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by Poppy Arsil

INDONESIAN CONSUMERS' PERCEPTIONS OF LOCALLY GROWN PRODUCE: A CASE STUDY

(PERSEPSI KONSUMER INDONESIA TERHADAP PANGAN LOKAL: STUDI KASUS)

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Abstract

This study investigates consumer perceptions and the level of awareness of local foods among Indonesian consumers who live or stay in South Australia. A total of fifty one respondents were involved in this study. The snowball technique were employed to select respondents. "Local production" is found to be the most important meaning of 'local'. Consumers believe that local foods are food produced and sold within province and neighbouring province. Local foods are also believed to be cheaper and have higher quality when compared to 'national' or 'imported' food. Rice is mentioned most frequently by respondents as local food beside sweet potatoes, fish, and sago. The consumer levels of awareness of local foods and local food policy are still low.

Abstrak

Tujuan dari peneltian ini adalah mengkaji persepsi dan tingkat kepedulian konsumer Indonesia yang tinggal atau menetap di Australia Selatan terhadap pangan lokal. Total 51 responden terlibat dalam studi ini. Teknik *snowball* digunakan untuk merekrut konsumer. "Produksi lokal" mempunyai korelasi yang sangat penting bagi defenisi 'lokal'. Konsumer percaya bahwa pangan lokal adalah makanan yang diproduksi dan dijual dalam radius propinsi atau tetangga propinsi. Pangan lokal juga lebih murah dan memiliki kualitas yang lebih tinggi jika dibandingkan dengan produk nasional atau impor. Beras merupakan produk lokal yang paling sering disebut oleh konsumer sebagai pangan lokal disamping ubi, ikan dan sagu. Kepedulian konsumer terhadap pangan lokal dan kebijakan pangan lokal masih rendah.

Keywords: local food, Indonesia, perception.

1. Introduction

Local food trend is not a new phenomenon. Interests in local foods have been identified in early 1980s. Eastwood (1987, p. 183) reported that "consumers have no strong preferences for or against locally fresh produce". Bruhn (1992) then indicated that consumers who shopped in Sacreento and Sonoma, United States expressed their interests to buy locally grown produce if the products had good quality and the price were not higher than they usually paid. Subsequently, the local food movements are flourishing in many countries around the word. People who buy and consume local foods, so-called "locavorer", are aware about "foodmiles", the distance the foods travel. In United States, Brown (2003) found strong interest in local foods among Southeast Missouri consumers. In United Kingdom, the local government has promoted local food system since the early 2000s. Although UK consumers purchased their local foods very low on a regular basis, they believed that local foods have better quality and fresher (Trobe 2001).

In Indonesia, local food policy has been promoted by government since 1960s' through Presidential Decree number 14/1974 aimed at improving people daily diet. This program was then strengthened by food diversification and nutrition program sponsored by Indonesian Agriculture Department (1993-1998). Indonesian Ministry of Food also launched the slogan "I like Indonesian foods' in year 1996 that focused on encouraging Indonesian people to eat more Indonesian food products. The Food Security Council was then established in 2001. Another important regulation with respect to local foods was Presidential Decree Number 22 year 2009 aimed at acceleration for diversified food consumption based on local resources.

Although the local food movement has been promoted as the national program to deal with food consumption problems such as the dominant of rice as the source of carbohydrate, there are still limited studies with respect to consumer perceptions and awareness of locally grown produce in Indonesia. What the most important concern is the meaning of local. A search of studies through official websites of Indonesian government and scholarly research journal articles to the definition of 'local' is very limited in Indonesia. When raising a question "What is the definition of 'local'?" Many answers may be arise such as place production, geographic differences (physical distance, political boundaries, border of counties, and region boundaries), driving distance (Dume et al., 2011, Onozaka et al., 2010, Darby, 2008, Smithers et al., 2008, Zepeda and Leviten-Reid, 2004, Gallons et al., 1997), quality (Chambers et al., 2007), distribution (Wilkins et al., 2000). Some researchers have constructed the meaning of 'local' in different ways. According to previous published surveys, there are different definition of local foods mentioned by consumers from developed countries background, but it can be categorised into: (a) physical scale such as 30 miles (Flint, 2004), a day's round trip (Devine, 2004), (b) geographical borders such as county or neighbouring county (Ostrom, 2006), (c) place of production (Wilkins et al., 2000), (d) place distribution and marketing (Wilkins et al., 2000), (e) support local farmer and economy (Bruhn et al., 1992; Smithers et al., 2008), and (f) price and quality (Roininen, 2006; Chambers, 2007; Bruhn et al., 1992). As the local food movement continues to grow not only in developed countries like the United States, and European countries but also flourishes in developing countries like Indonesia, therefore the aim of this research is to examine consumer perceptions and the level of awareness toward local foods. In order to examine the perceptions and consumers' awareness of local foods among Indonesian consumers, some research questions have been formulated:

a) What is the meaning of 'local'?

