

## **ANALYSIS OF CONSUMER PERCEPTIONS AND WILLINGNESS TO PAY AGAINST LOCAL AND IMPORT FRUITS IN MEDAN CASE STUDY ORANGE AND APPLE**

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### **ABSTRACT**

*This study was aim to to analyze Consumer perception in Medan against local and import fruits as well as any factors affecting consumer products to purchase local and import fruits. Some 350 respondents were interviewed using a questionnaire. The data is obtained has been analyzed using descriptive analysis, perception analysis, factor analysis and test data quality. The descriptive analysis shows that the majority of respondents were aged 17-24 years, male 72,9%, college students and recent high school education 93,4 %. In the analysis of the perception there are 350 respondents who answered the questionnaire returns and then there were 263 respondents to know when to ask Do you know about the local fruits on the market, while 87 respondents have heard and know little. Ther are 350 respondents who answered the questionnaire returns and there were 186 respondents who answered knew when asked Do you know about fruit imports in the market. The remaining 162 respondents had heard of but knew little and 2 respondents claimed not to know. For the factor analysis KMO test value obtained for 0.746 (great for the meticulous sampling), commonality 0.384 to 0.770 and total variance is 46,986 percent. In the quality test data on the reliability of the test can be of value for Cronbach's Alpha based on standardized items 0.782 is greater than the basic standard Cronbach's Alpha 0.756 which can be deduced that the grains realibel questions.*

**Keywords:** Perception, Local, Import, Fruit, Medan

### **A. INTRODUCTION**

In recent years some products imported fruits are found in the market Indonesia, especially in Medan. Once the swift pace of imports of fruit, is now imported fruits such as apples, oranges, pears, grapes, kiwi fruit, plump and others more familiar to our ears. Even to get easy now, because in small towns also are sold by vendors including Medan.

The most adverse impact that our fruits become increasingly unfamiliar in own society and ultimately not desirable. Under the laws of economics, if we are not interested in the fruit will cause lower demand for our fruit, resulting in price reductions. The lower prices is clearly not encourage manufacturers to produce passion for profits will be smaller. If this situation continues, the fruit was just waiting for the extinction of course. At the time of the fruit in the country increasingly inefficient to produce, it will improve the efficiency of production of fruit imports, as demand for imported fruit growing. These conditions, it is possible overseas manufacturer to be able to reduce the selling price as a result of the growing market share or cover a variety of costs, including promotion costs. These conditions will make countries would be the main thing in the decision-making process.

consumers who previously consumed fruit in the country to switch to imported fruit.

Consumers purchase a variety of foods with different reasons and different characters. Research in the past demonstrated a variety of reasons, among others, is the sense and the need for such food<sup>1 2</sup>. Demographic and socio-economic character is a common thing in the encounter of different forms of understanding, attitudes and perceptions of consumers<sup>3,4,5</sup>.

(Van Ravensway, 1988; Misra et al., 1991) argues that the perception and attitudes towards a range of quality food for consumers depends on the demographic and socio-economic character of the consumer. Acharya (2001) reported that consumers choose foods influenced by several factors including consumer confidence, culture, environment, education, social character demographic and economic status as well as a biological necessity.<sup>6,7</sup>

A similar argument applies to consumers with different regions and countries. It is caused by a variety of consumer views related to factors in the regions and countries include culture and education system. Consumer knowledge of the various qualities of these products in different regions and different

Therefore seeing increasing sales of imported fruits in Medan either by small traders, middle and hypermarkets this study is to

Analyze Consumer Perceptions Of Local Fruits and Imports in Medan. Furthermore, the formulation of the problem in this study to analyze consumer understanding and response in Medan against local and Import Fruits and factors affecting consumers to buy products local and import fruits.

## B. METHOD

Three hundred fifty in-person interviews were conducted in March – April 2016 with located in Medan city. Determining which areas are sampled and respondents defined as the amount of research conducted with proportionate stratified random sampling.

The main purpose of survey was to collect data on individual perception. Respondents were asked to answer several questions group in the three main sections of the questionnaire.

In the first section, identify the socio-demographic individual characteristics of consumers: age, sex, education and occupation.

