

# Indonesian consumers' choice of food retail formats: are traditional food retailers being "Crowded Out"?

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## Abstract

Indonesia is experiencing a dramatic growth in the number of modern food retailers, including hypermarkets, supermarkets and mini-markets. Research in other developing countries has found smallholder farmers and consumers can be adversely affected, particularly if traditional food retailers are crowded out of the market. Data from a survey of 1180 urban Indonesian households are analyzed to shed light on these issues. Ordered probit models are used to explore the factors related to the higher frequency of food purchases from modern versus traditional food retail formats. Those consumers who are more likely to shop at modern food retailers have higher incomes, education, assets (e.g., refrigerators), credit cards, and higher concerns about nutrition and food safety. Conversely, price-concerned consumers are more likely to shop at traditional food retailers.