quality of CV. Duta Orchid products and maintaining good relations with consumers and utilize the market locations for easier consumer access to products with the large availability of orchid seeds, WO strategy, namely educating consumers through social media optimization of perceived value with interesting content, ST strategy, namely making adjustments to marketing and sales strategies by highlighting the advantages that CV. Duta Orchid, participating in exhibitions to introduce CV. Duta Orchid, and maximizing the use of parents in orchid growth, and the WT strategy is to maximize the quantity and quality of production by using technology and produce superior varieties that are resistant to climate change and pests and diseases and increasing interaction with consumers through the use of various social media platforms.

**Keywords:** Strategy, internal, external, orchid plant business

### A. Introduction

The agricultural sector is one of the sectors that contribute to the economy in Indonesia. The majority of the population in Indonesia earns their livelihood in the agricultural sector. One of the agricultural subsectors is horticulture. The horticultural commodities consist of fruit plants, vegetable plants, biopharma plants, and ornamental plants (BPS Bali Province, 2022). According to the Directorate General of Horticulture, (2020), the contribution of the Gross Domestic Product of the horticultural sub-sector in the 2015-2019 period amounted to 14% of national agricultural GDP growth. This shows that horticultural products are quite attractive and well-received by the market. Ornamental plants are plants that have a certain aesthetic value and are attractive. In addition, ornamental plants also have economic value to be used as decoration indoors or outdoors. Because of their economic value, ornamental plants can be cultivated as a promising business with substantial profits (Lakamisi, 2010). One of the potential ornamental plants to be developed because it is popular among the public and in demand by many consumers is orchid plants (Novita & Elida, 2022).

Orchid plants are members of the Orchidaceae family, which is the largest plant family among other ornamental plant families (A et al., 2017). Orchids are plants that have various shapes and beautiful colours. Orchids are often used in religious ceremonies, decorations, greeting flowers, and home decorations. Because of its beauty, the demand for orchids is also increasing along with the increasing demand from orchid enthusiasts and collectors, offices, hotels, and industries (Anggraeni, 2022). According to BPS Bali Province data (2022), Denpasar is the largest orchid production area in Bali Province with a total of 27,768 stalks compared to 2021, where the largest production of orchids is in Karangasem Regency with a total of 27,238 stalks. With the increasing production of orchid plants every year, this shows that consumer interest in orchid plants is growing. The high demand for orchid plants is also followed by many similar business actors so each business actor needs to innovate in improving the quality of their products in the face of competition between similar business actors.

To respond to competition among orchid businesses, every entrepreneur needs to have a business development strategy that includes production, marketing, and organizational strategies to maintain their business. CV. Duta Orchid is a privately owned business enterprise engaged in the orchid business and orchid plant care consulting in Denpasar city. Problems that CV Duta Orchid has is the decline in production due to uncertain climate. Where a good climate specification for orchid plant air humidity is between 60%-80% and the intensity of sunlight ranges between 30%-60%. Currently, there is a climate change, which results in a decrease in orchid plant production. Furthermore, the next problem is the lack of marketing strategy carried out by CV. Duta Orchid. Based on the results of the interview, CV. Duta Orchid is willing to do branding for their business to be known as an orchid centre in Bali. However, this CV. Duta Orchid has not been able to improve a better marketing strategy, as seen through its social media CV. Duta Orchid is less active in promoting products. Based on the problems faced in the field, it encourages the author to research the business development strategy of orchid plants at CV. Duta Orchid.

## **B. Methodology**

### *1. Research Design*

The research data used in this study are qualitative and quantitative. Qualitative data used in this research is in the form of information related to CV. Duta Orchid, namely the identification of internal and external factors. There are two data sources used in this research, which are primary data and secondary data. Primary data is data obtained directly at the research location, such as the results of interviews, observations, and questionnaires that have been set. Secondary data is data obtained indirectly from existing sources or supporting sources such as information through journals, theses, books, and the Central Statistics Agency. Quantitative data in this research is in the form of the number of employees and the results of questionnaires conducted with key informants. Other quantitative data in this research is used to provide scores on the IFAS matrix, EFAS, IE matrix, and SWOT matrix.

### *2. Participants/Respondents/Population and Sample*

The sampling of this research was carried out by purposive sampling using key informants. According to (Mundir, 2013), purposive sampling is a sampling technique with certain considerations, with the consideration that the sample knows the expected data. In this research, the key informants are internal parties of CV. Duta Orchid, namely, accounting staff, production staff, marketing staff, SPG, and external parties of CV. Duta Orchid has four consumers.

### *3. Technique of Data Collection*

The research used data collection methods such as observation, interview, and documentation.

