Identification of Consumers’ Motives in Buying Organic Luwak Coffee in terms of Agri-Tourism

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Received: February 27, 2021; Revised: June 10, 2021; Accepted: October 16, 2021

Abstract.

Cikole luwak (civet) coffee began to be produced in 1990 and is now well-known in about 45 countries. Unfortunately, it is suspected that the civet coffee sold in bulk and retail is just ordinary or plain coffee. The motivation to buy for consumers, the level of consumer interest in civet coffee agrotourism, marketing strategies for loyal consumers to consume civet coffee are the objectives of this study. Questionnaire interviews involving 186 respondents (by means of systematic random sampling) were used as data collection methods in this study. Furthermore, the recorded data were analyzed by Confirmatory Factor Analysis. The results show that the primary factors of Luwak coffee, such as freshness, taste, and aroma, can identify consumer appearance as the dominant factor. The dominant usability factors were habits, leisure; and health; while the dominant promotional factors were website availability, agrotourism, and discounts. The Luwak coffee marketing strategy must be holistic and synergize between government, companies, communities, academics and media.

Keywords: Consumer’s motive, luwak coffee, external and internal factors, agrotourism, and confirmatory factor analysis

1. Introduction

One of the countries that produce the largest coffee in the world is Indonesia which ranks fourth (World Bank, 2015). There are several provinces in Indonesia that produce coffee, one of which is West Java province and Bandung Regency is the largest coffee production center, contributing 70% of West Java’s total coffee production (Coffee Production by Province in Indonesia, 2017-2021). Thus, to maintain coffee production, it is necessary to develop the sustainability of coffee farming which is pioneered by young farmers (Nainggolan, et al., 2020). Cikole Village, Lembang sub-district, was chosen as research area because it has a uniqueness in the market of civet coffee. The uniqueness of this agro-tourism is that visitors can see the whole process from civet coffee cultivation, maintenance, harvest, post-harvest, processing, to marketing. In addition, visitors can also see the behavior of ferrets (Paradoxurus hermaphrodites) when choosing ripe coffee cherries. In addition, the location is also supported by beautiful views so that visitors can relax while drinking civet coffee.

Due to the high price of civet coffee, it is categorized as a luxury product or more specifically the specialty coffee category, although not all luxury products are expensive (depending on the perception of each consumer). According to Wiedmann et al. (2009), the four values of luxury are financial (i.e. price), functional (i.e. usability), individual (i.e. materialism) and social such as conspicuous consumption. A brand is created by adding a core product with distinctive value that distinguishes it from other products (Jobber and Fiona, 2019). Meanwhile, Heine (2021) explains that product appearance, promotion and usability are often considered characteristics of luxury brands. Luwak coffee is one of the luxury coffee products because it has many differences with other coffees including the price which is quite expensive. Consumers tend to feel prestigious every time they consume them, so they are often used as gifts for family, friends or business associates. Those who give and receive civet coffee will get their own satisfaction that cannot be valued in money so that it becomes part of the respect. On the other hand, coffee contains an antioxidant compounds, that showed antibacterial and antimicrobial activities against P. aeruginosa and S. Pyogenes (Al Kafaween et al., 2020). The crude methanol extract of A. paniculata leaf and its fractions demonstrated considerable antimicrobial and antioxidant properties (Banji et al., 2018). This is the reason why Luwak Coffee has become a specialty coffee.

Consumers who use luxury products or brands can convey certain social and cultural meanings (Becker et al., 2018). Personal and social relationships in society can be described by certain brands and positions. Promotion is one of the determining factors in the success of a marketing program. A product that consumers have never or rarely heard of and believe to be useless will never be purchased by consumers. One form of marketing communication carried out by a company is promotion.
The activities carried out include disseminating information, influencing and being willing to persuade consumers; the target market must always be reminded to be willing to accept, buy, and be loyal to the products offered (Yuliawati et al, 2017). A consumer will usually buy a product based on the appearance, promotion and usability of the product itself. After determining consumer motives, producers will more easily understand consumers and find strategies to improve product quality and expand markets. There is a tendency for consumers to buy Luwak coffee because of taste, unique aroma, good facilities, unique packaging, low price, habit, leisure, and health. The purpose of this study was to determine consumer motivation in buying civet coffee, consumer interest in civet coffee agrotourism, and the marketing strategy that must be chosen. One of the novelties in this research is to identify consumer motives related to luxury products and agro-tourism using factor analysis.

