

## The Influence Of Trust In Food Manufacturers As A Mediation To Perceptions Of Food Safety (Survey On The Tradisional Products In Yogyakarta)

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**Abstract.** Perception of food safety is related to the raw materials used. Food safety is widely questioned regarding to social responsibility. This research aims: 1. To analyze trust in government that directly affects perception of food safety, 2. To analyze price perception that directly affects perception of food safety, 3. To analyze the Trust in government influence on perception of food safety mediated by trust in food manufacturers. 4. Price perception influence on perception of food safety mediated by trust in food manufacturers. Subjects in this research are the consumers of three products in Yogyakarta. The sample of this research is 75 respondents analysed by using Structural Equation Model (SEM) with PLS Program. The results of this research successfully prove that; 1. The trust in government directly affects perception of food safety, 2. Price perception directly affects perception of food safety, 3 Trust in government influence on perception of food safety was mediated by trust in food manufacturers. 4. Price perception influence on perception of food safety was mediated by trust in food manufacturers. The findings of this study may contribute to consumer behavior models, the food manufactures, the government and Tripple duties of Higher Education.

**Keywords:** *Trust in government, price perception, trust in food manufacturers and food safety perception*

### 1. Introduction

The Management of consumer perception needs to be understood by marketers to avoid multiple interpretations between consumers with one another. The perception of each consumer often varies according to his/her knowledge and experience to assess a product or service. Consumer perception is a process of selecting, organizing and interpreting information about a product or service by consumers. In other words, perception is a process by which individuals choose, organize, and interpret stimuli based on previous experience [13]. In terms of perceiving goods and services which always appear in various views, the perception of a consumer cannot be negated by consumers who do not agree. Likewise, positive perception is not necessarily that other consumers are positive, they may have negative views. Food security perception is a very important aspect, it is hardly surprising that it appears on TV, news and talks about food safety in the community. This makes consumers more vigilant and careful looking for foods that are considered safe by consumers.

Currently, many UMKM products are developing in the form of home industries such as producing tofu, tempe and noodle that develop in the community without using labels sold in traditional markets.

Customers are consumers who often shop at traditional markets. These consumers are the consumers from all class status. Perception not only depends on stimuli in physical form, but also depends on the stimuli around them and the conditions that exist in a person and perception are more important than

reality in marketing, because perceptions that can influence consumers in behaving, other than that people can have different perceptions of the same object [10]. Referring to the behavior of decision-

making units to make continuous purchases of selected company goods or services. Consumers buying food are not just for the taste, but also must be healthy. One of them is by choosing safe raw foods.

The government needs to monitor food products made by food producers because the government has the authority to control food security. The government has food safety rules, the government has encouraged producers to certify, but there are still many who have not implemented that yet even though consumers who eat come from all class status. The power of the consumer confidence in the government and producers raises the perception of food security. Chen (2013) proves that the consumer confidence in the government can improve food security perceptions. The government is concerned about the health of consumers if food is not monitored regularly, causing concerns about the emergence of various diseases. The government provides correct information about food safety to consumers. The government always reminds consumers and producers to follow the information conveyed in terms of food safety. George (2006) Reasonable price, price compliance with the quality and price standardize. Food manufacturers have the knowledge of the safety of food products. Food producers must know the ingredients that need to be avoided, and producers must be responsible for the health of their consumers. Starting from the process of processing food products. Food producers must comply with the regulations related to food safety. Producers should distinguish what materials are forbidden to be used to ensure food safety. Honest food producers are about food safety, some producers honestly convey information to consumers, some are dishonest.

*b. The purpose of this research can be formulated as follow :*

1. To analyse the trust in government that directly affects perception of food safety
2. To analyze price perception that directly affects perception of food safety,
3. To analyse the trust in government influence on perception of food safety mediated by trust in food manufacturers.
4. To analyze price perception influence on perception of food safety mediated by trust in food manufacturers

## **2. Literature Review**

### ***2.1 The Relations between Trust in government and perception of food safety***

The importance of trust in risk management [6]. Trust in the government can improve food security perceptions [5]. Trust in government means that the government has the authority to control food security, government agencies have food safety rules, the government is concerned about the health of consumers and the government provides correct information about food safety to consumers. Trust can affect the perceived security of various food products [4].