b) How do consumers perceive the price and quality of locally grown produce?

c) What are the name of local food products that consumers are familiar with?

d) Do Indonesian consumers understand the term of local food?

e) Are they familiar with local food policy in Indonesia?

f) Do they intend to buy their local food?

g) Are consumers aware of local food labelling?

h) Are consumers aware of where the foods come from?

2. Methods

This study investigates the consumer perceptions and awareness of local foods among 51 Indonesian consumers who live or stay in South Australia. Snowball technique were chosen to select respondents due to practical reasons. Semi-structured interview were used to collect information from respondents during November 2010 to January 2011. The interview started by asking respondents initial screening questions. Interviewee should be (a) a food decider, (b) living in Indonesia at least one year and (c) consumed local foods when living in Indonesia. Respondents choose the place of interview such as at the respondent offices, at the respondent home, in the mall or supermarket. The interview lasted around 20 minutes.

Open-ended question were asked to the consumers with respect to the meaning of 'local'. Then, a semi-structured questions were presented to the respondents with regards to the local boundaries, consumer perceptions of price and quality of local foods and consumer vision of local farmers. Respondents were also asked to mention the name of local products. Following these questions, a series of semi-structured questions was provided to the respondents to identify their level of awareness of local food labelling and policies. A closed and open-ended questions were provided to consumers to collect their socio-demographic profile. All data were calculated as a percentage of the total data. The data are then summarized and presented in the results and discussion section and some critical point and findings are then discussed.

Respondents varied with respect to gender, age, education, occupation, ethnicity, and how long staying or living in Australia. Table 1 presents the demographic characteristics of survey respondents. Two third of those respondents were female. Most of them have higher education and have been living in Australia less than 5 years. Javanese ethnic was dominant (62.4 per cent). It is higher than the composition of Indonesian people which Javenese people occupied 42 per cent of the total population of Indonesian. In term of household members, 54.4 per cent of the respondents have 4 to 5 family members. The dominant occupation of respondents are civil servant. Generally, respondents have better education compared to the national census in Indonesia (BPS, 2010).

Table 1. The characteristics of Indonesian consumers who staying or living in South Australia.

Personal information (%)		Other information (%)	
Gender		**Ethnicity**	
Male	37,6	Javanese	66,4
Female	62,4	Non-Javanese	33,6
Age (years old)		**Staying/living in Australia (years)**	
15-29	7,2		
30-39	35,2	≤ 5 years	80,8
40-49	31,2	>5 years	19,2
50-59	22,4		
≥60	4		
Education			
High School	8		
Undergraduates	30,4		
Master degree and above	61,6		
Household member			
2-3	39,2		
4-5	54,4		
6-7	6,4		
Occupation			
Civil servant	64.8		
Housewife	9,6		
Entrepreneur	1,6		
Students	8,0		
Employees	16		

3. Results and discussion

3.1 Consumer perceptions of local foods

3.1.1 The meaning of 'local'

Respondents were asked what is the meaning of 'local'? The most common answers of this question are: (1) local production (58%), (2) distribution and marketing (21%), (3) food availability (10%) and (4) food quality (7%). The 'local production' refers to where the products come from. Some respondents believe that foods from different place have different quality and taste. The 'distribution and marketing' is related to supply chain system and short distribution channels. The food availability is related to the availability of foods in the market or other places that consumers can buy the products. Food quality refers to freshness.

3.1.2 Consumer perceptions of 'local production'

When consumers asked the question about local production, many consumers answered various scale of political borders in Indonesia. However, the most common responses for local production were food produced and sold within province (40 %). Some of them though local production related to neighbouring province (19%) and less thought within the regency area (17%). Consumers who mentioned "within the province" are dominated by Javanese respondents, less than 5 years in South Australia, undergraduates and master degree, and age between 15 to less than 49 years old. Figure 1 depicts the percentage of responses with respect to local production.

