STRATEGIES IN IMPROVING SOCIETY’S FONDNESS TOWARD LOCAL PRODUCTS

I Made Dwi Prayana
I Made Suyana Utama

ABSTRACT

Many regions conduct campaigns on using local products. The motivation is to push the local economy forward. Consuming local products is also considered a good part of sustainable production and consumption because it has a positive effect on the environment, one of which is through the reduction of carbon emissions. Two countries where the issue of consumption of local products has increased are the US and the UK. Indonesia is also one of the countries who tries to increase the use of domestic products. Bali, one of the provinces in Indonesia, has issued a Governor Regulation which encourages the marketing of local products. This regulation is expected to increase the absorption of local products. Bali also makes slogans and puts up billboards that encourage people to consume local products. Efforts in increasing society’s love toward local products require special strategies which include responding to the factors people buy local products. By reviewing the literature, this study explores what strategies can be used to increase people’s fondness for local products. Some suggested strategies such as conducting campaigns to buy local products, socializing the environmental impact of buying local products, making labels, organizing exhibitions and festivals. Including improving supply flow, quality and prices of local products.

Keywords: local products, local economy, sustainable consumption

INTRODUCTION

Advances in technology and transportation make the world more globally connected. Economically the movement of goods from one place to another becomes increasingly cheap and efficient. Goods imported into the United States have doubled since 2000 and the trend is developing. This increase was driven by the lower cost of shipping goods (Jacob et al., 2018). On the one hand this becomes an opportunity for producers who are able to compete competitively. But on the other hand, for local producers producing with lower technology and based on local wisdom, this is considered a threat to the sustainability of local products. From the environmental side, buying local products is considered to have a positive effect. Buying local products is one of the actions recommended by the United Nations (UN) in order to create sustainable development, especially through sustainable consumption behavior. This is because buying local products reduces the carbon footprint and has the potential to revive the local economy. These simple recommendations include “things you can do from your couch,” “things you can do at home,” and “things you can do outside of your home.” The main direction in this last category is “local shopping. Here, shopping locally means buying products produced in geographical proximity to consumers (Giovannucci et al., 2010).

Local products, especially food, offer many ecological benefits, including reduced carbon footprint, reduced need for preservatives that extend the shelf life of non-perishable materials, reduce the use of chemicals and reduce packaging requirements that cause waste (Testa et al., 2018; Jacob et al., 2018). According to Boulanger (2010) one of the sustainable consumption strategies is de-commodization, which among others is realized by buying local products. In the food consumption sector, for example, this could mean Community Supported Agriculture, local products in conventional stores, farmers' markets, agricultural food outlets or box schemes (Terragni et al., 2009). Many countries carry out campaigns to buy local products. Purchasing local products keeps money circulating in the local community. This makes the local economy more alive. If money is spent within the local community, the impact is positive for employment and social relations of the local community. Consumption of local products also makes the local economy more resilient to the threat of recession (Schwartz, 2009). For a long time the British government has encouraged consumers to buy more locally produced food. More local food consumption is expected to produce economic, environmental and social benefits in the local area, leading to more sustainable patterns of consumption and production. This idea of supporting local farmers and the national economy in general was approved by British consumers (Chambers et al., 2007). According to Brown et al. (2009) the main motivation for British consumers to buy local organic food is due to altruistic reasons, such as reducing food distance compared to French consumers who are more oriented to product quality (eg freshness and taste). In America, consumption of local food products or known as “Locavore” is one of the fastest growing trends in the United States (Noll, 2014). The 100% Cinta Indonesia campaign aims to increase awareness of Indonesian consumers and promote Indonesian products and brands, in its development this campaign grew into a social movement of the community to foster appreciation and love for all things about Indonesia, not only brands or products, but including food, arts, crafts and crafts, and Indonesian culture both traditional and popular culture, as well as many aspects of Indonesia (Khairani & Abdillah, 2018).

