CONSUMERS’ PURCHASING MOTIVES OF LOCAL FOODS IN INDONESIA: A MEANS-END CHAIN APPROACH

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This thesis is submitted in fulfillment of the requirements of the degree of
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ABSTRACT

This study aims at examining: (a) the consumers’ perceptions of local foods, (b) the motives for purchasing local foods, and (c) the market segmentations involved in local food markets. From an understanding of how consumers think and behave, the central messages for local food promotion can be advanced.

Means End Chain (MEC) is employed as the main analytical procedure. This study involves a sample of 533 Indonesian consumers of local foods. The study also investigates both the ethnic and geographical differences among consumers. Three major ethnic groups are involved in this study namely, the Javanese, the Sundanese and the Minangese living in urban or rural areas. The respondents are selected by using a multistage random sampling procedure.

This study identifies three main characteristics of ‘local’ when compared to ‘national’ and ‘imported’ food products that involve ‘place produced’, ‘price’ and ‘quality’. In short, a geographical concept is a generally accepted definition of local foods. When consumers are asked the meaning of ‘place produced’, they mainly refer to ‘village’ with respect to the political boundaries in Indonesia. Respondents also consider that local foods are cheaper and have higher quality than ‘national’ and ‘imported’ foods. It is suggested that the Indonesian Government can create a database of potential local resources that is based on ‘village’ and that promotes the local resources as well as a higher level of political boundaries in Indonesia such as sub-districts, regencies or cities, provinces or even islands and the country as a whole.

This study also finds that respondents have a relatively low-level of knowledge of local food policy. Therefore, greater publicity and education are needed in order to ensure that the central messages are better delivered. The most effective way suggested by this study is through the mass media, such as, through cooking programs as well as through a promotional program that explores the local food sources from specific areas of Indonesia.

The motives for purchasing local foods that are associated with the four major consumption situations namely: (a) everyday eating, (b) eating at restaurants, (c) eating when travelling and (d) eating when celebrating religious festivals involve three main
motives. These motives are: ‘save money’, ‘health benefits’ and ‘easy in preparation’. The ‘save money’ motive is considered to apply to all consumption situations whereas the motive of ‘health benefits’ is reported to apply to three consumption situations: every day eating, eating at restaurants and eating when travelling. The motive of ‘easy in preparation’ is primarily associated with everyday eating. These motives can be used by the Indonesian Government and local businesses in the promotion of local foods.

Three specific motives are considered by respondents when making decisions to buy local foods among urban and rural Javanese, Sundanese and Minangese people, namely ‘save money’, ‘controlling budget’ and ‘health benefits’. The motive of ‘save money’ and ‘controlling budget’ are more important in both urban and rural Javanese and urban Sundanese areas when compared to the other areas. The motive of ‘health benefits’ is considered stronger for urban Sundanese people and both urban and rural Minangese people when compared to the other areas.

Eight segmentations of local foods are identified with respect to urban and rural locations and ethnic groups, as well as four different consumption situations, namely: ‘save money’, ‘health benefits’, ‘controlling budget’, ‘fun and enjoyment in life’, ‘support local communities’, ‘easy in preparation’, ‘taste matters’ and ‘sustain local culture’. The respondents’ characteristics for each market segment differ with respect to urban and rural locations as well as the four different consumption situations. The central messages specific to each segment are advanced and can be used for the development of promotional strategies associated with local foods in the mass media.