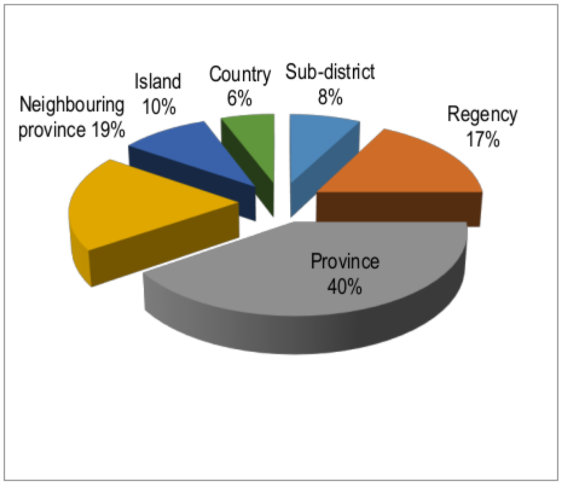

Figure 1. The percentage of responses of 'local production'.

This results agree with the findings of Wilkins et al. (2000). They reported that university students at New York State considered place food produced and place of distribution and marketing as important characteristics of local. Darby et al. (2008) also identified 'local' as boundaries of state. A survey conducted by Gallon et al. (1997) reported that most consumers mentioned state of location as the meaning of local.

3.1.3 Consumer expectation of local food's price

Respondents were asked their expectation of local food's price compared to the price of national or imported foods. Most respondents (84%) expected to pay less and 10 per cent expected to pay higher. Figure 2 presents consumers expectation of local food's price compared to national or imported foods.

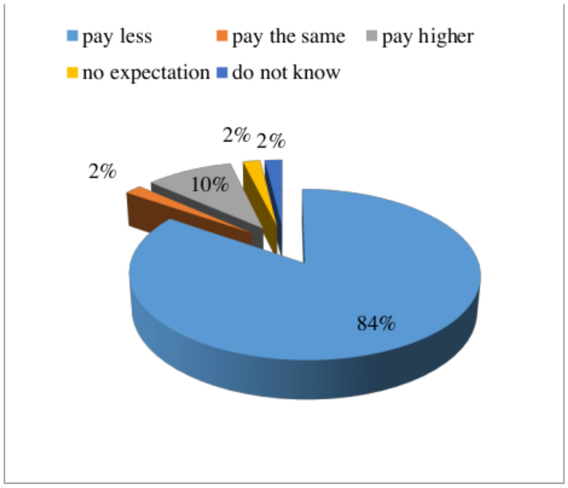

Figure 2. Consumer expectation of local food price

Generally, consumers expect that local foods are to be cheaper than non-local foods. This results are similar to Gallons et al. (1997) and Arsil et al. (2014). Gallons et al. (1997) reported that 49.5 per cent respondents in Delaware believed that the local food's price were cheaper. A majority of consumers surveyed by Arsil et al. (2014) in Indonesia perceived that local foods were cheaper than national or imported foods. When conducted a survey in Maine, Kezis et al. (1989) also reported 49 per cent of respondents expected lower price of local foods.

3.1.4 Consumer perceptions of local food quality

Respondents expected that local foods have higher quality than national and imported foods (36 %) and 29 per cent of respondents expected the same quality. The term 'quality' used in this study refers to freshness. One respondent (female, 30-40 years old, master degree, housewife, less than 5 years in Adelaide) responded that local foods were fresh because farmers harvested their crop on that day, so we could buy fresh food in the same day at the nearby markets. Figure 3 presents how consumers perceive quality of local foods. This also confirms previous studies that local foods have better quality than non-local foods due to its freshness (Trobe, 2001; Arsil et al. 2014). Brown (2003) reported that majority of buyers in the Southeast Missouri were not aware of the State' local food program. However, consumers perceived local foods to be higher quality and cheaper. Trobe (2001) emphasised that direct market from farmer to consumer has many potential benefits in term of quality at lower price. It is also reported that the most important characteristic when buying local food was the quality. Ostrom (2006) also reported that local foods had superior in quality due to its fresher and tastier.

