

Analysis of Factors Affecting Consumer Behavior and Marketing Performance in the Livestock Industry

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ABSTRACT

This study investigates consumer behavior and marketing performance in the chicken egg industry, with a particular focus on Li'an Meto Farm in Takalar Regency. Data were gathered through in-depth interviews with the farm's owner and customers, providing insights into the factors influencing consumer decisions. The findings reveal that consumer behavior in the region is primarily shaped by price, quality, and availability. Consumers tend to prefer chicken eggs that are affordable, of high quality, and easily accessible. Moreover, trust in the brand and the farm's reputation significantly impact purchasing decisions. Li'an Meto Farm exhibits strong marketing performance, which can be attributed to its strategic emphasis on building and maintaining good relationships with customers, alongside a commitment to consistently delivering high-quality products. These factors contribute to the farm's ability to attract and retain a loyal customer base, thereby enhancing its overall market position.

Keywords: Consumer Behavior, Marketing Performance, Livestock Industry

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1. INTRODUCTION

Eggs, as one of the poultry products, possess a high nutritional value. Notably, protein plays a crucial role in the human body, functioning as a component of: new tissue formation within the body and regulator of various bodily systems (Saputra, 2017). Eggs are also a nutritious food, containing animal protein sources, and are palatable and easy to digest. This makes them highly nutritious. Given that the Indonesian population still prioritizes food and nutrition consumption over non-food consumption, this aligns with the importance of nutrition for survival (faridayati, 2018).

Consumer behavior has become increasingly important in shaping market dynamics in a rapidly developing world. Consumer preferences and decisions are heavily influenced by culture, social environment, personal values, and past experiences. Moreover, the way customers interact with brands, seeking information about products and services has changed due to technological advancements. Not only businesses but also government agencies, non-profit organizations, and the general public need to understand consumer behavior. Eggs are a complete food due to their richness in nutrients required by living beings, such as protein, fat, vitamins, and minerals. Eggs contain high-quality protein due to their composition of essential amino acids. Therefore, eggs are used as a benchmark to assess the quality of protein in various foods. In society, eggs are relatively affordable compared to other animal protein sources,

making them versatile for various processed forms. Eggs are an ideal food for children, teenagers, and adults alike, being easily obtainable and accessible (Saputra, 2017)

Breed chicken eggs have high protein content and complete protein composition, but also high-fat content. Generally, breed chicken eggs are most consumed by the general public. Eggs weigh around 40-60 grams and have shells ranging from dark brown to light brown. Eggs are also a food category that can be classified as an economical and complete protein source. Large-sized eggs contain approximately 7 grams of protein. Vitamin A, D, and E are found in egg yolks. Interestingly, eggs are known as one of the few foods that contain vitamin D (Simatupang, 2018)

Eggs, as one of the poultry products, contain protein that plays a crucial role in the human body. This is because protein functions as a building material, forming new tissues within the body and regulating various bodily systems. As a result, eggs are often chosen as a source of protein by many households due to their affordability and ease of availability. According to Simatupang (2018), eggs are a staple food that is always in demand and widely consumed by the public.

However, consumer preferences and tastes can also influence the demand for a product. Consumer preferences, which vary greatly, can lead to the emergence of new products in the market through product specialization, resulting in monopolistic market share for specific tastes. The higher the consumer's preference for a product, the higher the demand for it (Simatupang, 2018).

Consumer preferences do not have an impact on the demand for chicken eggs. This is because chicken eggs are a nutritious food that is easily accessible and affordable, making consumers less likely to change their demand even if they do not like the product (Saputra, 2017).

Consumers will continue to purchase chicken eggs, even if they do not like the product. However, those who have family members who do not like chicken eggs will consume less of it compared to those who do not have such preferences. On the other hand, those who have family members who love chicken eggs will consume more of it.

