

## CONSUMER PREFERENCES TOWARD INSTANT FOOD PRODUCTS IN YOGYAKARTA

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### Abstract

The change of life styles in the last decades has increased the percentage of consumer population that consumed instant foods. On the other side, there are many competing producers that sell these instant food products. Therefore, producer needs to figure out the consumers' considerations before they choose the product. This research is a very important for the marketing strategy. The objectives of this research are to know the consumer preferences in consuming food products and to find out how they are informed about the products. Research methods are based on survey data of consumer that was taken by judgement sampling method in Yogyakarta within 2011. The products researched are instant food and beverage products which are generally consumed, always available in many marketplaces, and also knownly branded, such as noodle and tea and coffee. The results of this research show that majority of the consumers choose the product because of the taste. Information about the product they get from intense advertising in television and most of them buy the product in supermarket or minimarket. Some recommendation to the company is the marketing strategy shall be done by making variance in taste of the product. Research about types of taste that customer desired is very important to know customer preference. Beside, promoting through television and supply the products to the minimarket/supermarket is done continuously.

Key words: *instant food, consumer preference, marketing strategy.*

### Introduction

Marketing is one of activities carried out in the face of competition, bussines development and to make a profit, so the company can develop their products, set prices and make promotion and distribute their good effectively. The good marketing strategies are needed to keep market share of the company products amid the many competitors.

The change of life styles in the last decades has increased the percentage of consumer population consume instant foods. Instant food is dried food that reconstitutes rapidly when water is added, e.g: noodle, tea and coffee. The dried powder may be agglomerated to control particle and size and improve solubility ([www.encyclopedia.com](http://www.encyclopedia.com)). Instant food product is a result from innovation in technology in food industry processing. According to Kohls and Joseph (1980) innovation and change have become a way of life in the food industry.

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Market share of instant food products increases significantly with rises of dynamics populations and urban population with modern life. Therefore monitoring the consumer demand is very important to maintain the sustainability of the company. Furthermore, producer in distribution their product in consumer market will try to get the product is acceptable according to what consumer want.

The customer satisfaction is the goal of a company to be sustainable in the global era. The satisfied and the loyal customers is an opportunity to get new customer. Keeping previous customer generally is more profitable than changed new customer because the cost to get the new one can be 5 times extra cost than the cost of keeping the previous customer. (Kotler et al, 2000). So, by keeping previous customer is equal with keeping the sustainability of the company.

Generally, the company difficulties in monitoring, realizing and analyzing their consumer behavior appropriately and correctly, remember that there are many factor effect to the consumer behavior and different behavior for each person. The company is required to be able to monitor changes of their consumer behavior including the consumer behavior in getting and choosing the product. For example: the package, the taste, the size and the price. Therefore, producer needs to figure out the consumer preferences before they choose the product. It can be done by doing consumer research.

According to Scott (1995), consumer research seeks to establish the level of consumer awareness of processed products; whether they are consumed and if so, with what frequency; how consumer characterize the products, positively and negatively; and what consumer would like in a new product. Product description includes form, flavor, preparation time, storage characteristics, and price. Customer research aims to distinguish those types of products that have the greatest (or most limited) potential because they are (not) desired on the basis of one or more attributes such as taste, appearance, or use.

There are many instant foods that spread in the market and many people like it. For example: instant noodle, tea and coffee. Instant noodles are dried or precooked noodles and are often sold with packets of flavoring including seasoning oil. Dried noodles are usually eaten after being cooked or soaked in boiling water, while precooked noodles can be reheated or eaten straight from the packet. (wikipedia, 2011). Meanwhile, instant beverages such tea and coffee are consumed by put boiling water into it until it colors and ready.

The advantage of these products are that ready to eat, ready to cook, half cooked and ready to serve. The fact that instant food also very cheap, easy to get and their long lasting nature also make many people always provide this product. Caused many instant food products spread in the market, the consumer can get and choose the product easily as desired. Therefore, it is important for the company to analyze consumer behavior of its products.

Recently, majority of food consumption is still at home. Nevertheless, out-of-home food consumption is increasing due to increase in urbanization, breaking up of the traditional joint family system, desire for quality, time which translates into an increased need for convenience, increasing number of working women, rise in per capita income, changing lifestyles and increasing level of affluence in the middle income group had brought about changes in food habits. The change in food habits was evident from the growth of food processing industries including consumption instant food habit (Usha, 2007). The consumer food habit is also affected by globalization and advertising impact from mass communication media such as television, radio, newspaper dan another magazines.