Nielsen’s Global Brand-Origin annual report highlights consumer preferences and sentiments for products produced by local producers versus large global / multinational brands in 34 categories. While the survey findings show a relatively balanced view of global and local brands in recent years. The latest results show consumer preferences leading to global brands in most categories. Preferences for the strongest local brands are in the categories of baby wipes / diapers and baby food / formula milk with brands from local manufacturers. Other categories where consumers show low preference for local brands include vitamins / supplements, animal foods, women’s care products, energy drinks / sports drinks, and packaged / canned food products. Conversely, categories where consumers are more likely to choose locally made products through global brands include dairy-based food / beverage products, biscuits / chips / pastries / pastries, ice cream, and mineral / bottled water (Kumparan, 2018).
At the provincial level, the Regional Government of Bali is also aggressively promoting the use of local products. One of them is by making Governor Regulation No. 99 of 2018 concerning Marketing and Utilization of Bali’s Agriculture, Fisheries and Local Industry Products. This policy was made to encourage absorption of local products including by establishing partnerships between local producers and business actors. At the same time, the Regional Government of Bali also made a campaign that encouraged the community to use local products. The campaign entitled ‘Love Domestic Products, Use Local Regional Production’ was popularized through large billboards and delivered in various events related to the presence of local products. With a variety of benefits from the purchase of local products and increasing interest in the country and society, especially in developed countries towards the issue of purchasing local products. It is important to know the strategy to increase people's love for local product purchases.

RESULTS AND DISCUSSION

Definition of Local Strategy and Products

In the Big Indonesian Dictionary (KBBI), Strategy is the science and art of using all the nation's resources (s) to carry out certain policies in war and peace. Mintzberg (1987) defines structure as 5P, namely Plan, Ploy, Pattern, Position and Perspective. As a Plan, a strategy is kind of deliberate action or a series of useful guidelines provided to deal with certain situations or events in the future. As a tactic, strategy can be a 'maneuver' to deal with enemies or competitors. As a Pattern, strategy is consistent behavior whether intentional or not. As a position, strategy becomes a tool or strength to bridge the organization with the environment. And as a perspective, strategy is a concept, how the executive of an organization interprets the surrounding environment and makes it a culture or ideology within the organization. Meanwhile, according to Nickols (2016) strategy is about ways, about achieving goals, not specifications. So, the strategy in this paper is the ways, patterns and means needed to increase people's love for local products.

Bali Governor Regulation No. 99 of 2018 concerning Marketing and Utilization of Bali’s Agricultural, Fisheries and Local Industry Products defines Bali Local Agricultural Products as agricultural products derived from aquaculture in the Bali region. Bali Local Animal Products are animal products that are produced from livestock farming in the Province of Bali. Bali Local Fishery Products are fishery products originating from the waters of the Bali region as well as those produced by fish farmers in the Province of Bali. Bali Local Industrial Products are industrial products made from Balinese Local raw materials, use labor from Bali and these products use the Bali Local brand. The use of this definition is in line with several previous studies which found discussions around the definition of local products revolve around geographical aspects, distance and consumer perceptions (McFadden, 2015). Onozaka et al. (2011) found that local definitions were influenced by channels where consumers took their products, which in turn, influenced their willingness to pay for products labeled locally. Research shows adaptive consumers in their interpretations of what local meanings are based on where they live and the types of agricultural products available to them (Roper et al., 2015). Consumers in America generally define local agricultural products as agricultural products grown in a neighboring area or district, or in the state (Wilkins et al., 2002; Harris et al., 2000). According to Printezis et al., (2019), discussions about the definition of local products occur around the location of the planting (city, province or region), logo / brand / label or distance from the point of sale. While Zepeda and Leviten-Reid (2004) found consumers who thought the product was called local based on the time it took. James, et al. (2009) say the product is called local if it is produced within 100 miles of the point of sale or regional boundary. Some individual USDA programs use broad (maximum) definitions of less than 400 miles from the origin of the product or in the circumstances in which the product is produced (Tropp, 2013).

Factors Affecting Local Product Consumption

To determine the right strategy in increasing people's love of local product purchases, it is necessary to know what factors influence the purchase of local products. According to Liu (2018), the reasons for people consuming local products include quality (freshness, nutrition, taste), contribution to farmers' income (especially small ones), driving the local economy and rural communities, improving food supply chains, and providing environmental benefits (GHS low, fewer chemical inputs, high organic material returns). There are extrinsic and intrinsic factors that influence consumer decisions in buying local agricultural commodities. Generally extrinsic factors influence the purchase of local products. Purchasing local products is a movement that is seen as good for the development of the local economy. Factors such as ethnocentrism, concern for the local economy, health, safety and environmental impact are extrinsic factors that influence the consumption of local products. Meanwhile, intrinsic factors that influence the intention to consume local products such as price and quality are related to the social status of consumers. The skeptical attitude of consumers towards local food can be explained largely based on extrinsic product cues such as unattractive packaging, high prices, and problematic availability (Nistor, 2016).

