

## ANALYSIS OF FACTORS INFLUENCING CONSUMER DECISIONS TO PURCHASE PACKAGED COOKING OIL

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### Abstract

Market and consumer needs for packaged cooking oil are part of the basic needs of the Indonesian people. Palm cooking oil in Indonesia is generally marketed in two ways, namely in bulk and in packaging with certain brands/labels. Bulk cooking oil and branded cooking oil are both products of industrial processes but differ in terms of quality. This difference in terms of quality results from the different stages of the production process in its manufacture. The method used in this study is a qualitative method that describes through words and language in explaining the problem or phenomenon under study. To describe the problem, descriptive research is used, namely by describing a symptom, event and incident that occurred. Data was collected through interviews, and observations in conducting research, literature studies and documentation studies. The results of this study indicate that the analysis of Factors Influencing Consumer Decisions To Purchase Packaged Cooking Oil, namely the social environment, consumer knowledge, psych demographic factors, personal trust factors, socio-economic factors, value factors, product attribute factors, product quality factors, Like the brand, habitual buyers.

**Keywords:** Consumer Decision, Packaged Cooking Oil.

### INTRODUCTION

Human needs are increasing both for goods and services, companies are moving quickly to make products that are increasingly diverse to meet consumer needs and desires. Fried oil products for the Indonesian people have become a necessity, considering that Indonesian cuisine is diverse and requires cooking oil as raw material for its processing. Companies are required to make products that meet the diverse needs of consumers. Packaged cooking oil products were born with various brands and various advantages of each. Innovative products become consumer satisfaction in itself, because every consumer has different tastes. Each company has its own characteristics with its products for the purpose of attracting as many consumers as possible and making a profit. Compete in terms of product quality,

The diversity of cooking oil products is currently a consumer consideration in making purchasing decisions. Finally, with the large variety of cooking oil choices, consumers are more selective in choosing cooking oil that can be consumed daily. In making a purchase decision, consumers must consider the quality of the product and the price in order to meet the needs of these consumers. Where it often happens when the quality of the product provided is good, of course with a high price set, and vice versa if the quality of the product provided is low it will be given a cheap price. One company that has a high probability of getting loyal customers is a cooking oil company. This is because cooking oil is one of the nine basic ingredients consumed by almost all Indonesian people, both in urban and rural areas. It can also be said that cooking oil is a very strategic commodity, because the scarcity of cooking oil can have a

significant economic and political impact on the national economy. This is based on experience so far which shows that the scarcity of cooking oil has contributed to the emergence of significant economic impacts for the national economy.

One of the factors that influence consumer decisions to buy is the pricing of packaged cooking oil. Price partially has a significant influence on the purchasing decision of packaged cooking oil. Price is a factor that significantly and strongly influences consumer decisions to make purchases. Tjiptono (2008:104) reveals that product attributes are product elements that are considered important by consumers and serve as the basis for decision making. One of the product attributes is the pricing policy, where the price becomes a consumer's consideration in making a purchase. Price perception is also one of the main factors that determine consumers in buying and choosing a product because price is related to the amount of income of consumers who are sacrificed to decide to buy a product. Low consumers will think without thinking and do not need more consideration in order to reduce expenditure costs which is the same as the opinion (Tjiptono, 1997: 19) that in order to achieve this goal, every company must strive to produce and deliver goods and services that consumers want at a reasonable price Reasonable (Tjiptono, 1997: 19). If the company sets the price too high it will cause sales to decline, but if the price is too low it will reduce the profits that can be obtained by the company. (Ayu Sulistyowati, 2020) If the company sets the price too high it will cause sales to decline, but if the price is too low it will reduce the profits that can be obtained by the company. (Ayu Sulistyowati, 2020) If the company sets the price too high it will cause sales to decline, but if the price is too low it will reduce the profits that can be obtained by the company. (Ayu Sulistyowati, 2020)

Indonesia is the largest palm oil producer in the world. Palm oil is a raw material that is widely used to make cooking oil. Indonesia is the main exporting country for crude palm oil (CPO: crude palm oil) in the world and its various processed products. Apart from being a raw material for cooking oil, this CPO can also be used as raw material for the manufacture of candles, margarine, soap, various body care products and as raw material for loading biodiesel. People in Indonesia make cooking oil a very important food ingredient and it is difficult to replace, because of the Indonesian people's fondness for processing food using cooking oil.

