Introduction & Objectives

Economic growth, urbanization, and foreign direct investment (FDI) have all contributed to the globalization and rapid rise of supermarket chains in developing and emerging economies (Reardon and Berkvens, 2002). The resulting transformation of food chains is having profound effects on the market conditions faced by both producers and consumers.

Despite the important role of supermarkets in the transformation of food markets, few studies have examined their impact on consumer diets and the related nutritional and health implications. Yet, there is increasing speculation that supermarket penetration is one cause of the dramatic shift in Asian diets towards more Westernized diets, typified by increased consumption of carbohydrates, fats and oils, sugars, and increasingly more processed foods and fewer fresh fruits and vegetables (Azolan, 2006; Popkin, 2006).

This research sheds light on the relationship between diet transformation and modern retail format usage by consumers in Indonesia. As far as we know, this is the first study to explore the relationship between supermarkets penetration and dietary transformation for Indonesian consumers.

Objectives:
1. Determine changes in Indonesian households’ per capita consumption of food categories;
2. Explore the relationship between consumption changes, socio-demographic factors and modern retail outlet usage.

Methods

A sample of households from three Indonesian cities, Surabaya, Bogor, and Semarang, was obtained using systematic random sampling methods based on population, income, and distance to nearest hypermarket or supermarket. Trained interviewers interviewed 1,180 households during November, 2010 to January, 2011. The survey assessed households’:
- Food purchase and consumption behavior (including retail format where purchased, expenditures, average monthly consumption and change in consumption over 5 years) of 67 different categories of foods;
- Use, attitudes, and preferences towards modern retail formats versus traditional formats and health concerns and health status;
- Socio-demographic information (assets, income, employment status, age, education etc.).

Analysis methods:
- Multinomial Logit (MLOGI) models were used to examine factors which explain changes in consumption of food categories.
- Food consumption information was aggregated to create ‘consumption change (ConsChangeij)’ variables for 9 categories of food, including traditional foods such as rice, fruit and vegetables and more ‘Western’ foods such as bread and cereals, oils and fats, sweets and snacks (e.g. processed protein foods).
- Independent variables include a ‘modern food expenditure share (Mrfood_expshare)’ variable used to indicate the share interviewed 1180 households during November, 2010 to January, 2011.

Dietary Transformation in Indonesia: Is the “Supermarket Revolution” to Blame?

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Results & Take Home Messages

- About 30% of households indicated they increased per capita consumption of rice, fresh vegetables and bread/cereals/snacks.
- Over 20% of households indicated their consumption of fresh fruits, oils and sweets had increased.
- Households with a higher share of their food expenditures at modern outlets (hypermarkets, supermarkets and minimarkets) were more likely to have increased consumption of fresh fruit, fresh vegetables, oils, sweets and processed products.
- Households who had a member diagnosed with heart disease were more likely to have increased consumption of rice, fresh fruit and bread/cereals.
- However, we cannot say that supermarkets are the cause of dietary shifts towards more Westernized diets because increase in households’ standard of living were also associated with increases in consumption of all food categories except rice, oils and snacks.
- In fact, household use of modern markets may actually be associated with an increase in consumption of fresh fruit and vegetables because consumers may have access to a wider variety of fresh fruit and fresh vegetables.

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