Research that discusses consumer motivation in buying civet coffee is still rarely found (because civet coffee only exists in Indonesia). So far, the research that has been done has only been limited to discussing the efficiency of the civet coffee business (Niken et al, 2018) and the potential and development strategies of civet coffee (Bayunitri, 2017; Pranoto and Rajamin, 2012; Ribek and Rihayana, 2019; Satim and Puput, 2020).

2. Method

2.1. Data

The primary data recording process was carried out in a cross section through observation and questionnaire instruments based on previous literature reviews. Secondary data were obtained from the Central Bureau of Statistics, Ministry of Agriculture and related agencies. The primary survey was conducted from April – June 2020 in Lembang -West Java Province- Indonesia.

2.2. Sampling

Lembang was chosen as the research location because it is famous for its civet coffee agrotourism. Systematic random sampling technique was used to collect customer data, by taking 200 samples from a population averaging one thousand consumers per month. The sample was taken from 5 percent of the population, and only 186 were matched with the research variables. Respondents are visitors who come to Luwak coffee for recreation, local tourists and foreign tourists for agro-tourism purposes. The research framework is as follows:

![Figure 1. Research Framework](image)

Note: Endogenous Latent Variable

\( Y \) = Consumer motivation

Exogenous Latent Variables:

\( X_1 \) = Appearance

\( X_2 \) = Promotion

\( X_3 \) = Usability

\( \gamma_i \) = Path coefficient for i\textsuperscript{th} exogenous latent variables to endogenous latent variable (i=1,2,3); \( \lambda_i \) = Standardized Loading Factors for j\textsuperscript{th} k\textsuperscript{th} manifest variables/indicators (i=1,2,…; \( j=1,2,3; k=1,2,… \)); \( \varepsilon_i \) = Error term for for j\textsuperscript{th} k\textsuperscript{th} manifest variables/indicators (i=1,2,…; \( j=1,2,3; k=1,2,… \))

2.3. Measurement

There are three factors that influence a brand to be luxurious, including appearance, promotion and product usability. The following table shows the value of the standard loading factor and measurement error for the measurement model on a variable using confirmatory
factor analysis (CFA). The validity criteria are said to be good if the load factor value of 1.96 is obtained from the arithmetic value which is greater than t table. Respondents who came to the Luwak coffee area were asked questions by the questioners. Each respondent was given several questions and asked to fill out a form with a choice of a Likert scale, namely the answers strongly agree (5), agree (4), neutral (3) disagree (2) and strongly disagree.

3. Results

3.1. Respondent Profile

Respondents involved in this study consisted of men (54.84%) and women (45.16%). Respondents generally tend to return to buy Kopi Luwak (87.72%) and the rest do not return (12.28%) due to unsuitable taste. The survey results show that those who buy Kopi Luwak are between 20-29 years old, including the millennial generation (Deliana and Rum, 2019). This is in accordance with their work as fresh graduates at the Diploma and Postgraduate levels. What is interesting is that the income of consumers who buy civet coffee is between 5 - 10 million. This is very reasonable since the luwak coffee price is expensive.

Table 1. Respondent Characteristics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description (%)</th>
<th>Variable Description (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (Year)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 20</td>
<td>9.68</td>
<td>13</td>
</tr>
<tr>
<td>20 - 29</td>
<td>82.26</td>
<td>Diploma</td>
</tr>
<tr>
<td>30 - 39</td>
<td>4.84</td>
<td>Graduate</td>
</tr>
<tr>
<td>&gt; 40</td>
<td>3.23</td>
<td>Post</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td>17.74</td>
<td>Income (IDR/month)</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>27.42</td>
<td>&lt; 5 million</td>
</tr>
<tr>
<td>Fresh graduate</td>
<td>33.87</td>
<td>5 - 10</td>
</tr>
<tr>
<td>Others</td>
<td>22.57</td>
<td>11 - 15</td>
</tr>
</tbody>
</table>