Bobby Dwi Anggara's research entitled Analysis of Factors Affecting Consumer Behavior on Purchase Decisions for Packaged Cooking Oil at the Medan Mmtc Market obtained several conclusions in his research, namely cultural, social, personal and psychological factors simultaneously or jointly have a significant effect on purchasing decisions for cooking oil. Packaging in the MMTC market. Partially social and personal factors that influence the decision to purchase packaged cooking oil in the MMTC market. (Bobby Dwi Anggara, 2019).

M. Bukhori's research entitled Factors to be considered in the Purchase Decision of Bimoli Cooking Oil at Housewives in Kebonagung Village, Purworejo Subdistrict, Pasuruan City. Purchases, namely: price factors, social factors, psychological factors, distribution factors, and personal factors. 1) Based on the research results, the majority of buyers of Bimoli cooking oil are consumers between the ages of 30-40 years. The consumer's final educational background is SMA/SMK. As well as income and expenses between 2,000,000 -3,000,000 per month. 2)

The reason for buying Bimoli cooking oil is because of its affordable price. Television is the main source of consumer information. The focus of consumers' attention when buying Bimoli cooking oil is the price. In addition, the ease of obtaining Bimoli cooking oil makes consumers buy this cooking oil, because the majority of consumers plan to purchase before making a purchase. Consumers are also satisfied with using Bimoli cooking oil. 3) Based on the results of interviews, there are several reasons housewives in Kebonagung Village, Purworejo District, and Pasuruan City in buying cooking oil, Bimoli, which include brand, product quality, price, product availability, family, as well as perceptions and motivations. 4) From the results of factor analysis, there are 5 factors that are considered in the decision to purchase Bimoli cooking oil at housewives in Kebonagung Village, Purworejo District, Pasuruan City, which include: price, social, psychological, distribution, and personal. (M. Bukhori, 2017)

The results of research conducted by Abed Nego Suranta that there are at least three factors that influence consumer decisions to buy family cooking oil, namely personal beliefs, family environment, and social environment, of these three factors the highest influencing factor is the social environment factor. Social environmental factors in determining the purchase of filma cooking oil are influenced by the opinions of others and influenced by many users of filma cooking oil so that reference groups in the social environment have a very large influence on consumer purchases. When the reference group uses the product, it creates a feeling of satisfaction and can influence other people to buy it. (AbedNego Suranta, 2018)

The results of Asih Karimah's research show that the decision to purchase cooking oil is motivated by product quality, design, features, brand, packaging, label, and product price. Partially, product quality has the greatest influence on consumer decisions to make purchases. (Asih Karimah, 2019)

Palm cooking oil in Indonesia is generally marketed in two ways, namely in bulk and in packaging with certain brands/labels. Bulk cooking oil and branded cooking oil are both products of industrial processes but differ in terms of quality. This difference in terms of quality results from the different stages of the production process in its manufacture. Tjiptono's theory (2008) which states that price is one of the attributes among several other attributes in consumer decision making. This will result in price competition from various brands available in the market, so that consumers who are sensitive to price changes tend to switch to other cheaper brands. Price has two main roles in the decision-making process of buyers, namely the role of allocation and the role of information. The common perception is that high prices reflect high quality. (Asih Karimah, 2019)

Factors Affecting Consumer Behavior Kotler (2005:202) states that consumer buying behavior is influenced by cultural, social, personal, and psychological factors, which are explained as follows:

- a. Cultural factors according to Kotler (2005:203) are divided into 3, namely: Culture according to, is the most basic determinant of desire and behavior. Covers a variety of values, perceptions, preferences, behaviors and habits. Sub-cultures, each of which consists of a number of smaller sub-cultures and has a special socialization for its

members. Subcultures include nationalities, religions, racial groups, and geographic regions. Social class is a relatively homogeneous and permanent division of society, which is hierarchically structured and its members share similar values, interests and behaviors.

