**IDENTIFICATION OF THE POTENTIAL MARKET SEGMENT OF TRADITIONAL MEDICINE PRODUCTS BASED ON THE LEVEL OF PREFERENCE, SATISFACTION AND RISK PERCEPTION**

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**Abstract.** This study aims to describe the potential market segments of traditional medicine products demographically by measuring the level of preference, satisfaction and perceptions of community risk which can be used by traditional medicine product manufacturers to determining the target market. This research was conducted in Banjarmasin starting from October 2018 to March 2019. The population was the Banjarmasin people and taken as many as 150 respondents. Sampling uses purposive sampling method. Data collection using a questionnaire and then carried out data editing (data editing). This study uses qualitative - quantitative descriptive analysis and average comparison test. The results of the study found that: (1) Preference level, satisfaction and risk perceptions of the people of Banjarmasin city on traditional medicine products were quite good because the respondents' evaluations were in the middle category; (2) the potential demographic segment that can be used as a target market for green products, among Others, female gender, age between 21-30 Year, Occupation are Government employee and Students, income between Rp. 1 - Rp. 4.9 Million, and education level is from elementary to under graduates,

Keywords : preference, satisfaction, risk perception, traditional medicine.

**INTRODUCTION**

One of the green products currently being developed is green products in the traditional medicine sector (TM) which consists of herbal products, standardized traditional medicines, and phytopharmaca, and is one of the mainstay sectors driving the Indonesian economy. BPOM RI data shows that there are at least 751 businesses that produce traditional medicines throughout Indonesia and 626 of them are middle, small and micro enterprises (MSMEs) (BPOM-RI, 2018). Based on data from health research results until 2017, almost half (49.53%) of the Indonesian population is 15 years and over, and the proportion of people who consume herbal medicine every day is 4.36%, while the rest (45.17%) consume herbal medicine occasionally. The proportion of types of herbs that are mostly chosen for consumption include liquid herbal medicine (55.16%); powder (43.99%); and brewed herbs (20.43%). Whereas the smallest proportion is a modern packaged herbal medicine in the form of capsules / pills / tablets (11.58%) (BPOM-RI, 2018).

Through segmentation, companies divide large and heterogeneous markets into smaller segments that can be reached efficiently and effectively with unique products and services according to market needs (Kotler and Armstrong, 2012). The use of market segmentation has developed widely and in business activities and can be used to better serve customers, analyze consumer behavior and design products (Kasali, 2007).

In order to further develop traditional medicine products, this study was conducted to determine the potential market segments of green products in the traditional medicine sector by measuring the level of preference, satisfaction and public risk perceptions which can then be used by traditional medicine product developers to develop marketing policies. in determining the target market. Based on the background above, the problem statement was developed as follows:

* What level are the preferences, satisfaction and risk perceptions of the Banjarmasin community on traditional medicine products demographically?
* What are the potential segments of traditional medicine consumers?

**LIITERATUR REVIEW**

Marketing segmentation is an attempt to divide the market into groups that can be distinguished from each other in terms of needs, characteristics, or behavior that might require certain products and marketing strategies to reach them (Kotler and Armstrong, 2012) and used as a strategies for understanding market structure (Kasali, 2007).

Factors such as gender, age, income level and type of work influence the satisfaction of green products in order to increase buying interest in green products (Schiffman and Kanuk, 2008; Widyastuti and Widagda, 2012; Hamzan and Bayu, 2012).

* Gender factors: Women tend to be more positive towards green products than men (Lee, 2009; Miranti, 2012; Zulfikar, 2017) and the behavior of buying green products can be a more relevant concept for women because women tend to be more concerned about environmental issues than men male (Lee, 2009, Zulfikar, 2018).
* Age factor: buying behavior between the ages of 18 and 24 tends to use information contained in a product to make purchases while the age group 25 years to 44 years significantly indicates that information on a product greatly influences their behavior in making a purchase (Dumanovsky et al, 2010, Zulfikar, 2017).
* Occupation : Consumers who have certain types of work generally consume certain items that are different from consumers with Other types of work (Kasali, 2007).
* Income Level Factors: Income levels significantly influence the satisfaction of green products and are the most dominant variable in influencing green product purchasing decisions (Samin et al, 2013; Hamzan, 2013; and Girard, 2010).
* Education Level Factors: Tsakiridou (2012) in his study found that the level of education had a significant effect on the purchase of green products for consumers in Malaysia because with a good level of education, understanding and understanding then understanding and knowledge of something will be better, and become the basis for consideration in purchasing green products. This is in line with the opinion expressed by Kim and Seock (2009) and Calroche et al., 2001 in Haryadi (2009) that knowledge has an important role in terms of attitudes of consumer acceptance of green products because consumers who have knowledge of environmental issues and product benefits tend to prefer green products even though the price is relatively expensive.

But there are also some finding that are different from the research before, such as Gender differences do not mediate knowledge variables in influencing consumer satisfaction with green products even though there is a tendency for knowledge, consumers prefer green products compared to other products (Aryanti et al., 2014). There is a positive but not significant difference between male and female consumer satisfaction, although it is still dominated by female consumers (Yasa, 2015). Contributions of age, education, occupation, income, and family size variables are not significant to purchasing decisions and are likely influenced by other variables (Yahya, 2011).

**RESEARCH METHODS**

This research is survey research. The population and sample in this study were Banjarmasin community and taken as many as 150 respondents. This research uses data analysis techniques such as: (1) descriptive qualitative-quantitative analysis, (2) descriptive analysis - variable categorization and (3) comparing Means test.