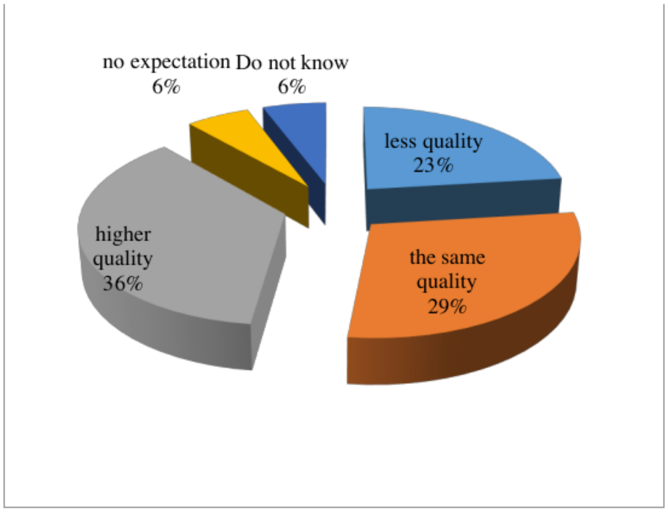

Figure 3. Consumer perception of local food quality

3.1.5 Consumer vision of local farmers

When respondents asked a question “local farmer are farmers within your…”, the most frequent answers of local farmers was farmers in their village (35 %) and then followed by subdistrict (27%). Table 2 shows the consumers’ vision of local farmers. Smithers et al. (2008) asked the vision of local farmers in Ontario, Canada. The most accepted definition of local farmers were within region/neighbouring region (40%) and county/neighbouring county (28%) respectively.

Table 2. Consumer vision of local farmers

Local farmers are farmers within (%)	
Village	35
Subdistrict	27
Regency	18
Province	12
Country area	8

3.1.6 Naming local food products

Consumers were asked to mention local food products. A total of 102 responses were replied by respondents and rice was still the most familiar local food products. Table 3 shows the most frequently local food products answered by consumers.

Table 3. Naming local food products

Local food products (%)	
Rice	17
Sweet potatoes	11

Fish	10
Sago	10
Mango	9
Corn	7
Apple	6
Cassava	5

3.2 Consumers awareness of local foods

3.2.1 Consumer knowledge about local foods

Consumers were also asked their knowledge about local food using an open question. Three levels of consumer knowledge were identified: (a) listening, (b) understanding and (c) applied in daily life. Respondents listen and obtain the knowledge of local foods from media mass (television programs, newspaper), websites, scientific journals, teaching-learning activities at schools or universities, seminars, and local government programs. The level of understanding of local food means that respondents can explain the definition of 'local food' generally as food produced and sold near consumer houses. Respondents apply the local food program in daily life activities such as local government programs (Bank Indonesia programs, village government activities or "Tim Pokja"), exhibitions, and teaching learning activities at schools or universities. The most frequent answer was that the consumers understand the meaning of local food (44 %) followed by listening the local food term (33 %) and applying local food programs in daily life (21 %).

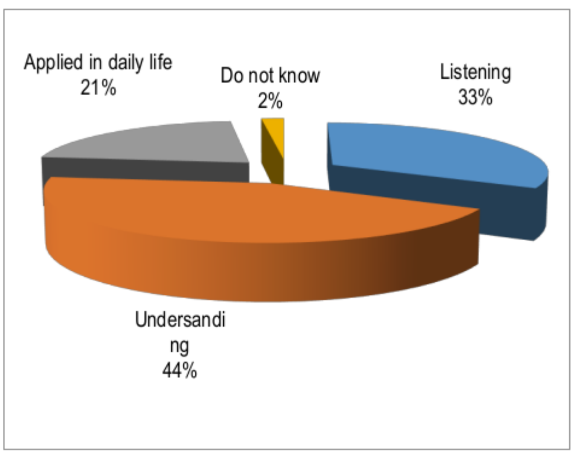

Figure 4. Three levels of consumer knowledge of local food

3.2.2 Familiarity with local food policy

To understand consumer familiarity toward local food policy, two open-ended question were questioned. The first question related to "I like Indonesian foods" slogan that promoted by Indonesian Ministry of Food in year 2006. Ninety two percent respondents replied they heard the slogan and only 8 per cent respondents never heard the slogan. However when they were asked about local food diversification policy linking to Presidential Decree No 22 year 2009, only 46 per cent respondents said yes, others replied no. Thus, publication and promotion from the Government is really needed to convey the messages of the local food diversification policy. The most effective promotion can be through media mass, government official websites and local government's programs.