Student is a part of urban population that assumed as favorite consumer of instant product like instant noodle (Eviandara, 2001). The activity and the position of students that generally busy and quite far from their family make this population tend to consume instant food frequently.

Production of instant food in Indonesia is dominated by big company and Multi National Companies (MNCs). PT Unilever (central in British) is one of MNCs that produce "Sari wangi" tea, soya sauce, and snack. Meanwhile, PT Indofood (Central in Jakarta) is the biggest producer for instant noodle known as "Indomie". Both of them are producers for food processing products including beverages and have huge market share in Indonesia. Wikipedia (2011) claimed that Indofood has a market share of about 70% of Indonesian instant noodle production.

Their products known branded and spread in many places and market. With many brand of instant product in the market will push the company to compete in getting their consumer through appropriate strategies. According to Kohls and Joseph (1980), branding permits the food manufacturer to quality-certify his products, transfer the goodwill of the firm to new products, and otherwise differentiate his product from competitors' products. A well-known and trusted brand can earn the food processor brand loyalty from customer.

This can be helpful in introducing new products, forestalling consumer substitution of less expensive brands, and prolonging the product life cycle.

In retail market, many kinds of instant food products offered with many kinds of taste and design product. Producer provides their product in many market places so the consumer can find the product easily. Sometimes consumer will be confused to choose the products because there are many products offered and many brands for the same products. Promotion also has been done continuously by the producer of its products through television advertising and become a sponsor in television program. The objection of it is to keep consumer keep in mind to the product and loyal to this product than keep to buy it.

Nowdays, the change of customer's life style makes consumer of food to think critically. In global era, there are many competitions from domestic and foreign. According to Suprihanti (2011), customer satisfaction also depends on the product, the place, the price of goods they consumed. In term of food, the taste and the quality of the product is very important. Therefore producer made new variant product to get more customers and to able to compete.

Promotion of the product also need mainly in introducing their new product. The big company usually use television as their media for advertise their products. It is because television has wide broad coverage, so it will effective to communicate and promote their new product. Consumers buy the products, usually after they look at the entertainment of the product from television and they will buy more if there is sales promotion.

According to American Marketing Association (AMA), sales promotion is media and non-media marketing pressure applied for a predetermined, limited period of time in order to stimulate trial, increase consumer demand or improve product quality (Abubakar and Sawit, 2009). Therefore, advertising and sales promotion always do by the company to make their product familiarize for the customer such as become the sponsorship in many events that is attended many people and audiens.

This research wants to know the consumer preferences in consuming instant food products and to find out how they are informed about the products.

### **Review of Previous Studies**

Maruhum (2005) researched about consumer preferences of instant noodle "Nissinmie". He found that the most important attribute in instant noodle was the taste variance. Anggraini (2010) also found that the taste is the main consumer consideration in

consuming frozen food. Meanwhile Paramita (2001) research on ready to drink found that when selecting it, taste is the most preferred attribute. Other attributes that is emphasized are safe for consumption, brand, benefits, and price. Eviandaru, et al (2001) found the fact that instant noodle is consumed as accidental food (64%) not as snack or daily food, also found that supermarket is the most places (58.3%) where consumers buy instant noodle.

The difference between this research and the previous is this research try to find the preference of branded instant foods such as noodle, tea and coffee. Fathiyah, et al (2005) stated that the most juice beverage consumer (47.5%) choose this packaged product because of the taste and fresh. Usha (2007) found that retail shop is the major source of food product information followed by TV/radio advertising.

### **Theory**

Kotler (2004) said that a marketer work to arrange program of marketing planning to reach the company goal. The program is divided to several decisions of marketing mix. Mc Carthy classified the tools become 4 wide groups called 4 P. There are: product, Price, Promotion, and Place.