#### 4. Technique of Data Analysis

The data analysis used to be able to formulate a business development strategy for orchid plants at CV. Duta Orchid, using analysis with the IFAS matrix, EFAS matrix, and IE matrix then followed by SWOT analysis.

### C. Findings and Discussion

#### 1. Identification of Internal and External Factors

##### 1.1. IFAS Matrix

Internal factors consist of strengths and weaknesses. The strength factors owned by CV. Duta Orchid consists of 3 variables, namely high availability of orchid seeds, high quality, and CV. Duta Orchid's friendly service to consumers. The weakness factors owned by CV. Duta Orchid consists of 3 variables, namely the less effective use of social media, prices are relatively expensive compared to similar competitors, and expensive media maintenance.

**Table 1.** IFAS Matrix (Internal Factor Analysis Summary)

No	Strength	Weight	Rate	Score
1	High availability of orchid seeds	0.20	3.75	0.75
2	High quality	0.22	3.88	0.85
3	CV. Duta Orchid's friendly service to consumers	0.22	3.75	0.83
<b>Total</b>				<b>2.43</b>
<b>Weakness</b>				
4	Less effective use of social media	0.13	2.38	0.31
5	Prices are relatively expensive compared to similar competitors	0.12	2.75	0.33
6	Expensive media maintenance	0.11	1.63	0.18
<b>Total</b>				<b>0.82</b>
<b>Grand Total</b>		<b>1</b>	<b>3.25</b>	

Source: Primary Data (2024)

Based on Table 1 data above, it is known that the main strength of CV. Duta Orchid is high quality with a score of 0.85. The main weakness is that prices are relatively more expensive than similar competitors with a score of 0.33. The total score calculation obtained is a total of 3.25, this shows that CV. Duta Orchid can use existing strengths to reduce weaknesses in CV. Duta Orchid.

##### 1.2 Matrix EFAS

External factors consist of opportunities and threats. The opportunities factor of CV Duta Orchid consists of 3 variables, namely strategic market location, high demand for orchid plants, and consumer confidence in the quality of orchids. The threats factor owned by CV. Duta Orchid consists of 3 variables, namely the existence of similar competitors, uncertain climate change, pests, and diseases.

**Table 2.** EFAS Matrix (External Factor Analysis Summary)

No	Opportunities	Weight	Rate	Score
1	Strategic market location	0.23	4	0.92
2	High demand for orchid plants	0.23	3.88	0.89
3	Consumer confidence in the quality of orchid plants	0.22	3.75	0.83
<b>Total</b>				<b>2.64</b>
<b>Threats</b>				
4	The existence of similar competitors	0.12	2.13	0.26
5	Uncertain climate changes	0.13	2.5	0.33

6	Pest and disease	0.07	1.75	0.12
<b>Total</b>				0.70
<b>Grand Total</b>		<b>1</b>		<b>3.34</b>

Source: Primary Data (2024)

Based on the Table 2 data above, it is known that the main opportunity of CV. Duta Orchid is the strategic market location with a score of 0.92. While the main threat is uncertain climate change with a score of 0.33. The total score calculation obtained is a total of 3.34.

## 2. *Alternative Strategy for Orchid Plan Business CV. Duta Orchid*

### 1.1. *Internal-External Matrix (IE)*

The IE matrix value is the result based on calculations between the IFAS and EFAS matrices. Based on the results of the calculation of the two matrices, it can be seen that the total score of the internal factors is 3.25 and the total score of the external factors is 3.34. The results of the analysis show that the position of CV. Duta Orchid is in cell I, namely Grow and Build where the grand strategy for the development of CV. Duta Orchid which is considered appropriate is the strategy of product development, market penetration, and market development.

		Total IFAS Score		
		Strong (3,0-4,0)	Average (2,0-2,99)	Weak (1,0-1,99)
Total EFAS Score	4,0	I	II	III
	3,0	IV	V	VI
	2,0	VII	VIII	IX
	1,0			

**Figure 1.** IE Matrix



2. Utilize the market location for easier consumer access to products with a large availability of orchid seeds.

A strategic and easily accessible location provides convenience for consumers who want to see the availability of orchid seeds firsthand. CV Duta Orchid has a large parking lot for both motorcycles and cars. The use of billboards or banners as a location indicator can be used as a way to attract the attention of potential customers. Where is the location of the CV? Duta Orchid in the centre of Denpasar city is a strategic location making it an added value to reach a larger market.

