

ANALYSIS OF COFFEE CONSUMER BEHAVIOR IN JEMBER AND ITS IMPLICATIONS TO DEVELOPMENT STRATEGY OF LOCAL COFFEE AGRO-INDUSTRY

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Abstract

This research is aimed to identify: (1) consumer perception towards the local ground coffee (powder) products; (2) factors affecting consumer decision to purchase coffee; (3) characteristics of coffee powder sought by consumers; and (4) right product development strategy for the local coffee. Study area is determined by deliberately (purposive method). Analyses of the data used are analytical hierarchy process (AHP) and factor analysis. The results show: (1) the respondents perceived that “Kapal Api” coffee is better than the local coffee and other branded coffee, (2) availability and product, price and social environment factors, and product quality are identified as the factors affecting consumer decision to purchase coffee in Jember, (3) Based on priority scales, characteristics of coffee powder sought by consumers are price (St2), product (St1), promotion (St4), and place (St3) respectively, (4) Based on the perceptions of respondents in details, product strategy consists of the taste (P5), aroma (P6), brand (P4), practicality (P1), packaging design (P3), package size (P2), meanwhile promotion strategies consists of advertisement (P7), sales promotion (P8), public relations (P10), and face to face sales (P9).

Keywords: *Coffee, Consumer Behavior, Development Strategy*

Introduction

Per capita consumption of coffee in Jember District reach 2.91 kg. This figure shows that coffee consumption in Jember is relatively high. This phenomenon of high amount of coffee powder (ground coffee) consumption, however, is not run on coffee produced by smallholder businesses but on that manufactured by factory. Thus, this requires study to make local coffee agroindustry more acceptable coffee products to consumers. The development is surely associated with consumer perceptions and characteristics needed in processed coffee products and the factors that influence consumer purchasing decisions on coffee. Knowledge supported by a research on the consumer market (coffee drinkers) will drive marketing efforts undertaken by local ground-coffee agro-industry become more focused and effective.

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Methodology:

The research area was determined by purposive method. This research used descriptive co-relational and analytic methods. Sampling method in this research was convenience sampling; that is, 100 coffee powder consumers in Jember Regency. The research used primary data obtained through interviews based on structured questionnaires. Data analyses used were (1) hierarchy process analysis and (2) factor analysis.

Results and Discussion

Based on the perceptions of the respondents, it is found that products of the ‘*Kapal Api*’ coffee industry has an advantage compared to other brands as well as local coffee products. The score or weighing of importance given by respondent to *Kapal Api* is equal to 0.2946. The weighing of importance given to other branded coffee were respectively *Nescafe* with 0.2102, *Indocafe* with 0.1859, *Torabika* with 0.1442, and *ABC* with 0.1113. Meanwhile, the local coffee powder products from Jember only got 0.0563 weighing score from the respondents. This finding means that consumer perception toward local coffee is very low compared to branded coffee available in the market. Table 1 shows the detail of consumer perceptions toward coffee product.

Table 1. Consumer perception towards branded and local coffee products

No.	Coffee Product	Bobot Kepentingan
1	Kapal Api	0,2946
2	Nescafe	0,2102
3	Indocafe	0,1859
4	Torabika	0,1442
5	ABC	0,1113
6	Local Coffee	0,0563

Source: Primary data processed by AHP analysis, 2011

Comparison of consumer weighing towards local and other products (branded ground coffee) is presented in Table 2.

Table 2. Comparison of consumer weighing towards local and branded products

Coffee Brands	9		7		5		3		1		3		5		7		9	Coffee Brands
Lokal													●					Nescafe
Lokal													●					Indocafe
Lokal													●					Torabika
Lokal																		Kapal Api
Lokal													●					ABC

Source: Primary data processed by AHP analysis, 2011

Furthermore, factors affecting consumer perception and thus decisions to purchase ground coffee are presented in Table 3.