**RESULTS AND DISCUSSION**

**3.1. Characteristics of Respondents**

The characteristics of the respondents used in the study are presented in table 1 below:

**Table 1. Characteristics of Respondents**

|  |  |  |  |
| --- | --- | --- | --- |
| Demographics Factor | Respondents | Demographics FactorFreq | RespondentsDemographics Factor |
| Freq | % | Freq | % |
| Gender |  |  | * Enterpreneur
 | 32 | 21 |
| * Male
 | 61 | 41 | * Professional
 | **6** | 4 |
| * Female
 | 89 | 59 | **Income** |  |  |
| Age |  |  | * < Rp 1 Million
 | 18 | 12 |
| * < 20 Years
 | 26 | 17 | * Rp 1– Rp 2,49 Million
 | 27 | 18 |
| * 21 – 30 Years
 | 29 | 19 | * Rp 2,5– Rp 4,9 Million
 | 39 | 26 |
| * 31 – 40 Years
 | 34 | 23 | * Rp 5– Rp 9,9 Million
 | 34 | 23 |
| * 41 - 50 Years
 | 36 | 24 | * > Rp 10 Milion
 | 32 | 21 |
| * > 50 years
 | 25 | 17 | **Education** |  |  |
| Occupation |  |  | * Elementary/Junior/High School
 | 36 | 24 |
| * Unemployee
 | 7 | 5 | * Diploma (D1,D2, D3)
 | 4 | 3 |
| * Student
 | 26 | 17 | * Under Graduate
 | 64 | 43 |
| * Gov. Employee
 | 34 | 23 | * Graduate
 | 36 | 24 |
| * Private Employee
 | 45 | 30 | * Post Graduate
 | 10 | 7 |

Source : Primary Data,Processed, 2019

**3.2. Descriptive Analysis and Variable Categorization**

The results of categorization of variables and based on average values ​​and standard deviations are presented in table 2 as follows:

**Table 2. Categorization Variables**

|  |  |  |  |
| --- | --- | --- | --- |
| Variables | Mean | Standard Deviation | Respondent Assesment |
|  |  |  | **High** | **Middle** | Low |
| Preferences | 52.6 | 5.39 | 17% | 69% | 14% |
| Satisfaction | 0.79 | 4.58 | 52% | 43% | 5% |
| Risk Perception | 16.57 | 3.75 | 25% | 44% | 31% |

The explanation of the result on the table 2 are :

1. There were 17% respondents gave an assessment of the preference variables in the high category. 69% respondents gave an assessment in the middle category, and 14% percents gave an assessment in the low category. The data shows that the majority of respondents gave an assessment of the preference variables for traditional medicine products in the middle category, so it can be concluded that the level of people's preference for traditional medicine products was quite good because the majority of respondents' evaluations were in the middle category.
2. There were 52% gave an assessment of the satisfaction variable in the high category. 43% respondent gave an assessment in the middle category, and 5% respondents gave an assessment in the low category. The data shows that most respondents gave an assessment on satisfaction variable in the high category, so it can be concluded that the level of community satisfaction with traditional medicine products was very good.
3. There were 25% respondents gave an assessment of the risk perception variables in the high category. 44% respondents gave an assessment of the risk perception variables in the middle category, and as many as 31% percents gave an assessment in the low category. The data shows that the majority of respondents gave an assessment of the risk perception variable on traditional medicine products still in the middle category. Which mean that the community considered that the risk of consuming traditional medicine was still quite low.

**3.3. Compare Means Analysis**

The results of the comparison of the average of all demographic segmentation groups to the variables of preference, satisfaction and risk perception of the community towards traditional medicine products are presented in the table 7.:

Based on the table 3, things can be described as follows:

1 Based on gender, women tend to have a level of preference, satisfaction and risk perception of traditional medicine products that are better than men. This is in line with the findings of Mostafa (2006), Lee (2009), Yasa (2015) and Zulfikar and Mayvita (2017 which state that women's gender tends to have a positive assessment better than men.

2 Based on age, the age group between 21-30 years tends to have a better level of preference, satisfaction and perception of traditional medicine products than the Other age groups of respondents.

3 Based on occupation, respondents who have occupation as government employee to have a better level of preference and risk perception than Other occupational group groups, while groups who work as students or students tend to have better levels of satisfaction than Other occupational category groups..

4 Based on income, the group of respondents with an income level of Rp. 1 million - Rp. 2,499 million tended to have a better level of preference and satisfaction than the Other groups. While in terms of risk perception, groups with an income level of Rp. 2.49 - Rp. 4.99 Million have a higher level of risk for traditional medicine products. Based on this, it can be said that the potential consumers for traditional medicine products is in the consumer group income between Rp. 1 million - Rp. 4.9 million.

5 Based on education, respondents with a education level is under graduate tended to have better levels of preference and satisfaction than Other groups while respondents with elementary/ junior / senior high school education tended to have the highest satisfaction compared to Other groups.

Based on the highest results of respondents evaluations based on demographics, the potential groups that can be used as market potential for traditional medicine products are female gender, age between 21-30 Year, Occupation are Government employee and Students, income between Rp. 1 million - Rp. 4.9 Million, and education level is from elementary to under graduates.

**CONCLUSION**

Based on the results of data analysis and research findings, some conclusions that can be taken are as follows:

1) The level of preference, satisfaction, and risk perception of the Banjarmasin community on green products in the majority traditional medicine sector is quite good because the majority gives an assessment in the middle category.

2) Potential groups that can be used as market potential for traditional medicine products are female gender, age between 21-30 Year, Occupation are Government employee and Students, income between Rp. 1 Million - Rp. 4.9 Million, and education level is from elementary to under graduates.

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