According to Adelanlie (2015), there are several reasons that make hotels want to serve local fruit. The first is quality. What is meant by quality is taste, appearance, size, color and cleanliness. Second, continuity. One of the challenges of local fruit, especially in developing countries, is the lack of use of technology that ensures fruit sustainability throughout the year. Third, price. The price of local fruit which is much cheaper is an advantage, although specifically for seasonal fruit it is a challenge because prices can surge when not in season. The fourth factor is variation in presentation. Lower prices allow the hotel to serve local fruit in accordance with the season where costs are charged to the room price. Fifth, policy. The existence of government regulations and hotel policies greatly helps the absorption of local fruit.

Strategies to Increase Community Love for Local Products

Some strategies that can be done to increase people's love for local products include:
1. Local Product Campaign

Public policy and marketing are the most common strategies used to increase consumption of local products and are strategies that generate stronger profits (Coelho et al., 2018). The government must deliver a message that makes consumers feel that purchasing local products is important for community development, creating healthy infrastructure and promoting healthy living for future generations.

Consumer ethnocentrism factors are often found to influence the willingness of the community to consume local products (Anggarsi et al., 2013; Bianchi & Mortimer, 2015; Karoui & Khemakhem, 2019; Monalisa, 2015; Nguyen et al, 2008; Tsai et al., 2013; Yildiz et al., 2013; al., 2018; Khairani & Abdillah, 2018). Holt research results (2018) consumers are encouraged to buy local products because it is in accordance with self-identity and moral obligations. Millennials live with a sense of belonging to a group, recognition and convenience (Croke, 2014). Research shows that consumer choices can be swayed by social awareness and peer approval or rejection. If a group likes certain food choices, chances are that consumers who are part of the group will choose that food as their favorite. Food can also be an expression of identity (Almerico, 2014). This finding is in line with the findings of Testa et al. (2018) that the message of social norms can increase intentions among those who have a low attitude towards local purchases. According to Rothschild (1999) public policies that are enforced through social norms or other indirect approaches may be more beneficial than attempts to directly change attitudes towards certain behaviors.

Testa et al. (2018) suggests cooperating with meso-level actors in marketing local products. This is because his research shows that effective social communication about purchasing local products comes from meso-level actors. In this case, the owner of a well-known brand can influence buyers to make local purchases through the messages they use. In 2009 the Indonesian government launched the 100% Love Indonesia Campaign. This campaign was held to promote local brands and products made in Indonesia. Although initially this campaign aimed to raise awareness of Indonesian consumers and promote Indonesian products and brands, in its development the campaign grew into a social movement of the community to foster appreciation and love for all things about Indonesia, not just brands or products, but including food, arts, handicraft and craft arts, and Indonesian culture both traditional and popular culture, as well as many aspects about Indonesia (Khairani & Abdillah, 2018).

In 2009 the state of North Carolina, the United States launched a “10% of North Carolina” campaign, which aims to stimulate local economic development by creating jobs and increasing demand for local products. More than 4,600 people and 543 companies, including 76 restaurants, registered to support the campaign through the website: http://www.nc10percent.com. They promised to spend 10 percent of their food budget on local food supplies. As a result of the campaign, more than 14 million dollars was spent on locally grown products (Coelho et al., 2018).

In Europe, the British government for some time encouraged consumers to buy more locally produced food. It is hoped that the respect enjoyed by local food will produce economic, environmental and social benefits in the local area, leading to more sustainable consumption and production patterns. Furthermore, consumers, in general, agree with the idea of supporting local farmers and their own national economies (Chambers et al., 2007). Local food advocates ranging from individual consumers to government agencies support the idea of knowing who grows their food and how it can be used as a means to make social changes and improve the environment. The United States Department of Agriculture (USDA) has codified this sentiment by establishing a range of institutional initiatives ranging from sharing greenhouse costs to grants for budding farmers to an umbrella program called “Know Your Farmers, Know Your Food” (USDA, 2011; Nost, 2014). According to Sumarwan (2017), one way to campaign for consumers to use national products is through education for consumers to love national products. The aim is to make Indonesian consumers aware of their willingness to consume national fruits.