Tabel 3. Results of factors affecting consumer decision to purchase ground coffee in Jember

Factor	Variants Percentage	Factor Mean
Factor 1 (Availability and Promotion)	23,249	3,49
Factor 2 (Price and Social Environment)	21,986	3,15
Factor 3 (Product Quality)	13,001	3,77

Source: Primary data processed by factor analysis, 2011

Table 3 generally explains that factor 1 consisting of product availability including delivery reliability and promotion is the utmost important factors influencing consumer decision to purchase coffee in Jember. This factor is followed by factor 2 consisting of price and social environment, then followed by factor 3 consisting of product quality related factors such as taste, product safety and packaging. Ability of ground coffee manufactures to continuously supply their good quality product has created respondent trust and positive perceptions towards the products which ultimately influence consumer decision to choose their products.

Based on marketing mix strategy, characteristics of ground coffee sought by consumers in Jember are depicted in Table 4.

Tabel 4. Marketing mix factors influencing consumer decision to choose between products

No.	Criteria	Weighing Score
1	Price (St2)	0,3475
2	Product (St1)	0,3444
3	Promotion (St4)	0,1921
4	Place (St3)	0,1161

Source: Primary data processed by AHP analysis, 2011

Table 4 basically describes that when consumers asked to choose among a number of known products (several brands), consumers will first consider price as the most important factors influence their decision. The price consideration is then followed by product consideration, then promotion they received, and lastly place or reliability distribution of the product. Based on the perceptions of the respondents, the instrument St2 (price) is the first priority that must be implemented to support the product development strategy with the weighing score of the instrument is 0.3475. Instruments of the product development strategy is a second priority St1 (product) with weighing score of the instrument based on the perception of respondents was 0.3444. The third priority instrument of a product development strategy is St4 instrument (promotion) by weighing score of 0.1921. The fourth priority is the instrument St3 (place) with weighing score for the instrument that is equal to 0.1161. To be successful, therefore, local coffee producers need to give priority to pricing, combined with product, promotion and distribution strategy.

While pricing and distribution strategy cannot be detailed by respondents (consumers) as it usually depends on scale of the industry, more details of product and promotion strategy can be described in the following tables.

Table 5 Details of product strategy based on consumer weighing score of importance

No.	Product Strategy	Weighing Score
1	Taste (P5)	0,4070
2	Flavor or Aroma (P6)	0,2520
3	Brand (P4)	0,1503
4	Practicality (P1)	0,0739
5	Packaging Design (P3)	0,0673
6	Packaging Size (P2)	0,0531

Source: Primary data processed by AHP analysis, 2011

Table 6 Details of promotion strategy based on consumer weighing score of importance

No.	Promotion Strategy	Weighing Score
1	Advertising (P7)	0,4355
2	Sales Promotion (P8)	0,2544
3	Social relationships (P10)	0,1638
4	Face to face selling (P9)	0,1462

Source: Primary data processed by AHP analysis, 2011

Conclusion and Recommendations

From the results above, it can be concluded that (1) the respondents perceived that “Kapal Api” coffee is better than the local coffee and other branded coffee, (2) availability and product, price and social environment factors, and product quality are identified as the factors affecting consumer decision to purchase coffee in Jember, (3) Based on priority scales, characteristics of coffee powder sought by consumers are price (St2), product (St1), promotion (St4), and place (St3) respectively, (4) Based on the perceptions of respondents in details, product strategy consists of the taste (P5), aroma (P6), brand (P4), practicality (P1), packaging design (P3), package size (P2), meanwhile promotion strategies consists of advertisement (P7), sales promotion (P8), public relations (P10), and face to face sales (P9)

Consumers are more concerned with the quality taste of the coffee powder, pricing, sales promotion and product availability in the purchase of ground coffee. Therefore, the local coffee agro-industry to improve the quality of the coffee powder with a wide range of choice of types and flavors, giving consumers an affordable cost to local ground coffee, and the need to increase the sales promotion incentives in the form of direct gifts at the time of purchase, gift pieces with a certain amount of the purchase price, and sponsor a variety of important events and factors ease of getting local ground coffee should be considered in order to expand the market share of local ground coffee.

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