Assauri (1999), stated that marketing as an effort to provide and give a right good and services to the right people in place, time and the right place with right promotion and right communication. Tjiptono (2002), said that marketing is social processing and managerial which individual or groups get what they need and want through creating, coloring, and exchange of all that values with person or another group. Marketing is a principal system to choose target market, evaluation consumer need, developing good and services, satisfying the desire, giving value to the customer and profit to the company. (<http://wartawarga.gunadarma.ac.id>)

Sumarwan (2004) stated that consumer preferences is the level of consumer's accepted to the certain product that is effected by consumer behavior and consumer's perception of these products. The utilizing by know the consumer's preference to the good and service is to know wheather its fit with the consumer needed or not. The preference made consumer has the reason why they choose the product.

According to Setiadi (2003), television as a communication media has few advantages there are information can be seen, hear and moving picture; interesting to show, high attention dan wide broad. But for the producer promoting through television has high cost, confused, the information fast and forgetting and audiens has very low

selection. The choosing of mediator need many considerations and it depend on the involved of consumer in buying processing toward the the offered product, the audiens, the spread of mediator and the cost.

### **Methodology**

This research is descriptive research. The data are taken from primary data. Primary data sources were taken by judgement sampling. According to Sarwono (2005) and Simamora (2002), Judgement sampling is choosing sample from population based on available information, so the representative of the data can be responsibility. Based on the information that student is a part of urban population that assumed as favorit consumer of instant product so, the researcher choose 90 students from a university located in Yogyakarta as respondents. They usually consumed instant food cause they life quite far from their parents (usually stay in boarding or rent house) and also have limited budget (they wait remittance parents).

The respondents are customers that buy instant food products as many as minimum three (3) times at the last 3 month. The products researched are major instant food products which are generally consumed, always available in many marketplaces, and also knownly branded, there are instant noodle and instant tea and coffee.

### **Result and Discussion**

#### **Discriptive Analysis of Instant Food Customer**

Decision to buy an instant product is depend on many factors. The income also influence customer buying. According to Sumarwan (2003), income described the purchasing power of the customer, than it will describe the number of goods and services that can be consumed by the customer and their family. Income profile of respondent is shown in Table 1.

Table 1. Percentage of Customer Income of Instant Food in Yogyakarta

Customer Income (Rp/month)	Percentage (%)
< 1.000.000	13
1.000.000-1.5000.000	43
1.500.000-2.000.000	27
>2.000.000	17

Table 1 shows that majority of customer (43%) has income (allowance) between 1 million to 1.5 million per month. It described that consumer of instant food come from middle income. This fact indicated that majority instant noodle consumed by population that has low-middle income because the price is very cheap. This fact is accordance with Eviandaru et.al (2001) that instant noodle is consumed by middle income. Meanwhile, personal factor that push consumer to make buying decision there are come from student's allowance, economics situation and life syles (<http://wartawarga.gunadarma.ac.id>).

The consuming frequency of instant food shows the level consumption of this product. It is very important to know if the product consumpt daily or not. The pattern of instant food consumption can be seen at Table 2 as a follow.

Table 2. Consuming Frequency of Instant Food

Consuming Frequency	Food (%)	Beverage (%)
1 times/week	7	13
2 times/week	17	10
3 times/week	40	3
4 times/week or more	20	3
Incidental food	17	70

Table 2 shows that the consuming frequency for instant food is more instensive than beverage. Almost 40% respondents said that their consumption is 3 times a week, meanwhile 20% stated their consumption is 4 times a week or more. In the other side, majority consumption (70%) of beverage (tea and coffee) is accidental.

This consumption show that instant food included in the routine consumption for the student, at least they consume 3 times a week (40%). So it indicated that instant food has become staple food beside rice. In the otherside, consumer beverages consumption tends to consumpt incidental. It is because the beverage is only consumed in certain times. This consumption patterns indicates that instant food (noodle) is still favorite food for the students. It happened to the student with the middle-low budget. Their consumption was getting intensively, especially when their budget limited for example because their parents are late in sending the money at the end of the month. Consumer chooses the product with some reason showed in Table 3.

Table 3. The reason respondent choosing the products

Attribute	Food (%)	Beverage (%)
Quality	33.3	50.0
Advertising	66.7	50.0
Branded	26.7	26.7
Easy to obtain	20.0	16.7

This data pointed that advertising has main role for producer to market their product. Both food and beverage product show that consumer choose because the advertising. In addition, the quality of it products are also become consumer's consideration before choosing and also keep customer's loyalty.