2. Label the product

When consumers shop at supermarkets, one of the difficulties experienced by wanting to buy local products is the absence of a sign of a local product. That is why giving labels to local products that indicate the origin of these products can be one of the strategies to increase local product purchases. Genderally, Jekanowski (2000) found that women have more tendency to buy local products. But they need a means to identify whether the product to be consumed includes local products. That is why the inclusion of local brands is a positive attraction for local products (Cameron & Elliot, 1998; Cleave et al., 2016).

The inclusion of local brands is also important because consumer ethnocentrism is one of the factors that is said to influence the buying behavior of local products (Bianchi & Mortimer, 2015). Ethnocentric consumers see products from their regions better than other products. The branding program aside from identifying it also gives pride to ethnocentric consumers. One common aspect is that state brand programs use logos to show consumers where the product is produced (Nausz et al., 2018). Naasz et al. (2018), those who use the definition of local products as products produced in the state of Colorado are more likely to buy products labeled Colorado Proud than individuals who have different definitions. Trust in this campaign is influenced by the dimensions of experience, especially perceptions about safety, nutrition and labeling itself. Beyond product attributes, length of stay in Colorado significantly influences the experience dimension. The key credential dimension that positively influences consumers looking for Colorado Proud products is their definition and belief in the authenticity of local products. Interestingly, the fewer individuals trusting social media, the more likely they are to buy products labeled Colorado Proud. This is because these consumer groups trust information more from official sources than informal networks such as social media, consistent with previous findings about trust (Martin et al., 2016).

The country or region of origin branding program can show the product as a local product or processed locally (Onken and Bernard, 2010). These programs are usually publicly funded and therefore need to cover a variety of agricultural and food
businesses. As such, criteria for eligibility, membership rigor and level of supervision can vary between programs. According to Onken and Bernard, the effectiveness of regional branding programs will depend on consumer standards. If the information conveyed is inadequate, certain consumers will choose to shop at a location that they believe is right to sell local products such as farmers' markets. The results of the study of Cleave, et al. (2016) in the province of Ontario, Canada, a regional branding program has the potential to be an effective policy for increasing product purchases because it has a business appeal. However, in its implementation the regional branding program has not been used efficiently. Some gaps in branding policy include excessive reliance on visual identity and narrative, poor communication of brand information, and excessive emphasis on matters related to quality of life and affordability. According to Cleave et al. (2016), local governments must have a clear and realistic understanding of the assets they are in and the current political-economic climate so that they can determine sensible expectations for future growth. From here, the direction of development can be determined and investments can be made to improve priority products. The development of logos or slogans must be less and more invested in public funds with caution on investing assets to create differentiation in market competition.

3. Health information

Research conducted by Salois (2012) that the more small local food vendors in a location, the lower the rates of obesity and diabetes in these locations. In addition Hamilton et al. (2014) believe that urban agriculture together with local food production shows significant potential to prevent the obesity epidemic. According to Witzling (2019) the information conveyed in the media influences the perception of one's norms. One of them if there are advertisements that display unhealthy foods, consumers think not to consume them, and vice versa. No wonder Carson (2015) suggests cooperating with farmers as agents to deliver health information on the food they produce. This is because the results of Carson's research shopping at the farmers' market have a positive impact on health. The interaction between buyers and sellers in the market is a factor that influences the behavior of consumers buying local products.

4. Exhibition and Festival

Coelho et al. (2018) recommends creating policies that encourage food festivals that involve local producers to influence buying behavior that is friendly to the local economy. Food festivals can provide a high level of interaction between customers and producers, and offer opportunities for traditional culture, livelihoods and local food movements to come into contact. The results showed that involvement and positive emotions at the food festival were a good predictor of food purchase behavior six months later, highlighting the importance of emotions and involvement in influencing food purchase choices (Coelho et al., 2018). Joint promotional efforts by farmer groups and regional tourism associations can facilitate local products to be more readily available at local events. In addition, exhibitions and festivals held around the event can be used to attract visitors to the area and provide an opportunity for organizers to make a variety of consumption related to local products (Mynttinen et al., 2015).