The dominant factor influence consumer motivation in buying Luwak coffee is the main attraction for the proliferation of coffee shops. Several factors can affect the success of a coffee shop business, including taste, facilities and speed of service, and others (Humiras et al., 2017). If the assumption of linearity is not modeled, internal factors can be used as predictors of consumer loyalty (Deliana and Rum, 2017). Coffee users expect more satisfaction in their social experience than to pursue a taste and enjoy the service of coffee. To meet the punctuality of drinking coffee, the take-out service can meet the demands of the community, besides that there are also many social coffee drinking places that are made in several areas (Zhengyu et al., 2017).

3.2. The Consumer’s Motive in Buying Luxury Brand of Luwak Coffee

Internal and external factors are indicated as consumer preferences (Y) which are depicted for identification of luwak coffee consumers. Appearance (X₁) and usefulness (X₅) are internal factors, while promotion (X₂) is external factor. The factors such as taste (X₁₁), aroma (X₁₂), and freshness (X₁₄) are the dominant factors of appearance. The dominant factor usability includes Habit (X₃₃), leisure (X₃₄) and Health (X₃₅). The dominant factor promotion is website available (X₂₅), agrotourism (X₂₆) and discount (X₃₀).

4.2. Figure 2. Dominant Factors Influence Consumer Motivation in Buying Luwak Coffee

Note: Y = Consumer motivation, X₁ = Appearance, X₁₁ = Taste, X₁₂ = Aroma, X₁₄ = Freshness, X₂ = Promotion, X₂₅ = Website available, X₃₆ = Agrotourism, X₁₉ = Discount, X₃₃ = Usability, X₃₄ = Habit, X₃₅ = Leisure, X₃₆ = Health

10.4. On consumer expertise and sensory skills, preference for different intrinsic qualities is dependent (Quintao et al., 2017). The taste, aroma, and freshness of this distinctive Luwak coffee is the main attraction for the proliferation of coffee shops. Several factors can affect the success of a coffee shop business, including taste, facilities and speed of service, and others (Humiras et al., 2017). If the assumption of linearity is not modeled, internal factors can be used as predictors of consumer loyalty (Deliana and Rum, 2017). Coffee users expect more satisfaction in their social experience than to pursue a taste and enjoy the service of coffee. To meet the punctuality of drinking coffee, the take-out service can meet the demands of the community, besides that there are also many social coffee drinking places that are made in several areas (Zhengyu et al., 2019).

Some consumers buy coffee for health reasons and concerns for the environment. Consumers have high knowledge, but buying environmentally friendly products is not necessarily good behavior (Deliana et al., 2017). This is the case between consumer subjective norms and purchase intentions, even though consumers believe the product is environmentally friendly, consumers do not necessarily buy (Phuah et al., 2018). Even so, prices remain a consideration for consumers in buying green products (Balathandayutham and Anandanatarajan, 2019; Hashim et al., 2019). If their customers are satisfied
and it meets their expectations, they are willing to pay more. Consumers’ wants and expectations include communications, products, and marketing promotions that appeal to the heart, attract all senses, stimulate thoughts, and make it into their lifestyle (Kim et al., 2018; Rather, 2020).

3.3. The consumer interest in Luwak coffee agrotourism

This research revealed that agro-tourism is one consumer motivation to buy Luwak coffee in CikoleLembang. Consumer interest in Luwak coffee was calculated by respondent (n) divided total respondent (186 person). 39.78 % consumer who very interested in agrotourism, 31.11% respondents interest, 16.13% respondant ordinary, 11.29 % less interested, and 2.68% respondent not very interested. While the reason respondents visited the location of Luwak coffee in Cikole Lembang are 9 % enjoying the sensation of drinking Luwak coffee, 34% enjoy the beautiful view of the location, 28 % for leisure, 17 % buying Luwak coffee for souvenirs and 12 % for edu-entertainment to know how the initial process of ripe coffee beans eaten by the civet till the coffee ready for consumption. For the millennial generation this experience is very interesting and memorable. Thus, in general, respondents are interested in visiting Luwak coffee just to see the natural scenery there, not to enjoy the beverage which is luwak coffee. Respondents normally buy the coffee only as a gift for family and friends.