The price of a product is a primary factor that influences consumer demand (faridayati, 2018). The price of chicken eggs refers to the value in rupiah that consumers must pay to obtain a certain number of chicken eggs (Ine Fausayana, 2017). Egg demand is heavily influenced by price, as people have limited income to meet their needs. An increase in income has a significant impact on egg demand, and changes in income can also affect egg demand, which in turn can affect production and trading.

The population of Magetan Regency has been steadily increasing over the years, with growing per capita income and fluctuations in the price of chicken eggs also affecting per capita egg demand in Magetan Regency (Faridayati, 2018). Egg demand fluctuates due to changes in broiler chicken prices daily. The price of eggs has increased over the past five years. In 2018, the average price of chicken eggs with CV 8.18 was higher than the high fluctuations in prices over the past four years. The price of eggs at the consumer level is slightly more fluctuating than at the producer level, but the pattern is relatively similar.

Factors such as feed prices, Day Old Chicken (DOC), dominance in the national poultry market at the input level, and oligopsony in the production market cause egg prices to rise. A decline in production due to avian disease causes a sharp decline in production, combined with government restrictions on the use of AGP in animal feed. Although the population of laying hens does not decline significantly, egg supply is significantly reduced due to tonnage (Ilham & Saptana, 2019).

According to Kolter and Armstrong (2012), marketing strategy is a marketing logic where companies aim to create value for customers and achieve a beneficial relationship with customers. Marketing strategy is a comprehensive business plan aimed at reaching target customers and changing them into product consumers produced by the company.

2. METHOD

This research employs a qualitative descriptive approach aimed at understanding the deep structure of consumer behavior and marketing performance in the chicken egg industry at Li'an Meto Farm, Takalar Regency, Makassar City.

The data used in this research consists of two types: primary and secondary data. Primary data refers to the data collected directly from the respondents desired by the researcher, either through interviews with experts, and other field data collection methods. The primary data required is the consumers' responses regarding the influence of price and quality of Li'an Meto Farm's chicken eggs. The data collection method used in this research is a survey method, where data is collected in the form of primary and secondary data, through interviews with Li'an Meto Farm's owners and employees.

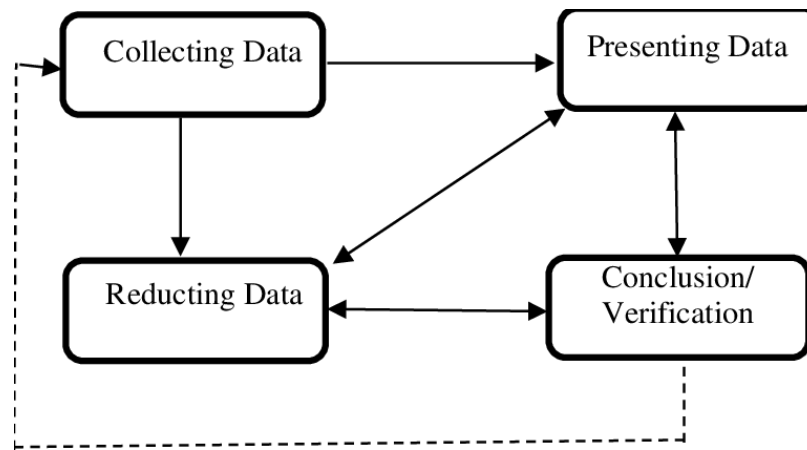


Figure 1. Miles and Huberman's Interaction Model

3. RESULTS AND DISCUSSION

a. Consumer Behavior towards Price and Quality of Chicken Eggs

Consumers are individuals who engage in actions that allocate value to goods and services after expending a certain amount of cost. The primary goal of consuming goods and services is to satisfy needs and can be measured as satisfaction obtained. The size of consumer satisfaction is measured by the value obtained from consuming a particular good or service against the cost incurred (Munte, 2019).