3.2.3 Consumers' awareness towards local food labels

When consumers asked their intention to buy local food, all consumers answered they intended to buy local food. Then, they were asked how often you look at the product labels to know where products come from. Fifty one per cent replied they always checked the label before purchase the product and others answered 'seldom' or 'frequently'. Figure 5 shows how often respondents refers to food labels.

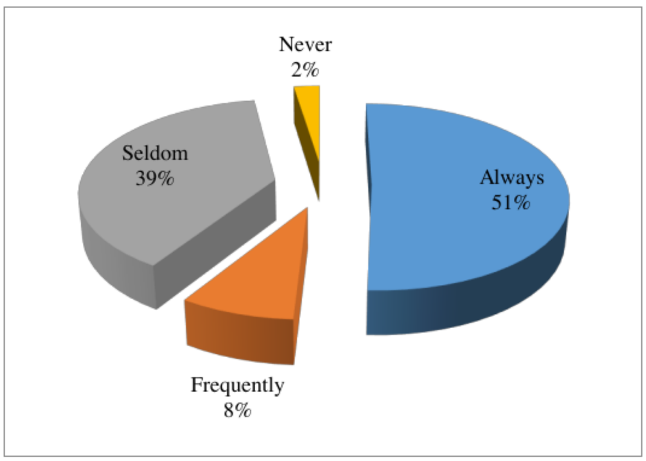

Figure 5. The frequency of consumers look at the food labels

3.2.3 Consumer awareness of where the product are grown

The last question was about the consumer awareness of country of origin. The question was when purchasing fruits and vegetables, consumers do not care from where the products are grown. Seven Likert scale were provided. Fifty four per cent respondents agree that "I do not care where the products come from". Eleven per cent consumers answered "strongly agree" (Figure 6).

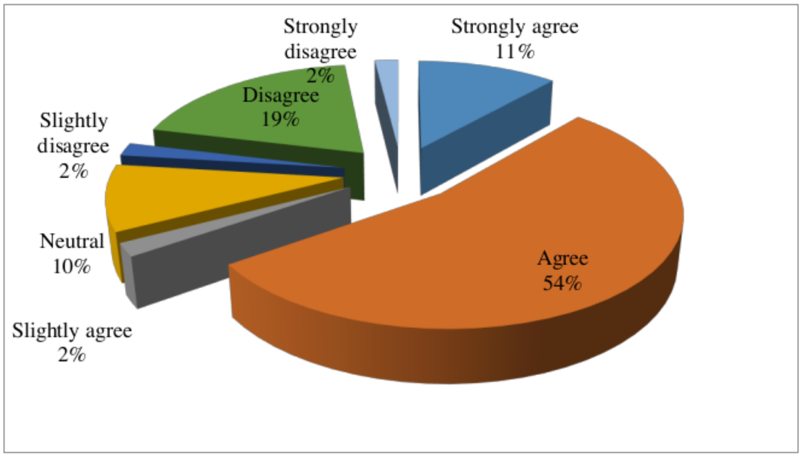

Figure 6. Summarizes of the responses to the Likert scale of country of origin of local products.

4. Managerial implication

This study has identified some findings that have insight on local food definition. Consumers perceive 'local production' as food produced within the province and neighbouring province, therefore focus on advertising and promotion of local food can be based in a particular regional boundaries such as province. Sweet potatoes, sago and cassava are familiar local food products with consumers, therefore these products can be used to substitute for rice as the main source of carbohydrate. The consumer's level of awareness of local foods particularly where the foods come from is low, therefore there is needed advertising and promotion from Government to promote local foods and informing the local food policies.

5. Conclusions

1. 'Local production' has been mentioned by majority of consumers as the meaning of 'local'.
2. Consumers consider food produced within province and neighbouring province as the local production of local foods.
3. Consumers expect local food higher quality compared to national or imported food and expect to pay less.
4. The most frequent local foods mentioned by respondent is rice. Sweet potatoes, fish and sago are other local food products that consumers are familiar with.
5. The level of consumer awareness toward local foods and local food policies is low.

6. Consumer awareness of local food labels is high in this study. It may be because the respondents has been living in Australia for many years that they may consume more imported products. The education levels of respondents are also high compared to Indonesian people in general.

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