



SRP



Emerging Trends in Asia's Sustainable Rice Consumption

Indonesia Edition - August 2023



INDONESIA

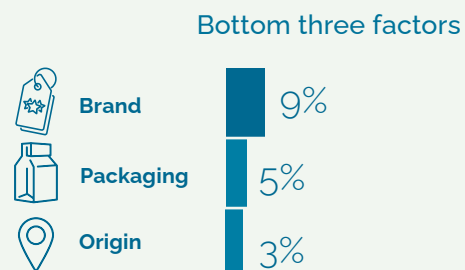
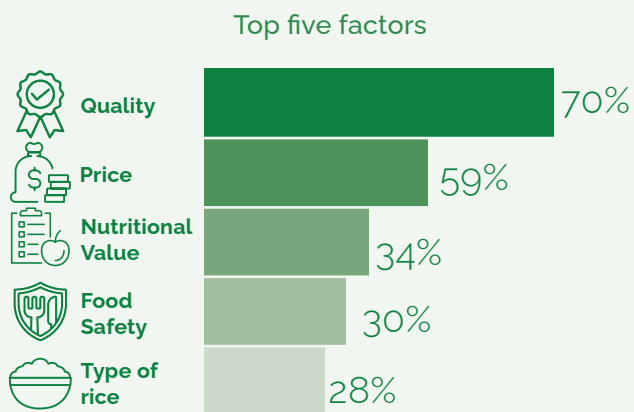
Indonesians are major rice consumers, with 100% of those surveyed having it five times or more per week. Almost every household (97%) consumes white rice daily across all regions. Red rice consumption is lower, though it appears to be popular with older consumers and upper-class households, such as in Greater Jakarta, with 25% of respondents purchasing it regularly.

Middle aged consumers (45-54) prefer to purchase rice from fresh markets and wholesalers and 67% of respondents spend more than 12,000 IDR (EUR 0.73) in a single transaction (67%) and purchase at least 5 kg. Out of the 56% of respondents that spent 14,001 IDR (EUR 0.86) and above on rice, a large majority (61%) are between 25-34 years old.

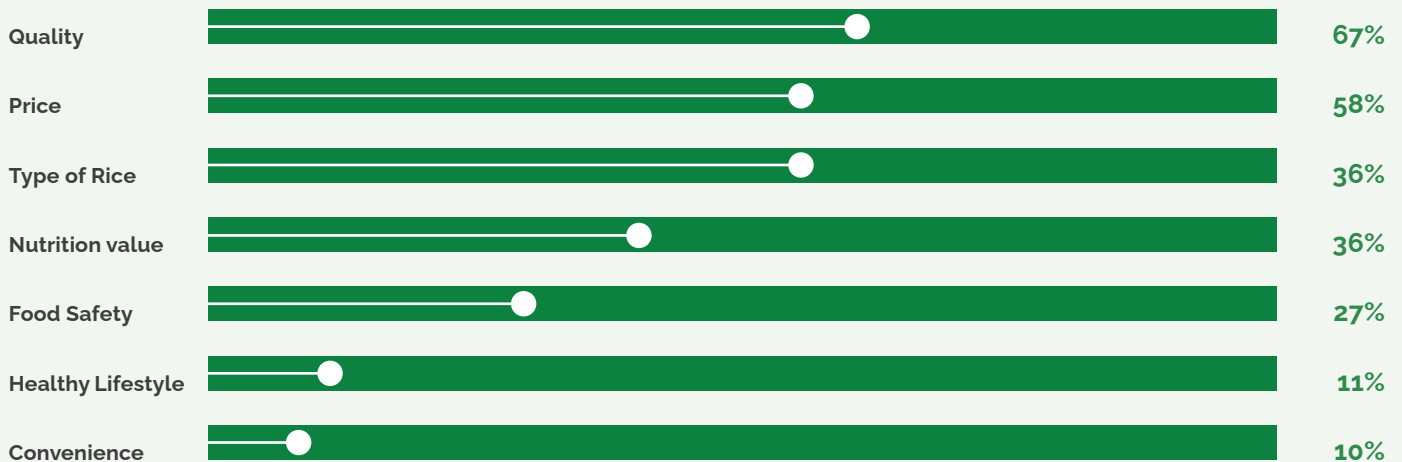
Quality and price are the two most important considerations when buying rice

When it comes to purchasing decisions, quality and price are the top two decision makers. 61% of those aged between 35-44 noted price as a key factor while 39% of those aged 18-25 found nutritional value important to them.

