



The push factors of producers mango in using label as part of customer service marketing

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Abstract

Mango is one of favorite fruits that almost every body like it, but consumers are often disappointed because it is not uniform quality. Producers or the farmers are interested in using label when consumer willingness to pay is higher. This phenomena is interested to study what push factors of producers mango in using label as part of customer service marketing. The research method is survey with 260 farmers using simple random sampling from 4 sub district in Cirebon such as Astanajapura, Greged, Dukupuntang and Sedong. The results of this study revealed that push factors are income, access of market, concern of quality and safety food. The farmers who get higher income, better access market, concern of quality and safety food tend to used label. The farmers believe that label is one way for better customers serve but they only used label when willingness to pay consumers is higher. Another factor that is not a motivating factor are family member, mango is cultivated for second priority, number of trees, and the label is not an issue when done by wholesaler or exportir. There must be the government agency to ensures that label is the quality assurance and product safe for consumption.

Keywords: Mango farmers, label and consumer.

Introduction

In West Java Gedong Gincu (*Mangifera indica* var. Gedong) is mostly produced in Cirebon, Majalengka and Indramayu. Cirebon produces 45% of Gedong Gincu, and other mangos produced are Haromanis, Cengkir and others (55%). Majalengka Regency produces 11% of Gedong Gincu and 89% are Haromanis, Cengkir and other kinds. Meanwhile Gedong Gincu produced in Indramayu Regency is 35%, 65% are Haromanis, Cengkir and others (65%). Gedong Gincu Mangos produced in the three areas have different characteristics. Gedong Gincu produced in Cirebon are typically small, have red color dan taste sweet and sour. Gedong Gincu Mangos from Majalengka are relatively big and sweet and and have more water content, whereas the mangos from Indramayu are small and taste sour. The facts of Gedong Gincu types above necessitates use of labels which provide information about mango production points and quality.

Label is part of product attribute which informs characteristics of a product. There are three kinds of labels; namely, brand label, grade label, and description label or informative. Brand label functions as a brand, and grade label shows a certain level of quality of a product, and description label or informative label describes usage. A label should contain product name, nutrition content, date of production, state of storage, name and address of company, production point and product code.

Packaging and brand do not change consumers' preference as consumers have already been familiar with the product

characteristics. For this type of consumers, attributes are not significant. Brand on the other hand is a sign in the form of pictures, words, letters, figures, color arrangement, or such combination that has attraction differentials and is used in tarding goods or services¹.

Its reveals that the advantages of using labels are to gain consumer trust (36%), to promote quality and competitive products (33%), to enable consumers to track down producers of the products (17%) and to serve as a means of promotion (14%)². Although farmers consider that labels are important, (75%), some of them also consider labels as unimportant (25%). It is therefore interesting to find out what factors push them to use labels.

Methodology

Research location: The research was conducted in Astanajapura, Greged, Dukupuntang and Sedong sub-districts Cirebon Regency, and the reason for choosing these sub-districts is that mango production is centralized in these areas. Primary data were gathered through cross section, and the secondary data were taken from the Central Statistics Bureau (BPS), Agency of Agriculture and Food Crop, Cirebon Regency and related Institutions. The research was conducted from May to August 2016.

How to determine the sampling: Samples were taken by simple random proportional sampling of the population of farmers in Cirebon. Farmer samples of 260 farmers consist of

traditional farmers = 75(28.85%). Transitional farmers are 103 (39.62%) and modern farmers are 82(31.54%). These farmers spread over four production centers of Gedong Gincu in Cirebon Regency which are Astanajapura sub-district = 46 farmers (17.69%), Greded sub-district 83 farmers (31.92%), Dukupuntang sub-district 35 farmers (13.46%) and Sedong sub-district 96 farmers (36.92%). In general, farmers were mostly males (99.23%), and women traders were only 2 (0.77%) of all respondents.