- b. b. Social factors according to Kotler (2005:206), are factors that arise from the social environment of consumers. These factors include: 1. Reference Group. A person's reference group consists of all groups that have a direct (face-to-face) or indirect influence on a person's attitude or behavior. Groups that have a direct influence on a person are called membership groups. Membership groups are divided into two, namely primary groups (family, friends, neighbors, and co-workers who interact with a person on an ongoing and informal basis) and secondary groups (religious groups, professions, and trade associations, which tend to be more formal and require interaction. which is not so routine). The family is the most important consumer buying organization in society, and family members are the most influential primary reference group. 3.Role and Status. Role includes activities that are expected to be carried out by a person, while status is a person's position in the environment.
- c. Personal factors according to Kotler (2005:210), are factors that come from the influence of a consumer's personal characteristics, and these characteristics include: 1. Age and Life Cycle Stage. Consumer behavior can also be influenced by age, because age affects a person's needs. The older the age, the greater the need. While the life cycle stage is a division of the consumer's life period. 2. Employment and the Economic Environment. Work affects the pattern of needs, the better the type of consumer's work, the higher the level of need and desire. The economic environment also affects consumer behavior, this is related to income, the greater the income, the greater the need. 3. Lifestyle, is a person's pattern of life in the world that is revealed in activities, interests and opinions. Lifestyle also describes the whole person who interacts with his environment. 4. Personality and Self-Concept. Personality is a distinguishable human psychological trait that produces relatively consistent and enduring responses to the environment. While self-concept is a view of one's self, both views of oneself and views of others.
- d. Psychological factors according to Kotler (2005: 215), are factors that are influenced by the psychological part of a human being which includes: a. Motivation, is an impulse from oneself to carry out activities. In this case it is a purchase. b. Perception, is the process used by an individual to select, organize, and interpret information input in order to create a meaningful picture of the world. c. Learning, includes changes in one's behavior arising from experience, most of which are the result of learning. d. Beliefs and Attitudes. Belief is a picture of the thoughts that a person holds about the picture of something. While the attitude is an evaluation, emotional feelings and tendencies of actions that are beneficial or detrimental and last a long time from a person to an object or idea. (M.

## RESEARCH METHODS

The author in this study used a qualitative approach with descriptive delivery. This study uses a descriptive type of research using qualitative methods. Descriptive research is a type of research that describes the actual conditions based on data in the field. Meanwhile, according to Moleong that qualitative research is rooted in a natural background as divinity, relies on humans as research tools, utilizes qualitative methods of inductive data analysis, directs research objectives in an effort to find theories more concerned with processes than results. Choosing a set of criteria to write down the validity of the data, the research design is tentative, the research results are agreed upon by the research subjects. (Moleong, IJ, 2007)

Researchers are expected to gain an overview and understanding through Analysis of Factors Influencing Consumer Decisions on the Purchase of Packaged Cooking Oil. The data collection technique used in this research is triangulation of data sources through 1) Interviews. The interview technique used is an open interview where the researcher directly asks selected informants who are considered competent in providing information to answer research questions (Sugiyono, 2012, p. 140), 2) Observation. This data collection is done through observations at the research site about the factors that influence consumer decisions in purchasing packaged cooking oil. To describe the problem, descriptive research is used, namely by describing a symptom, event and incident that occurred. Data was collected through interviews, and observations in conducting research, literature studies and documentation studies.

## RESULTS AND DISCUSSION

Cooking oil is one of the nine basic needs of the Indonesian people that must be met. The Indonesian tradition of processing daily food using cooking oil is the main factor in the importance of cooking oil for household needs. The scarcity of packaged cooking oil in Indonesia is a serious problem for the community. The recent increase in the price of packaged cooking oil has also become a serious polemic for the Indonesian people. After the scarcity occurred, then it became a very significant increase in cooking oil prices which caused protests by the Indonesian people. The government is trying to provide a solution by providing cooking oil subsidies to the community, although it is not a completely solution.