In second section is dedicated to the evaluation of the consumer's perception against local and import fruits.

In third section is dedicated to the evaluation of factors affecting consumers to buy products local and import fruits.

Primary and secondary data collection is done by the survey is to do an interview, fill out a questionnaire and the use of libraries. The list of questions consists of 47 questions with answers using a Likert scale of 5 points. respondents asked to provide answers to how far respondents answered questions in the questionnaire. Scoring is as follows: a. Answer strongly agree = 5 score, b. Answer agree = 4 score, c. Answer neutral = 3 score, d. Answer disagree = 2 scores, e. Answer strongly disagree = 1 score.

The analysis used in this research include descriptive analysis, factor analysis and data analysis techniques to conduct testing only in so test first non-response bias. Then proceed with a quality test data in the form of test reliability and validity test. Furthermore, the classic assumption test including normality test, multicollinearity test, autocorrelation test and test heteroskedasitas. The test while using a data processing software Statistical Package of Social Science (SPSS) version 21.0.

## C. RESULT AND DISCUSSION

Three hundreds fifty consumers who returns the questionnaire shows that the

majority of respondents were male 255 (72.9%) and 95 female (27.1%). The age of respondents between 17-50 years old. The age of 19 years become the most respondents with 107 respondents (30.6%). The education level of respondents between the primary school to the university where the most respondents have senior high school (SMU) with 272 respondents (93.4%). While the most respondents occupation is self-employed with 158 respondents (45.1%).

Previous marketing research has suggested that food consumption behavior is not consistent across the country<sup>9</sup>. For instances,<sup>10</sup> documented statistical differences suggesting that expenditure on fresh vegetable and nutritional label usage differs among national regions.

For respondents who know the local fruits on the market in Indonesia, especially in Medan were 263 respondents (75.1%) compared to respondents who know of imported fruits were 182 respondents (53.1%). Respondents obtain information related to local fruits that circulated in Indonesia, especially in Medan most through TV / Radio that 142 respondents (40.6%). However, information about imported fruits circulating in Indonesia, especially in Medan also most respondents get from television / radio that 205 respondents (58.65%). Similarly with Govindasamy and Italia (1997) found that reading food advertisement and reading food safety articles are inversely related. However, producers, marketers and consumers both realize that lack of information about organic produce is a deterrent to its demand.<sup>9,11</sup>

Previous studies (van Ravenswaay, 1988; Misra *et al.*, 1991) suggested that perceptions of and attitudes toward food quality among consumers vary depending on the demographic and socioeconomic characteristics of consumers. The same perceptions may be also true for consumers from different regions and different countries. This is because consumer perceptions are related to region or country-specific factors, Such as health education systems and cultures. Knowledge of consumer perceptions of food quality in different regions and countries will aid in the decision making processes of production, marketing and export of fresh vegetables.<sup>6,7</sup>

Analysis of consumers' perception of local fruits in Indonesia, especially Medan get a result in Table 1.

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Tabel 1. Summary list of questions on consumer perceptions of local and import fruits market in Indonesia, especially in Medan Case : Orange and Apple