Methods of Data Collection: i. Key informant Discussion: To obtain the actual date, the researcher used the information from those involved in mango marketing such as farmers, farming groups, wholesalers, distributors, suppliers, retailers and village head. ii. Focus Group Discussion: Focus group discussion was conducted in each farming group to get the picture of the problem in mango marketing, particularly the use of label and packaging. Focus group was conducted several times in each farming group. iii. General Farmers meeting: Group meetings were usually conducted once a month to discuss cultivation, fertilization, pest management, post-harvest and other technologies in the development of Gedong Gincu mango. Post-harvest is important to observe as it relates to the quality, label and packaging. iv. Semi Structured Interviews: To find out the information before and after farmers used label and packaging, interviews with farmers and heads of farming groups were conducted.

Method of calculation: Data of the number of the sample farmers were analyzed descriptively, and the focus was on the factors that push farmers to use the label. Other variables observed were farmers' number of trees, sideline jobs, number of family members, gross revenue, market access, mango quality, food safety and labeling. Data were analyzed using a Likert scale of 1 to 5 where the value 1 = strongly disagree with the label, value 2 = disagree with the label, value 3 = neutral, 4 agree with their values and value labels 5 strongly agree with the label.

Results and discussion

Producer Characteristics: Mangos are generally distributed to the traditional markets, and only a small amount of mangos are exported. Mangos for export or supermarkets should meet certain criteria; for example, there should be certain types of grade, mango rind should be fresh and clean, and ripe on the tree, mangos should not be ripened, and the maturity level should be 85%. In general, the respondents have 31-100 trees and their average net income per month is 2-4 million rupiahs. According to some respondents, their mango revenue is greater 1.5 times than their income from rice. Although their revenue from mango business is higher than that from rice, farmers do not want to replace it with mango business as they should have a big capital to set it up, they spend more money, especially during flowering periods. There are also some farmers who earn additional income from rice, and mango business becomes their

main income. The average number of family members are between 3-5 people.

Table-1: Producer Characteristics

Variablele		Number of Farmers	
		Person	%
Marketing	Trad.Market	140	53.85
	Supermarket	100	38.46
	Eksport	2	5.39
	another Island	14	1.53
	Own Shop	4	
Number of Three	1-30	75	28.84
	31-100	111	42.69
	> 100	74	28.47
Income/month	2 – 4 Million	132	50.88
	4 - 6 Million	35	13.64
	> 6 Million	92	35.48
Occupation	Entrepreneur	55	21.15
	Paddy	175	67.32
	Side job	30	11.53
Family Member	2 person	15	5.26
	3 – 5 person	209	80.33
	> 5 person	38	14.41

The Push Factors of producers Mango in using Label: The variables observed to find out the push factors that encourage farmers to use the label among others are number of trees, mango business as a sideline job, family size, income, education, marketing, labeling which indicates the quality and food safety, and labeling which is done by the sellers. The number of trees has a relation with the labels used because most small farmers own small sized land under 1 hectare with an average ownership of 50 trees and the average total production of approximately 2,371kilograms (average productivity of 47.43kg/tree). Mangos are not harvested at once but gradually during the harvest season between September and January.

A small amount of production makes farmers sell their mangos directly to middlemen traders, so they do not require labeling.

Rice farmers, civil servants, private company employees or sellers usually have mango business as a source of their additional income. The farmers often rent out their land to middlemen traders. The farmers only receives rents, and middlemen traders are responsible for taking care of the trees and harvests, and therefore such farmers think that use of labels is not important. They argue that using labels is time-consuming as they spend their time cleaning, grading, standardizing mangos and sticking labels on to them. Farmers with fewer family members are less interested in using the label. However, farmers who sell their mangos to the supplier get a higher price than the market price and such farmers agree with the label. Farmers who aim to sell their mangos to the supplier support the use of label because they feel that their products are more competitive; therefore, they have a higher bargaining position.

Although in general farmers graduated from Junior High School, they know the usefulness of labels which is to differentiate other products, demonstrate product excellence, facilitate the promotion, make it easier to track products on the market, enable consumers to complain if the products do not meet their expectations, build consumer confidence so that consumers loyal to purchase. Farmers' interest in using the label does not depend on the level of their education, but it depends on the price they receive.

In general, farmers whose market destination is already clear agree with the use of label. The farmers believe that the label indicates their product which is of high quality and safe for consumption. Meanwhile farmers who are also wholesalers use the label in order that their products are unacceptable by supermarkets or exporters. Research findings show that the dominant factors that encourage farmers to use the label of

origin are income, marketing, quality and food safety. While number of trees, sideline jobs, number of family members, education, and level of difficulty in making the label do not encourage farmers to use the label.