There are two types of cooking oil circulating in the market, namely packaged cooking oil and bulk cooking oil. The difference between bulk cooking oil and packaged cooking oil is that packaged cooking oil has a halal label, production code, expiration date, composition, product information, while there is no bulk cooking oil. Packaged cooking oil better fulfills consumer rights. The largest type of cooking oil circulating in the market is packaged cooking oil with 2 various brands with special packaging such as plastic, jerry cans, and bottles (Qorima et al., 2014). The existence of various brands of cooking oil offered in the market, packaging factors/determinants and price are two factors that are widely considered by consumers to make their choice.



The results of Sonia Magdalena's research "the attitudes and behavior of consumers of packaged cooking oil in Kerinci base" are good attitudes and behavior towards packaged cooking oil. The positive value obtained shows that overall consumers have a good attitude towards all the attributes contained in packaged cooking oil.

Packaged cooking oil is a type of cooking oil measured in volume units (liters) and packaged in bottles, plastic refills, and jerry cans. Although bulk cooking oil is still available in the market, more and more consumers are using packaged cooking oil (Supriyana, 2006). The circulation of various kinds and sizes of packaged cooking oil products that are increasingly being offered makes consumers have many choices in making purchases. (Sonia Magdalena, 2019)

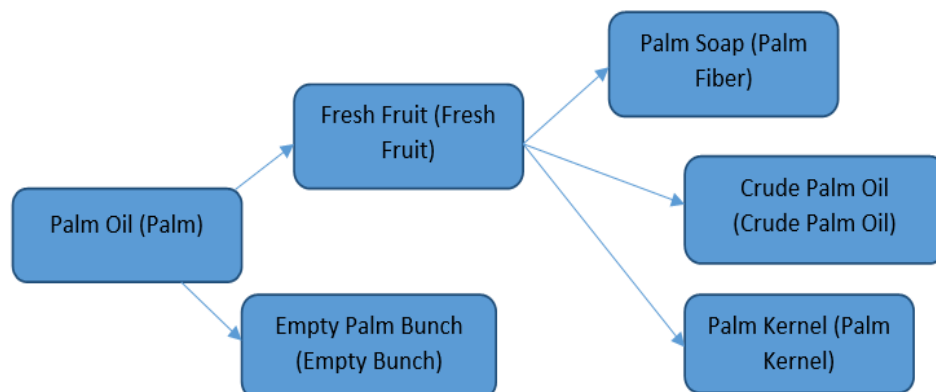
Palm oil has comparative advantages, among others, in addition to being processed into raw material for cooking oil, palm oil can also be processed into other raw materials such as soap and cosmetic tools, and palm oil also has the cheapest raw material prices compared to other raw materials such as oil. Radishes, soybeans, and sunflowers while the level of advantage for producers remains high. This comparative advantage has proven the good prospects of oil palm in the long term (Fauzi, 2008). Palm-based cooking oil has advantages over other vegetable oils, such as having low cholesterol levels, not without cholesterol. The domestic palm cooking oil industry is divided into two, namely bulk cooking oil and packaged cooking oil. The difference between bulk cooking oil and packaged cooking oil lies in the filtering process which affects the quality of the cooking oil. Packaged cooking oil is filtered twice, while bulk cooking oil is filtered once (Kukuh, 2010). According to Kotler and Armstrong (2001), the factors that influence consumer behavior are cultural factors, social factors, personal factors and psychological factors.

Consumer satisfaction and dissatisfaction is the impact of the difference between consumer expectations before the purchase and what consumers actually get from the purchased product. According to Griffin and Ebert (2003), the level of consumer loyalty is formed from the achievement of the level of satisfaction felt by consumers in connection with their activities of consuming or using goods and or services. Factors that significantly influence the level of satisfaction and loyalty of housewives are household income, mother's age, and mother's education, number of household members and location of purchase. The factors that influence the level of satisfaction and household loyalty are education, income, mother's age, family members and location of purchase. The research also shows that every time there is an increase in family members, household opportunities to achieve greater levels of satisfaction. This fact is in line with the level of loyalty, where every time there is an increase in family members, the chances of the household to achieve loyalty are getting bigger. (Riska Nurul Qorima, 2014)

The variables of income, price and consumer tastes together lead to consumer purchasing decisions for Bimoli cooking oil in a study conducted by Suci in his research entitled Analysis of Factors Influencing Housewives' Decisions in Purchasing Bimoli Cooking Oil in Kadireso Village, Boyolali Regency. (Wulan Suci Rachmawati, 2017).