4. Discussions

From the research model, it is stated that the most influential factors on consumer motivation in purchasing luwak coffee were freshness, taste, aroma, discount, website availability, agrotourism, health, habit, and leisure. The experience of drinking coffee involves factors that are important to create a multisensory effect. This can be used to enhance the coffee drinking experience by considering the consumer's sensory properties (Fabiana and Charles, 2019), including the freshness, taste and aroma. Drinking coffee while looking at the beautiful scenery is a memorable experience for visitors. This is related to experiential marketing, namely sensory experience (sense), affective experience (feel), creative cognitive experience (think), physical experience, behavior and lifestyle (act), and the experience of social identity resulting from relating to a reference group, culture or relate (Etkin and Sela, 2016; Liu and PIn, 2017). Memorable place is a value created by agrotourism that makes visitors satisfied and ultimately loyal (Lewis, 2015; Lin, 2019). This experience is a novelty feeling, fun and aesthetic perception after consumers' consumption (Katherine and Peter, 2016).

The research results by Rauniyar et al. (2020) on coffee agrotourism is the importance of researching the use of information and communication technology. Based on the research, it was revealed that wi-fi facilities are important for visitors. Nowadays, consuming hot coffee outside the home has become a lifestyle (Kanjianakom and Lee, 2017); of course with the availability of wi-fi provided by coffee shops, it has attracted many consumers (Wu., 2017). Free Wi-Fi, low price and the attractiveness of Luwak coffee agrotourism become typical visitor expectations. The research also revealed that the motivation of visitors to choose Luwak coffee was for reasons of health, habit, leisure, eventually becoming a habit and a lifestyle. This is in line with the results of research by Susanty and Kenny (2015) and Samoggia et al (2018).

Agrotourism is visiting an active agricultural holding (a farm or ranch) for leisure, recreation or even educational programs (Gil Arroyo, Barbieri, & Rozier Rich, 2013; McGeehe & Kim, 2004; Tew & Barbieri, 2012). There are several issues and challenges of agrotourism, small size of the farm lands, lack of necessary skills, poor level of product development, and poor publicity and promotion (Putra et al , 2019). The marketing strategy of luwak coffee must be holistic and synergize between government, companies, communities, academician and media. The undeveloped of Agrotourism normally caused by the poor government and planning, (Anbalagan and Brebt, 2021). Hence the government should supervise the monopoly of tour operators, infrastructure development towards Luwak coffee agrotourism, environmental pollution, provide supervision on the cleanliness and comfort of visitors. The government should also create a new-style tourism pattern different from traditional recreational activities and combining ecological conservation, environmental education, and cultural experience (Mike., 2019; Sawe., 2019).

For developing the marketing of civet coffee, a company must adapt the Starbucks marketing strategy by involving customers in all its activities (value co creation). That is, they should develop new products and product differentiation based on customers’ expectations and suggestions. The step starts with the customer writing down what requests, suggestions, and complaints have been felt so far (Asli Qztopcu., 2017). The strategy that must be considered, the promise strategy, must be right on target and must be honest. In sales promotions carried out by service providers, consumers actually know this information, but are reluctant to participate. So, then, to stay afloat and compete with other brands, sales promotions must be made carefully and transparently so as to make consumers interested and have an influence on purchases. In addition, this can create a sense of trust in consumers (Eleboda., 2017).

In terms of the local community, they must be able to introduce the local culture, art and unique products that are related to coffee. The role of academics is to empower and enlighten the community in terms of increasing the added value of civet coffee. Meanwhile, the mass media plays a role in promoting civet coffee business opportunities so that many millennial farmers become interested. Entrepreneurship in the field of agro-tourism can be developed, and this can create added value for the local community (Stanovčić et al., 2018).