Customer service is a service that shows care with consumers before, during, and after their purchase. Label is part of customer service as it can indicate the characteristics of the product so that consumers do not have to pick and choose during the purchase process. Consumers believe if products are labeled and their expectations are met, they will be loyal. Results show 86% of consumers stop buying the same product, if they are not satisfied. Loyal customers will buy more than the initial purchase, and manufacturers will spend 5-7 times more expensive to get new customers; therefore, it is better to maintain loyal customers than to seek new ones. Therefore, manufacturers should be oriented to the needs of consumers and not oriented to the products to be produced^{3,4}. Labels are related to the segmentation of consumers, and the current consumer segmentation should be considered individually rather than in groups⁵. Consumer will loyal or repurchase if there are good label in the products. Good label its mean have positive feedbacks from consumer for the label, for example like empathy, persuasion, impact and communication⁶.

Customer service should pay attention to potential customers, their needs, and predict their behavior. If these factors are given attention, they will lead to high profitability⁷. Nevertheless, some researchers say customer service is not always successful in increasing sales⁸⁻¹⁰. Customer service without segmenting the market is like building a house without a plan and architect. Thereby, making the label must involve market segmentation in order to gain an advantage.

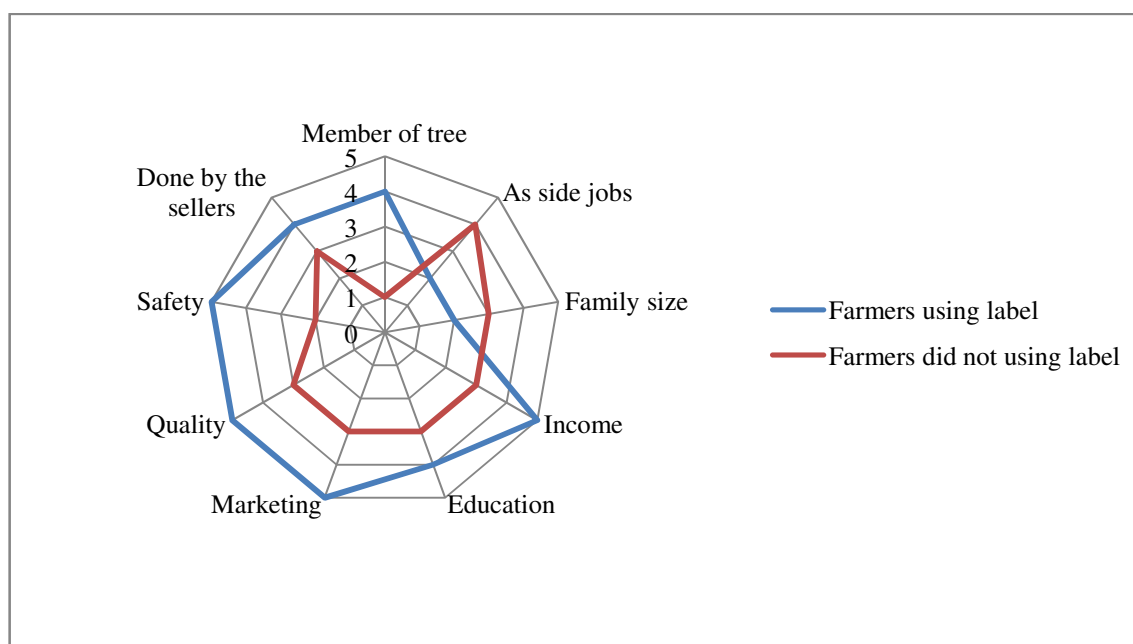


Figure-1: Dominant Factors that Push Farmers in using Label.

Conclusion

The dominant factors that encourage farmers to use the label of origin are income, marketing, quality and food safety. Farmers who tend to earn above-average incomes will care about the implementation of regional origin labeling, as well as with market access. Farmers will care about the area of origin label if the label can convince consumers in terms of quality and food safety; thus, there should be an institution that guarantees that the presence of the label means the product is of high quality and safe for consumption.

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