Product quality has a significant effect on purchasing decisions. This means that the better the quality of the product, the better the purchasing decision. Price has a significant effect on purchasing decisions. This means that the more affordable the price, the higher the purchasing decision. (Ayu Sulistyowat, 2020)

**Figure 1.2 Palm Oil Industry Tree**



Source: Ministry of Industry (2009)

Based on the picture above, the Fresh Fruit of Palm Oil is processed into Palm Coir, Crude Palm Oil and Palm Kernel. One of the processed crude palm oil is Refined Bleached Deodorised Palm Oil as an ingredient for making margarine, cooking oil, glycerol, soap and synthetic butter fat.

The factors that influence consumer decisions to purchase packaged cooking oil include:

1. The social environment is a big influence for consumers to decide to buy packaged cooking oil products. Groups that become references or who have a big influence in their social environment become a big influence in determining the purchase of packaged cooking oil.
2. Consumer knowledge about product superiority and consumer convenience in a product becomes the emergence of loyalty to a packaged cooking oil product. Because they feel that this is the best product choice, they are loyal to always use the product in the long term.
3. Psycho-Demographic factors such as lifestyle, age and perception. Consumers such as parents or a housewife have a healthy lifestyle so they are reluctant to consume bulk oil because they consider the factors or impacts that are best for the health of their families. So choose packaged cooking oil.
4. The personal trust factor is a factor of choice in purchasing a product. Because they are used to using packaged cooking oil with the "X" brand, for example, it has good

packaging and quality and healthy oil. With the consumer's personal personality in accordance with the advantages of the product they choose.

5. Socio-economic factors, habits carried out by the surrounding environment make consumers decide to buy packaged cooking oil products. The influence of the socio-cultural environment, for example, because his grandmother used packaged cooking oil and then his mother used it. The social and cultural environment habits determine consumers, habits that have become traditions even to shops in the environment provide only in the form of packaging. Because they understand that people have a high level of consumption of packaged cooking oil.
6. Value factor, that consumers will rate a cooking oil product. The existence of an assessment carried out by the community the values that are believed by each individual will influence the consumer's decision to buy. Values that are believed to be in accordance with their own personality and in accordance with their environment. There is a belief that packaged cooking oil has more value than bulk oil, both in terms of health and other benefits.
7. Product attribute factors, product attributes are product elements that are considered important by consumers and serve as the basis for decision making. One of the product attributes is the pricing policy, where the price becomes a consumer's consideration in making a purchase. Consumers will compare the price of one product with other products by looking at the same volume, content, and packaging. The perception of a cheap or expensive price for consumers will determine the decision to purchase a packaged cooking oil product.
8. Product quality factors significantly influence the decision of buyers or consumers. Product excellence by maintaining quality will make cooking oil packaging customers survive and have high loyalty to a product.
9. Like the brandare buyers who really like packaged cooking oil products. Buyers who fall into this category are buyers who really like the product. Buyer's liking may be based on associations associated with symbols, a series of previous usage experiences.
10. Habitual buyers are households that buy packaged cooking oil due to habitual factors.

Switcher consumers are consumers or buyers of packaged cooking oil who admit that they often change the brand of packaged cooking oil when there is an increase in the price of certain products. Because not all consumers have high loyalty to a product. Consumers are often interested in a new product, for example there is a promo going on with a certain brand. Switcher buyers are price sensitive consumers. The results of this study also show that the price increase factor is a determinant of consumer decisions to make purchases.



## CONCLUSION

This research shows that the analysis of Factors Influencing Consumer Decisions To Purchase Packaged Cooking Oil, namely the social environment, consumer knowledge, pscyc demographic factors, personal trust factors, socio-economic factors, value factors, product attribute factors, product quality factors, Like the brand, habitual buyers. Social environmental factors, product quality and product attribute factors such as price determination are the main determining factors in consumer decision making in purchasing packaged cooking oil.

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