### ***2.2 Price perception that directly affects perception of food safety***

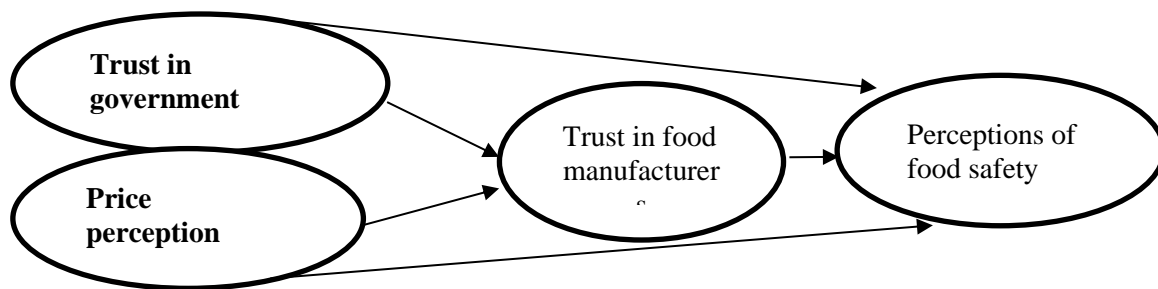
Price indicators are defined by four criteria reasonable price, low price compete, price compliance with the quality, price standardize [8] Beneke J (2014) perceived Price that directly affects perception quality.

### ***2.3 Trust in government influence on perception of food safety mediated by trust in food manufacturers.***

Trust is all knowledge and conclusions that consumers have about objects, attributes and benefits [6]. The trust in government influence on perception of food safety mediated by trust in food manufacturers [5]. Stefani et al. (2008) examined the mediating effects of specific beliefs and general beliefs on food risk perception.

### ***2.4 Price perception influence on perception of food safety mediated by trust in food manufacturers***

Perception is the expectation of consumers varying from one another, and have different levels of distance Zeithaml, Bitner, & Gremler (1988). Price perception influence on perception of food safety mediated by trust in food manufacturers [5]. Price perception affects trust [11].



**Figure 1.** Conceptual Framework

### Hypothesis

1. Trust in government that directly affects perception of food safety
2. Price perception that directly affects perception of food safety,
3. Trust in government influence on perception of food safety mediated by trust in food manufacturers.
4. Price perception influence on perception of food safety mediated by trust in food manufacturers

### 3. Methods

The populations in this study are all consumers at three tradisional products in Yogyakarta; Tahu, tempe, and Noodle products. The samples were some consumers at three traditional product. The sample amount in this research is 75 respondents. This sampling technique was purposive sampling technique. Hypothesis testing is done by using model of Structural Equation Modelling with PLS (Partial Least Square) technique to test the influence of each variable. In this research, the instrument testing is done with validity and reliability testing. It is said to be reliable if the composite reliability score is  $\geq 0,6$ . The result of validity and reliability test in research is all of the indicators valid and reliable. (The expected result of this testing was all the indicators were valid and reliable).

#### a. Definision Operasional Variable

##### 3.a.1 *Trust in government*

1. The government has the authority to control food security
2. Government agencies have rules about food safety
3. The government concerns about consumer health
4. The government provides correct information about food security to consumers

##### 3.a.2 *Price perception*

1. Reasonable price
2. Price compliance with the quality
3. Price standarized

##### 3.a.3 *Trust in food manufacturers*

1. Food manufacturers have the knowledge of food product safety
2. Food producers must comply with the regulations related to food safety
3. Manufacturers must be honest about food safety

##### 3.a.4 *Perceptions of food safety*

1. Food raw material products
2. Traditional products
3. Food processing
4. Food for all people

#### 4 Research Result and Discussion

The Result of SEM on PLS program is shown as follows:

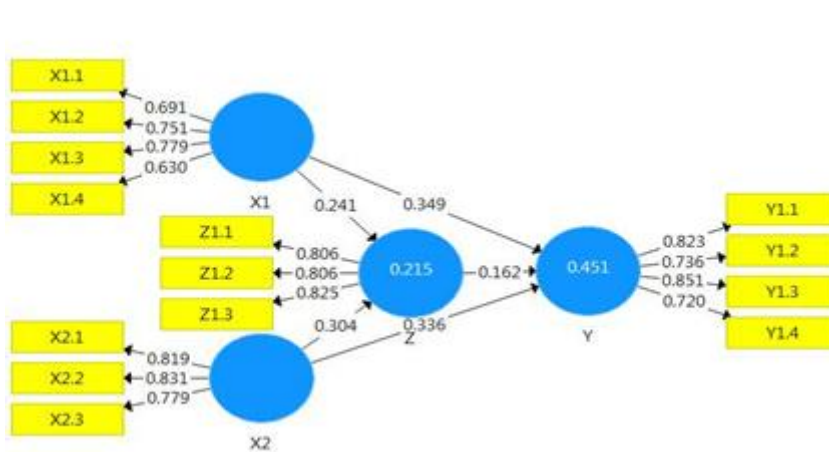


Figure 2. Algorithma

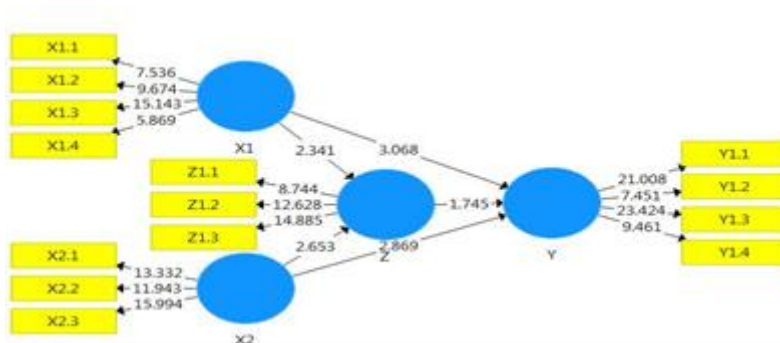


Figure 3. Bootstrapping

##### a. Hypothesis Test

4.a.1 The test; The influence of antecedent perception of food safety variable. There are four tests as follows:

**Hypothesis Test 1;** Based on figure 4.1 it can be seen that the *trust in government* effect directly the *perception of food safety* at path coefficient = 0,349, (P-value =0.000). It is said that *trust in government* has a positive effect towards *perception of food safety* (H1 is proven/ H1 is accepted). In the other words, by paying attention to *trust in government* related to the government has the competence to control food security, government agencies have food safety rules, the government is concerned about consumer health, the government provides correct information about food security to consumers so consumers tend to *perception of food safety*. This research result strengthens the prior research by Chen (2013).

**Hypothesis Test 2;** Based on figure 4.1 it can be seen that the *price perception* directly effect *perception of food safety* at path coefficient = 0,336, (P-value =0.000). It is said that *price perception* has a positive effect towards *perception of food safety* (H1 is proven/ H1 is accepted). In the other words, by paying attention to price related to reasonable price, price compliance with the quality, and standard price, so consumers tend to *perception of food safety*. This research result strengthens the prior research by George, et al (2006); Chen (2013); Beneke J (2014).

#### 4.a.2 *Trust in food manufacturers as a Mediation to perception of food safety*

##### **The trust in government influence on perception of food safety mediated by trust in food manufacturers**

After seeing the numbers, the analysis that trust in food manufacturers can not be determined to mediate Trust in government to perception of food safety. Trust in food manufacturers has not effect on perception of food safety (P-Value = 0.08 > 0.05). Trust in food manufacturers is related to a food manufacturers which have knowledge of food product safety, food producers must comply with regulations related to food safety and manufacturers must be honest about food safety. (H3 is not proven/ H3 is not accepted).

##### **Price perception influence on perception of food safety mediated by trust in food manufacturers**

After seeing the numbers, the arisen analysis that trust in food manufacturers can not be said mediate Trust in government to perception of food safety. Trust in food manufacturess has not effect on perception of food safety (P-Value = 0.08 > 0.05). Price perception is related to a reasonable price, price compliance with the quality and price standardize. (H4 is not proven/ H4 is not accepted).

In other words, the consumers have more trust in government than trust in food manufacturers. This research shows that trust in food manufacturers can not be said mediate Trust in government and price perception to perception of food safety. This finding is contradictory to previous research [5].

##### **Determination Coefficient (R square)**

Trust in manufacturers ( $R^2_1$ ) = 0,320  
perception of food safety ( $R^2_2$ ) = 0,422

##### *Q<sup>2</sup> predictive relevance*

$$\begin{aligned} Q^2 &= 1 - (1 - R^2_1)(1 - R^2_2) \\ &= 1 - (1 - 0,215)(1 - 0,451) \\ &= 1 - (0,68)(0,578) \\ &= 66,87\% \end{aligned}$$

$Q^2 = 66,87\%$  which means *Trust in government*, *Price perception*, and *trust in food manufacturers* contribute 66,67 % towards the perception of food safety in three traditional products. The rest which is 33,13% is affected by the others variable.

## **5 Conclusion**

- a. Trust in government directly affects perception of food safety
- b. Price perception directly affects perception of food safety
- c. Trust in government influence on perception of food safety was not mediated by trust in food manufacturers.
- d. Price perception influence on perception of food safety was not mediated by trust in food manufacturers

## **6 Suggestion**

This research indicates that Trust in government and price perception directly affects perception of food safety but trust in government and price perception influence on perception of food safety not mediated by trust in food manufacturers. In this case, increasing the trust in government is important for food safety, so that perception of food safety will raise. The trust in government related to the government has the authority to control food security, government agencies have food safety rules, the government is concerned about consumer health, the government provides correct information about food security to consumers. So does price perception is related to a Reasonable price, price compliance with the quality and price standardize.

A theoretical benefit of this study is that it can develop consumer behavior theory in trust in government' by creating the trust in government, the price, trust in food manufacturers, and perception of food safety. The practical benefit of this study is that the corporate can strategize the trust in government and the price perception. The benefits for the next researcher is as an opportunity to

conduct research on the same or different object, and other variables which give effect on perception of food safety.

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