| Question  | Selected answer |     |     |     |    | Mean | Rank |
|---|-----------------|-----|-----|-----|----|------|------|
|   | 1               | 2   | 3   | 4   | 5  |      |      |
| What do you think about the local Fruits:   |                 |     |     |     |    |      |      |
| 1. Same with import fruits  | 19              | 56  | 127 | 138 | 10 | 3,18 | 2    |
| 2. More expensive than import fruits  | 12              | 82  | 113 | 124 | 19 | 3,16 | 3    |
| 3. The content of nutrients higher than import fruits                                 | 32              | 97  | 176 | 43  | 2  | 2,67 | 7    |
| 4. Healthier consumed than import fruits  | 57              | 99  | 166 | 25  | 3  | 2,48 | 10   |
| 5. Fresher than import fruits   | 54              | 106 | 151 | 37  | 2  | 2,51 | 8    |
| 6. More good shape / texture than import fruits                                       | 8               | 73  | 197 | 71  | 1  | 2,95 | 5    |
| 7. Better taste than import fruit   | 22              | 91  | 196 | 41  | 0  | 2,73 | 6    |
| 8. Free of the chemicals than import fruits   | 76              | 89  | 131 | 50  | 4  | 2,47 | 11   |
| 9. Free from genetic engineering than import fruits                                   | 65              | 118 | 137 | 28  | 2  | 2,38 | 13   |
| 10. It is better for the environment than import fruits                               | 64              | 125 | 138 | 22  | 1  | 2,34 | 14   |
| 11. More safe for consumption by other living organisms than import fruits            | 54              | 109 | 148 | 36  | 3  | 2,50 | 9    |
| 12. The packaging is better than import fruits  | 10              | 39  | 171 | 120 | 10 | 3,23 | 1    |
| 13. Their availability on the market more than import fruits                          | 65              | 135 | 110 | 41  | 3  | 2,40 | 12   |
| 14. Easier be found in the market than import fruits                                  | 75              | 144 | 99  | 30  | 2  | 2,26 | 15   |
| 15. Having a product label so easy to remember if bought elsewhere than import fruits | 18              | 59  | 173 | 88  | 12 | 3,05 | 4    |
| What do you think about the import fruits:  |                 |     |     |     |    |      |      |
| 1. Same with local fruits   | 8               | 54  | 121 | 152 | 15 | 3,32 | 3    |
| 2. More expensive than local fruits   | 63              | 151 | 84  | 49  | 3  | 2,36 | 11   |
| 3. The content of nutrients higher than local fruits                                  | 12              | 56  | 223 | 56  | 3  | 2,95 | 8    |
| 4. Healthier consumed than local fruits   | 8               | 28  | 209 | 99  | 6  | 3,19 | 4    |
| 5. Fresher than local fruits  | 17              | 83  | 160 | 80  | 10 | 2,95 | 8    |
| 6. More good shape / texture than local fruits  | 39              | 137 | 144 | 25  | 5  | 2,48 | 10   |
| 7. Better taste than local fruit  | 12              | 76  | 207 | 48  | 7  | 2,89 | 9    |
| 8. Free of the chemicals than local fruits  | 6               | 35  | 159 | 132 | 18 | 3,34 | 2    |
| 9. Free from genetic engineering than local fruits                                    | 6               | 25  | 173 | 133 | 13 | 3,35 | 1    |
| 10. It is better for the environment than local fruits                                | 10              | 36  | 191 | 103 | 10 | 3,19 | 4    |
| 11. More safe for consumption by other living organisms than local fruits             | 6               | 30  | 215 | 90  | 9  | 3,18 | 5    |
| 12. The packaging is better than local fruits   | 60              | 172 | 98  | 17  | 3  | 2,23 | 13   |
| 13. Their availability on the market more than local fruits                           | 18              | 72  | 149 | 104 | 7  | 3,03 | 7    |

|  |    |     |     |     |   |      |    |
|--|----|-----|-----|-----|---|------|----|
| 14. Easier be found in the market than local fruits                                  | 17 | 75  | 144 | 105 | 9 | 3,04 | 6  |
| 15. Having a product label so easy to remember if bought elsewhere than local fruits | 55 | 161 | 107 | 25  | 2 | 2,31 | 12 |

Source: The results in 2013 (data processing)

Note: 1 = Strongly agree, 2 = agree, 3 = Neutral, 4 = Disagree, 5 = Strongly disagree

For perceptions on consumers of local fruits market in Indonesia, especially in Medan, Most states strongly agree that local fruits; free of the chemicals than import fruits are 76 respondents. Respondents most agreed with the question; local fruits more easily found in the market than import fruits are 144 respondents. For questions answered respondents with the highest neutral answers to the question; local fruits was nicer shape / texture than import fruits are 197 respondents. Respondents disagree with the highest answer to the question; local fruits is the same as import fruits with 138 respondents.