The quality is connected with the brand. The instant products in this research are produced with well-known brand. So, the customer assured that the product is good. According to Kohls and Joseph (1980), a well-known and trusted brand can earn the food processor brand loyalty from customer. This can be helpful in introducing new products, forestalling consumer substitution of less expensive brands, and prolonging the product life cycle.

The consumer knows the information about the products beside from intense advertising in television also from their family and friend. How customer get information about the products can be seen at Tabel 4.

Tabel 4. The Source Information about the Products

Source Information	Food (%)	Beverage (%)
Television	66.7	80
Friend	20	10
Family	13.3	10

It shows that most of customers know the products for food and beverage from television are 66.7% and 80% respectively. It shows that television is an effective media to promote especially the new product. The image that advertising build, it will memorize customer about the product, for example the taste is very delicious and favors.

According to Eviandaru et.al (2001), it indicated that consumer behavior is not determined by the needed of the product but as a result of intense advertising penetration and also visual promotion that entered into customer memory. Consequently that



consuming food either good or bad for health is not important thing. The important thing is consuming instant food because it is practical, efficient and glut.

For the big company advertise trough television is needed because it will effect to the customer behavior. But for the small company it will spend a lot of budget. According to Setiadi (2003), television as a communication media has few advantages there are information can be seen, hear and moving picture; interesting to show, high attention dan wide broad. But for the producer promoting through television has high cost.

There are many factors that influence customer buying. Among the factors are marketing mix such as product, price, place and services. In term of this object research, place and services do not include because instant food usually cooked and consumed at home and generally serve by their self, so there are no evaluation in term of place and services. Table 5 shows the customer preference of instant products.

Table 5. Atribute Customer Choosing Instant Food

Attribute	Food	Beverage
Taste	60.0	56.7
Package	23.3	23.3
Price	20.0	26.7

From Table 5 we can see that taste is the major attribute for customer in choosing instant food both food and beverage. It is accordance with previous research by Maruhum (2005), Anggraini (2010) and Paramita (2001). Meanwhile, the customer decision is also effected by customer knowledge. How far customer knows about the nutrition of instant food product for the health is figured in Table 6.

Table 6. The Consumer knowledge toward the product

Attribute	Food (%)	Beverage (%)
Good for health	31	60
No good for health	64	26
Not know	5	14

The fact that consumption instant food is not good for health is showed by the majority customer opinion (64%) in Table 6. Vice versa, in beverage the customer dominant (60%) assumed that beverage such as tea and coffee are good for healthy. It's mean that although instant food is not good for health, customer still buy that product.

According to Eviandaru et.al (2001), it is because instant food is not staple food but the incidental food 64.2%, glut and quick serve.

The distribution of food is very important in marketing. To see where customers buy it product we can see in Table 7. Most of customers buy in a supermarket or minimarket. Increasing the number of supermarket and mini market recently, makes the products spread quickly and consumer easy to get the product.

Recently in Yogyakarta there are many new supermarket and minimarket in the form of franchise such as Alfamart, Indomart, Circle K, Superindo, and Carrefour that sell processing product such as food and beverages. The quota of minimarket franchise in Yogyakarta stated 52 franchises and it fulfilled since 2009 ([http://www.erabaru .net](http://www.erabaru.net)). The presence of this minimarket make customer can get instant food easily.

Table 7. Place to buy the Products

Places	Food	Beverage
Supermarket/mini market	63.3	56.7
Traditional market	16.7	16.7
Small shop	20	26.7

Table 7 shows that most of customers buy the product in supermarket or mini market. The percentage both food and beverage are 63.3 and 56.7 respectively. It indicated that supermarket is favorite place for customer to go shopping and choosing their desired product. In this place customer also knows about the new product. This is in accordance with Usha (2007) research that retail shop is the major source of food product information.

### **Conclusion**

From this research the researcher encloses conclusion that majority of the consumers choose the product because of the taste. Information about the product they get from advertising in television and most of them buy the product in supermarket or minimarket.

### **Recommendation**

Some recommendation to the company is the marketing strategy shall be done by making variance in taste of the product. Research about types of taste that customer desired is very important to know customer preference. Beside, promoting through

television and supply the products to the minimarket/supermarket is done continuously.

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