#### B. WO Strategy

1. Educating consumers through social media optimization of perceived value with interesting content.

In conducting promotions, CV. Duta Orchid can educate consumers about the importance of high-quality care media to maintain the health of orchid plants and highlight the superior quality and longevity of orchid plants offered by CV. Duta Orchid to consumers. So that consumers see a higher value than the more expensive price. This educational strategy is carried out using social media with interesting content. According to Fatchurrohman et al. (2023), social media has a significant role in product marketing, using social media can facilitate the dissemination of information about products and product specifications and can reduce promotional costs.

#### C. ST Strategy

1. Adjust the marketing and sales strategy by emphasizing the advantages of CV. Duta Orchid has.

CV. Duta Orchid has advantages such as the high quality of orchid plants, and CV. Duta Orchid's friendly service to consumers. These advantages can be the basis for a marketing strategy. CV. Duta Orchid can present content that highlights the superior quality of the orchids produced and also add customer testimonials to show the positive experience of customers who received friendly service from CV. Duta Orchid. According to Santoso et al. (2023), by doing a promotional strategy has a very significant impact on the number of product sales received. So, by adjusting the marketing strategy by highlighting the advantages that CV. Duta Orchid can build a strong brand image and expand the marketing reach of CV. Duta Orchid.

2. Participating in exhibitions to introduce CV. Duta Orchid.

Participating in exhibitions has many benefits that can help introduce a CV. Duta Orchid to a wider audience and expand its influence in the orchid and houseplant industry. By showcasing products, quality services, and presenting interesting information and useful education, CV. Duta Orchid can attract the attention of more people and introduce them to a larger audience. Besides being recognized, exhibitions can also be a place to establish business relationships with potential customers, suppliers, and distributors. By interacting directly with exhibition visitors, CV. Duta Orchid can expand its business network and open new opportunities.

3. Maximizing the use of parent in orchid growing.

Orchids need consistent humidity and optimal environmental conditions to grow well. By maximizing the use of parent, it can better control the growth environment, and reduce the risk of plant damage resulting in increased yields and higher-quality orchids.

#### D. WT Strategy

1. Maximize the quantity and quality of production by using technology and produce superior varieties that are resistant to climate change and pests and diseases.

According to Hilman et al. (2019), technological support in adaptation efforts to the impacts of climate change is needed to produce superior varieties that are resistant to climate change and pests and diseases. Technology that can be used such as tissue culture and the application of growth-stimulating hormones. Tissue culture in orchid plants is obtained from the selection of healthy parent orchid plants that have good characteristics. In addition, the use of growth-stimulating hormones such as auxin and cytokinin in plants can be given to stimulate the growth of roots and new shoots. Maximizing the quantity and quality of orchid plant production, CV. Duta Orchid can compete with the price offered because it is comparable to the products offered to consumers.

2. Increasing interaction with consumers through the use of various social media platforms.

In building relationships with customers, increasing loyalty, and strengthening trust in CV. Duta Orchid, it is important to increase interaction with consumers. This can be done by utilizing various social media platforms such as TikTok, X Twitter, Instagram, Facebook, etc. By providing useful quality content, such as tips and tricks, and holding quizzes and giveaways to increase engagement with audiences or consumers. Responsive customer service on social media and ensuring that any queries or complaints are dealt with quickly and efficiently. Thus, the use of various social media platforms not only increases interaction with consumers but also strengthens the company's position in a competitive market.

#### D. Conclusion

Based on the results of the analysis that has been carried out, the following conclusions are obtained in the business development strategy for orchid plants at CV. Duta Orchid:

1. Internal factors are the main strength of a CV. Duta Orchid is high quality. The main weakness of CV. Duta Orchid is the price is relatively expensive compared to similar competitors. External factors that become the main opportunities for CV. Duta Orchid are strategic market location. The main threat of CV. Duta Orchid is uncertain about climate change
2. The results of the IE matrix analysis, and the general strategy of the CV. Duta Orchid's business is currently in a grow and build position, namely an intensive strategy (market penetration, product development, product development). The results of the SWOT analysis resulted in eight alternative strategies, namely, SO strategy, namely maintaining the quality of CV. Duta Orchid products and maintaining good relations with consumers and utilizing market locations for easier access to products with the availability of many orchid seeds, WO strategy, namely educating consumers through social media optimization of perceived value with interesting content, ST strategy, namely making adjustments to marketing and sales strategies by highlighting the advantages that CV. Duta Orchid, participating in exhibitions to introduce CV. Duta Orchid, and maximizing the use of parent in orchid growth, and the WT strategy is to maximize the quantity and quality of production by using technology and produce superior varieties that are resistant to climate change and pests and diseases and increasing interaction with consumers through the use of various social media platforms.

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