Consumers of chicken eggs tend to prefer traditional markets as their choice due to location and price considerations, as well as the characteristic of haggling being a typical behavior of consumers in traditional markets. Several research findings on consumer behavior towards chicken eggs have shown that factors such as price, income, family size, taste, location, and promotion influence consumers' purchasing decisions (Arif, 2014).

According to Kotler and Keller (2009), consumer behavior is a study of how individuals, groups, and organizations satisfy their desires and ensure that all products sold are consumed at the point of consumption. This is because: 1) Consumer behavior is dynamic, flexible, and unpredictable; 2) Many factors interact with workload; and 3) Many data can be used and generated.

The law of demand for consumer behavior states that "if the price of a product is low, consumer demand for the product increases, while if the price is high, consumer demand for the

product decreases," provided that all other factors affecting the quantity of demand remain unchanged. In consumer behavior, price can influence decision-making regarding the products offered (Nopirin, 2009).

According to Tjiptono (2010), consumer behavior is comprised of three primary aspects, which are:

1) Consumer Types

- a) Consumer Types: End-consumers or household consumers are individuals who purchase goods solely for personal consumption, whereas business
- b) consumers (organizational, industrial, and inter-industry consumers) engage in transactions that involve stocking products for resale to customers.

2) Consumer Roles

- a) U User: An individual who actually uses or utilizes the products obtained.
- b) Payer: An individual who pays the seller for the product.
- c) Buyer: An individual who purchases a product from a third party.

Understanding the role of attitudes in consumer behavior is crucial, and it involves understanding the structure and composition of attitudes. There are four major categories of attitude models, including:

1) Component Attitude Model

This model consists of three primary components:

a) Cognitive Component

This component includes the consumer's beliefs and knowledge about the object. Beliefs about a product's attributes are often evaluated naturally. Brand awareness, product evaluation, and purchasing intention are the three components of attitude. Brand awareness is a cognitive component of attitude, product evaluation is an affective or emotional component, and purchasing intention is a conative or behavioral component. The more positive the consumer's beliefs about a brand are, and the more positive each component is, the more likely the overall attitude will be supportive.

b) Affective Component

This is the emotion or feeling that a consumer has towards a specific product or brand. Emotions and feelings are often considered by researchers to be highly evaluative in nature, encompassing a person's evaluation of an object with an overall attitude that is direct and comprehensive. Emotional responses and reactions to an object are the affective component of attitude. For example, a consumer saying "I like product A" is a result of emotional or affective evaluation of a product. This evaluation is formed without cognitive information or knowledge about the product.

c) Behavioral Component

This component is the response of an individual to an object or activity. For example, a decision to buy or not buy a product will demonstrate the behavioral component.

A Case Study Lian Meto Farm's Damaged Eggs. In the event that Lian Meto Farm's eggs are unsuitable for sale, it is crucial for the farm to have a clear Standard Operating Procedure (SOP) in place to handle the damaged eggs. The following steps can be taken:

1) Identify and Separate

Damaged eggs should be immediately identified and separated from good ones. This can be achieved by visually inspecting the eggs, such as looking for cracks, unpleasant odors, or

changed eggshell colors. Damaged eggs can be identified with a special mark or label to distinguish them from good eggs.

2) Determine the Cause of Damage

Lian Meto Farm investigates the cause of damage to their eggs. This can be done by analyzing production data, conducting poultry farm inspections, and checking the condition of eggs during packaging. With knowledge of the cause of damage, Lian Meto Farm can take steps to prevent damage in the future.

3) Disposal or Utilization

Damaged eggs cannot be sold to consumers. This can pose health risks to consumers and harm Lian Meto Farm's reputation. Damaged eggs can be disposed of by incineration, burial, or conversion into fertilizer. In some cases, damaged eggs can be utilized for other purposes, such as animal feed or industrial raw materials.