For perceptions on consumers of import fruits in Indonesia market, especially in Medan, Most states strongly agree that import fruits; more expensive than the local fruits are 63 respondents. Respondents most agreed with the question; fruits imported packaging is better than the local fruits 172 respondents. Respondents answered the question with the

Table 2. Summary list of questions about the main factors respondents buy fruits

| Question                             | Selected answer |     |     |    |   | Mean | Rank |
|--------------------------------------|-----------------|-----|-----|----|---|------|------|
|                                      | 1               | 2   | 3   | 4  | 5 |      |      |
| What is your main factor buy fruits: |                 |     |     |    |   |      |      |
| 1. Price                             | 65              | 118 | 154 | 10 | 3 | 2,33 | 4    |
| 2. Taste                             | 158             | 121 | 70  | 0  | 1 | 1,75 | 8    |
| 3. Freshness                         | 174             | 92  | 79  | 0  | 5 | 1,76 | 7    |
| 4. Colour                            | 68              | 122 | 153 | 5  | 2 | 2,28 | 6    |
| 5. Nutritional value                 | 198             | 75  | 77  | 0  | 0 | 1,65 | 9    |
| 6. Texture                           | 68              | 122 | 150 | 8  | 2 | 2,29 | 5    |
| 7. Packaging                         | 45              | 96  | 185 | 21 | 3 | 2,5  | 1    |
| 8. Its availability in the market    | 43              | 134 | 159 | 11 | 3 | 2,42 | 3    |
| 9. Label product                     | 58              | 95  | 176 | 19 | 2 | 2,46 | 2    |

Source: The results in 2013 (data processing)

Note: 1 = Strongly agree, 2 = agree, 3 = Neutral, 4 = Disagree, 5 = Strongly disagree

It is assumed that consumers formulate their perceptions from available information, knowledge, experiences, and given environmental factors, which may include personal characteristic, social and cultural background. This is so that consumer perceptions is hypothesized to influences attitude via the cognitive process that converts perceptions and evaluative criteria into attitudes, which in turn may cause and lead to changes in perceptions and choice behavior<sup>13</sup>

The results of KMO (The Keiser-Meyer-Olkin) sampling adequacy test and

highest neutral answers is; the content of nutrients import fruits higher than local fruit are 223 respondents. Respondents disagree with the highest answer to the question; local fruits are the same as local fruits with 152 respondents

The result showed that consumers have the same perceptions that local fruits are not the same with import fruits. Food preferences play an important role in food selection because they given an indication of the amount of satisfaction an individual anticipates from eating food. Preferences are a result of psychological development and social experiences and related to the degree of killing a food.<sup>12</sup>

For the main factors respondents buy fruits found that the result of packaging obtain the highest mean score was 2.5 followed by label product was 2.46; its availability in the market was 2.42; price was 2.33, texture was 2.29; colour was 2.28; freshness was 1.76; taste was 1.65 and nutritional value was 1.75. the results in Table 2.

barlett's test of sphericity were used to measure sampling adequacy and the presence of correlations among the variables respectively. The value of KMO Measure sampling adequacy for this set of variables is 0.746, which is labeled as moderate.

In this study, cronbach's alpha was used to measure the reliability of 47 relevant variables that are being used in factor analysis. From the analysis, the standard item alpha is 0.756. The internal reliability of each factor has also been tested. The alpha score for each

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factor is more than 0.7. The guideline of alpha was 0.5 to 0.6 for explanatory research (Nunnally, 1978). However, Peter (1979) stated that Nunnally's guideline should not be accepted as an absolute standard in a marketing research. Peter suggested that those reliability levels that are less than 0.5 might be acceptable in marketing research. So in this study, the alpha score is more than 0.7 which is acceptable.<sup>14 15</sup>

### D. CONCLUSION

The results of this research will be useful in the marketing of local and import fruits. The analysis indicates that consumers have good perception towards local and import fruits.

The results of the study could be more accurate, but due to the different socioeconomic factors of respondents, they may have different interpretation and understanding of questionnaire. Thus, they may have reported inaccurate information and answers. Furthermore, the accuracy of data obtained depends on the respondents' willingness to cooperate and their honesty in answering the question given.

Based on the results of this study, consumers should be helped if government make exhibition for local and import fruits in terms of fruit fair or the same kind like that, which are to show, to introduce and educate peoples especially consumers' fruits for make their perceptions of local and import fruits better than before. The improvement in information local and import fruits should be made to increase its consumption and meet identified market needs.

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