5. Improving Supply

Aside from campaign and exhibition approaches related to product extrinsic values, strategies to increase people's love for local product purchases must also be carried out to address issues related to intrinsic factors such as price and quality. The importance of quality can be seen from the research of Dharmatilake et al. (2019) towards the tea market in Sri Lanka which concluded that the tea market in Sri Lanka could be fully exploited if the quality of the tea was improved, especially the taste. According to Coelho et al. (2018), the quality of agricultural products depends on how a product is developed and the process after it is harvested. That is why the method of planting, processing and storing determines the quality of local fruits and vegetables. Continuity is one of the important factors that influence consumer interest, especially industry in buying local products (Adelianie, 2015; Dwistari, 2019; Nafisah et al., 2014; Wirawan et al., 2014; Suryawardani et al., 2014). The findings of Lima-Filho et al. (2012) show that small producers are not ready to bear the costs of supermarket demand for quantity, quality, and variety. Therefore, rural producers need to pay attention to investing in technologies that standardize production quality, reduce seasonal effects and offer greater numbers and variations. This is made possible through the collective actions of small producers because it allows an increase in the scale of production and makes it possible to conquer new distribution channels that require greater efficiency in the items mentioned. So public and private investment is needed for incentives to encourage collective action.

6. Packaging

Differences in consumer purchasing behavior are driven by income levels and living sectors. Consumers with higher income levels are more aware of the brand and appearance. (Dharmatilake et al., 2019) Therefore marketers must put more effort into developing a strong brand image. More investment needs to be made in promoting local brands and improving the appearance that can compete with imported products. Consumption of locally produced ingredients can also be increased through cooperation between farmers and owners of tourist accommodations, for example in the form of a "welcome package" containing local products. Local product packages can also be sold at tourist accommodations and at local supermarkets that are promoted as souvenirs and gifts (Adelianie, 2015; Mynttinen et al., 2015). Some consumers choose local products because they are in accordance with an environmentally friendly lifestyle (Orzan et al., 2018). Therefore packaging must also be in accordance with the idea of sustainable production. From the environmental side, actually the food consumed locally has the advantage of minimal packaging, which means less waste. But there are also many packaging innovations that use environmentally friendly substitutes as well as local nuances. For example in Bali banana leaves are widely used to package local food. This is not only good for the environment and health but also gives a feel of local wisdom and aesthetics that are good for the promotion of local food products.
CONCLUSION AND SUGGESTION

The debate over the benefits of buying local products was answered with a variety of research and issues that were rolled out at the global, national and local levels. The most obvious of course, the effect is environmentally friendly. However, these benefits do not make people immediately buy local products. This is where the need to make a strategy to increase the love of the community towards the purchase of local products. There are several strategies that can be done to increase people's love for local products. The first and most commonly done is to carry out campaigns using local products. Through the campaign, the government and stakeholders can invite the community to consume local products. Moreover, advocacy by groups and actors at the meso level has been proven to influence consumers rather than merely hoping for individual awareness. Encouragement from groups and actors at the meso level can form social norms that affect consumers' perceptions of their identity. If the norm is in accordance with self-identity, consumers tend to follow with behavior.

Second, a strategy that can be done to increase consumption of local products is to provide local product labels for products that meet the requirements. This strategy will help consumers identify the origin of the product. The existence of this label gives consumers confidence in making choices. Third, the government or producers can include health information. Food safety and health factors become one of the reasons for consumption of local products. That is why including health information in products and promoting these benefits to the community is one of the strategies that can be done by the government to increase interest in buying local products.

Fourth, a strategy that can be done by stakeholders is to hold exhibitions and local product festivals. Exhibitions and festivals are influential media for introducing local products to consumers. Organizing exhibitions and festivals that expose local products on an ongoing basis will be an effective promotional media to increase awareness of local product purchases. Fifth, stakeholders must improve the supply of local products in the market both in terms of quality and quantity. Consumers really care about the quality of the products they buy. Therefore improving quality, including fulfilling quantity and distribution, is one strategy that can be encouraged by the government and stakeholders to increase consumption of local products. Sixth. It is also important to make attractive packaging. How to package products so consumers want to buy local products. It must be realized, the first impression becomes a determining factor for consumers in choosing the product they buy. Therefore packaging that can touch consumers will greatly help encourage consumption of local products.

REFERENCES


I Made Dwi Prayana  
Economics and Business Faculty  
Udayana University, Bali – Indonesia  
Email: made.dwipa@gmail.com

I Made Suyana Utama  
Economics and Business Faculty  
Udayana University, Bali – Indonesia  
Email: suyanautama@gmail.com