4) Prevention of Damage

Lian Meto Farm must implement preventive measures to minimize damage to their eggs. This can be achieved by: Enhancing the quality of chicken coops and farm equipment, Improving poultry management, including providing suitable feed and effective disease control, Improving egg handling and transportation procedures, Training employees on how to identify and handle damaged eggs

5) Documentation

It is essential for Lian Meto Farm to document all processes related to handling damaged eggs, including identifying damaged eggs, determining the cause of damage, and taking corrective actions. This documentation can be used to:

- a) Track trends in egg damage.
- b) Identify areas that require improvement.
- c) Comply with industry regulations and standards.

b. Business Performance Analysis of Lian Meto Farm

Lian Meto Farm has demonstrated a solid marketing performance with a well-planned strategy and effective execution. By maintaining its focus on innovation, quality, and sustainability, the company is poised to maintain and expand its position in the organic egg market. The challenges it faces can be addressed through a precise marketing strategy that continues to adapt to market changes.

Lian Meto Farm is a leading company in the egg production industry, operating in the Takalar regency of Makassar city, where it has been producing eggs for the past three years. The farm's current population of 200 laying hens can produce 150 crates per day, equivalent to 4,500 eggs. During its establishment and development, the company's owner relied on personal capital to fund its operations. The owner's knowledge and skills have been instrumental in the company's success. Prior to venturing into egg production, the company previously focused on marketing eggs. Over time, the business has continued to grow and thrive. After achieving success, the owner expanded its operations by setting up a larger facility to support the production of eggs. Throughout its journey, the company has faced numerous obstacles and challenges. However, the greatest challenge it has faced is competition.

1) Facilities of Lian Meto Farm

Number	Type	Quantity
1	Employee Mess	1
2	Egg Storage	1
3	Feed Storage	1
4	Pickup Truck	1
5	Motorbike	1
6	Handphone	1

Source: Primary data from Lian Meto Farm 2024.

As evident from Table 1, the facilities possessed by Lian Meto Farm have made it easier to conduct business operations, with the support of two units of transportation equipment that greatly facilitate the transportation of eggs from the company to the market. Consequently, the function of transportation, which is a part of marketing functions, can be carried out effectively. To store egg production, one unit of egg storage is prepared. For the accommodation of employees, there is one unit of employee mess, which serves as an administrative center as well. For facilitating communication, one unit of handphone is available.

2) Marketing Strategy for Lian Meto Farm's Eggs

It is impossible to select a target market without simultaneously formulating marketing strategies for each segment. A clear standard in selecting a target market is the ability to provide more value to each segment. Since consumer value is generated by marketing strategies, it is expected that marketing strategies can build a marketing strategy to evaluate potential target markets. The marketing strategy can answer how we can provide more value to our target market? The answer to this statement requires formulating the Marketing Mix (4 P) consisting of product, price, promotion, and distribution, which are related to Consumer Behavior that will be discussed in the following chapters. Consumer behavior is a significant discipline in marketing because one of the reasons why marketing is important is that companies not only produce products and sell them to make a profit but also want consumers to become loyal to the company. To achieve the marketing goal of increasing customer loyalty or loyalty to the products or services produced by the company, we need to understand consumer behavior. Therefore, to get the maximum results, Consumer Behavior can be applied in Marketing Strategy as follows: 1) Marketing Strategy, 2) Regulatory Policy, 3) Social Marketing, and 4) Informed Individuals.

Based on the information from the producer and intermediary, the marketing channel for Lian Meto Farm's eggs consists of two types: 1) Producer – Consumer; and 2) Producer - Wholesaler - Retailer – Consumer.

In strategy 1, the producer markets their products directly to the end consumers, who are usually local residents or neighbors living near the company. This is done by allowing customers to come to the company and pick up their products, which saves on transportation costs. However, this strategy is not effective for channel 1, as only a few customers buy the products and the quantity is small, around 5-10 units. The producer sells to the customer at a price of Rp. 50,000 per unit, so this strategy is not the main approach for channel 1.