5. Conclusion

The results showed that the identification of luwak coffee consumers can be seen from the appearance, promotion, and usability. Freshness, taste and aroma are the main factors of appearance. Discounts, website availability and agro-tourism are the dominant factors in
promotion. Health, habits and leisure are the dominant factors for the usefulness of civet coffee products. Discounts, accessibility and agro-tourism are the dominant factors in promotion. Health, habits and leisure are the dominant factors in the use of civet coffee products. The reason most consumers visit the luwak coffee location is just to see the surrounding natural scenery, not to enjoy the drink of luwak coffee. The luwak coffee marketing strategy must be holistic and synergize between government, companies, communities, academics and media.

Acknowledgement

We would like to thank Padjadjaran University for the research funds provided in the Academic Leadership Program 2020 with contract number 1427 / UN6.3.1/ LT / 2020. Thank you for the anonymous reviewers who provided helpful suggestions.

References


London


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Table 2. Parameter estimates the Loading Factor and $t_{hitung}$ Model measurements on variable Brand

<table>
<thead>
<tr>
<th>Variabel</th>
<th>$\lambda$</th>
<th>$t_{hitung}$</th>
<th>Error</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appearance (X₁)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>X₁₁  There is a sweet taste in coffee</td>
<td>0,85</td>
<td>-</td>
<td>0,28</td>
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<tr>
<td>X₁₂  Aroma</td>
<td>0,84</td>
<td>14,06</td>
<td>0,29</td>
<td>Valid</td>
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<td>X₁₃  Brand of coffee</td>
<td>0,50</td>
<td>7,02</td>
<td>0,75</td>
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<tr>
<td>X₁₄  Freshness</td>
<td>0,86</td>
<td>14,60</td>
<td>0,26</td>
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<td>X₁₅  Color</td>
<td>0,55</td>
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<td>0,70</td>
<td>Valid</td>
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<tr>
<td>X₁₆  Variety of product</td>
<td>0,77</td>
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<tr>
<td>X₁₇  Price suitability</td>
<td>-0,1</td>
<td>-1,25</td>
<td>0,99</td>
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<tr>
<td>X₁₈  Brand trust</td>
<td>0,47</td>
<td>6,57</td>
<td>0,78</td>
<td>Valid</td>
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<td><strong>Promotion (X₂)</strong></td>
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<td></td>
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<tr>
<td>X₂₁  Unique Packaging</td>
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<td>-</td>
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<td>3,34</td>
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<td>0,42</td>
<td>3,18</td>
<td>0,82</td>
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<td>0,55</td>
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<td>0,70</td>
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<tr>
<td>X₂₅  Website available</td>
<td>0,77</td>
<td>3,65</td>
<td>0,41</td>
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<td>X₂₆  Agrotourism</td>
<td>0,74</td>
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<td>X₂₇  Free Delivery</td>
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<td>3,24</td>
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<td>X₂₈  Country of Labeling</td>
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<td>1,04</td>
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<td>X₂₉  Green packaging</td>
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<td>0,78</td>
<td>3,65</td>
<td>0,39</td>
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<tr>
<td>X₂₁₁ Welcome drink</td>
<td>0,68</td>
<td>3,58</td>
<td>0,54</td>
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<tr>
<td>X₂₁₂ Product knowledge</td>
<td>0,55</td>
<td>3,44</td>
<td>0,70</td>
<td>Valid</td>
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<tr>
<td><strong>Usability (X₃)</strong></td>
<td></td>
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<td></td>
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<tr>
<td>X₃₁  Concern of environmanetaly friendly</td>
<td>0,62</td>
<td>-</td>
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<tr>
<td>X₃₂  Prestige</td>
<td>0,69</td>
<td>7,96</td>
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<td>X₃₃  Habit</td>
<td>0,76</td>
<td>8,57</td>
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<td>X₃₄  Leisure</td>
<td>0,71</td>
<td>8,12</td>
<td>0,50</td>
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<td>X₃₅  Health</td>
<td>0,90</td>
<td>9,6</td>
<td>0,19</td>
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<tr>
<td>X₃₆  Experience in watching coffee luwak was produced</td>
<td>0,61</td>
<td>7,21</td>
<td>0,63</td>
<td>Valid</td>
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<tr>
<td>X₃₇  Sensation</td>
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<td>6,91</td>
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