Most/least important factors when purchasing rice

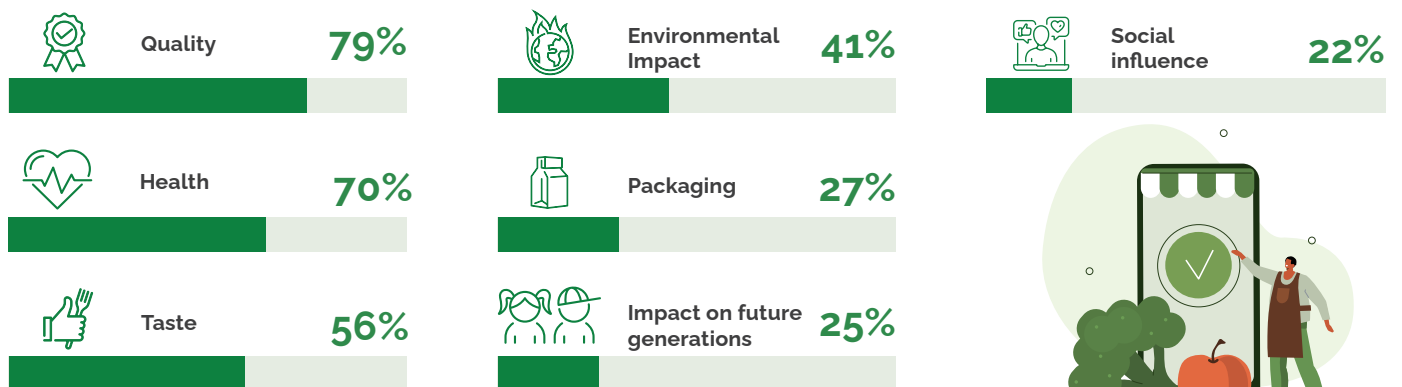


These findings are further reinforced in their reasons for purchasing sustainable rice, with quality price and type of rice coming out on top, as echoed earlier in their reasons to buy rice as a food staple.



Older customers place quality, health, and taste as top drivers for sustainable food purchases

81% of consumers (largely those in their twenties) had previously purchased sustainable food. Quality, health, and taste are the top buying reasons, and tend to be more essential among those over 55 years old.



More than half of consumers are educated through social media

Around 60% of Indonesian consumers obtain rice-related information via social media, with those aged 45 and above (67%) forming a majority. This is followed by word of mouth (51%), retail on-pack information (41%) and in-store media (41%). Consumers in Greater Surabaya stay up to date on sustainable rice products through TV (47%) and on-pack information (38%) more than in other parts of Indonesia.

Health is seen as a key attribute of sustainable rice and greatly influences purchasing decisions

Consumers in Indonesia characterize sustainable rice as a staple which minimizes chemical inputs (45%), improves farmer livelihoods (43%), and is healthier (41%). However, when buying sustainable rice, consumers tend to prioritize the associated health benefits of the crop (43%). Though taste was not identified as a key characteristic for sustainably produced rice (23%), it is an important reason for purchase (26%).



Consumers in Greater Surabaya show greater propensity in buying sustainable rice at a premium

Greater Jakarta residents (21%) show reluctance in spending more on sustainable rice than peers in other parts of the country. Conversely, a mere 8% did not want to pay a premium in Greater Surabaya. In fact, 29% expressed an interest in paying 10% more, significantly higher than the country's average of 17%. This is unsurprising as the region shows the highest proportion of respondents (59%) who have previously bought sustainable rice, compared to

the national average of 52%. Additionally, the 29% in Greater Surabaya who are willing to pay up to 10%, are more likely to come from well-educated upper-class families.

Those who have never purchased sustainable rice before (27%) are more likely to reject a higher price, comprising of middle-aged customers aged 35-44 (20%) and from lower-income households (22%).

Buyers of sustainable rice are likely to be well-educated, affluent millennials and elders

Based on the survey insights, we can derive some key attributes and traits of target consumers that would pay a premium for sustainable rice. They are likely to be either 25-34 years old (86%) or 55 and above (87%). They are likely to be from upper-class households (87%) with a higher education level – bachelor's degree and above (86%).

To justify the additional premium for sustainable rice, producers and retailers should pay attention to quality (79%), health (72%) and taste (54%) as important factors

to influence purchase. It is interesting to note that 49% of those who have previously purchased sustainable rice are Tik Tok users, which could be a potential platform for disseminating key SRP information and SRP-verified products in future.

Lastly, a comfortable price range that would not deter consumers from consuming sustainable rice would be around 12,000 - 13,000 IDR (EUR 0.73 - 0.79) per purchase size of 2-3 kg.



Findings in this article are based on an online study commissioned by GIZ and conducted by YouGov in March 2022. The study targeted respondents who regularly consume rice and are responsible for household food purchases in India, Indonesia, Pakistan, Thailand, and Vietnam.