In channel 2, the marketing process begins with the producer selling their products to a large trader. The sale is done once every two days, where the large trader takes the products directly from the producer in an agreed-upon quantity of 90% of the production output, which is 150 units. The large trader only takes one day to sell all the products and is located in Makassar City, specifically near Pasar Cidu Makassar. The producer chooses to sell to this large trader because they do not need to spend a lot of money on marketing and the products will be sold out

quickly if sold directly to them. This is very beneficial for the producer because their sales process is fast and there is no stockpiling that can lead to spoilage of the eggs. The producer sells to the large trader at a price of Rp. 48,000.

To further clarify the production costs, prices, and profits for the producer selling eggs to consumers and large traders, please refer to the table below:

Table 2. Production costs, prices, and profits for the producer selling eggs to consumers and large traders

Sales Price	Production Costs	Sales Price	Profit	Daily/T Monthly Takeaway	Total
Straegi 1	47.000	50.000	3.000	5 Unit per Month	150.00
Strategi 2	47.000	49.000	1.000	150 Unit per Month	7.500.000

Source: Primary data from Lian Meto Farm 2024.

From the table above, it can be concluded that the profit is greater for the producer on marketing strategy II, this is because the sale by the producer is more targeted towards large traders with a percentage of 90% compared to direct sales to consumers with a percentage of 10%. The profit for the producer is greater on strategy II because the percentage of sales is larger, with a profit per unit of Rp. 7,500, compared to Rp. 150,000 on strategy I. Although it is mentioned in table I that the selling price to the end consumer is higher compared to the large trader. Therefore, the producer prefers to use marketing strategy II because the egg selling process is faster, even though the price is lower compared to marketing strategy I.

Marketing is an activity where a process of exchange occurs between the flow of goods and services from producers to consumers (Abdullah, 2018). In marketing activities, there is a understanding of human needs and desires that must be satisfied in terms of goods and services. In marketing activities, every company that wants to be successful must have a concept or vision to provide satisfaction to customers. This means that a company does not only aim to achieve high sales figures but also focuses on customer satisfaction. Therefore, a marketing strategy is needed.

The intense competition today requires entrepreneurs/businesses to use marketing strategies that are truly right to achieve their goals or to maintain their survival. Marketing strategies analyze the environment, competitive market, and business factors that affect the company and business units, identify market opportunities and threats, and forecast future trends in a business field that is attractive to the company. The goal of this marketing activity is to influence consumers to be willing to buy products or services produced by the company when they need them. Therefore, a company must be able to understand the needs and desires of consumers and know what marketing strategies should be taken to achieve their desired goals.

4. CONCLUSIONS AND SUGGESTION

a. Conclusions

Based on the results of this research, it can be concluded:

- 1) Consumer Behavior: Consumers of chicken eggs in this area tend to choose products based on price, quality, and availability. Consumer preferences are influenced by factors such as competitive prices, consistent product quality, and good relationships between producers and consumers.
- 2) Marketing Performance: Lian Meto Farm shows good marketing performance with an effective and planned strategy. The company's main focus is innovation, product

improvement, and sustainability. This allows the company to maintain and expand its market share in the chicken egg industry.

- 3) Marketing Strategy: The company uses two main distribution channels for its products, namely direct sales to consumers and through large traders. The marketing channel to large traders has proven to be more efficient and profitable because it is able to sell products in large quantities quickly, reducing the risk of damage and stockpiling.
- 4) Challenges and Solutions: The main challenge faced is competition in terms of price and quality in the market. To overcome this, Lian Meto Farm continues to improve product quality, improve supply chain management, and adopt new technologies in production and distribution.

b. Suggestions

Overall, this study concludes that a deep understanding of consumer behavior and the application of effective marketing strategies are crucial for the success of the chicken egg industry, particularly for Lian Meto Farm. By continuing to adapt to changes in the market and consumer needs, Lian Meto Farm can maintain its competitive edge in the market.

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