

I. INTRODUCTION

1.1. Background

For a lot of individuals, the creation of profitable goods like palm oil in emerging countries provides an escape from poverty. Nevertheless, they also highlight significant environmental and social concerns. Palm oil is a highly important crop for Indonesia, serving as a crucial source of food, energy, and worldwide trade. Indonesia has rich soil and a tropical climate that are perfect for oil palm plant growth. As a result, the oil palm tree may greatly produce oil, particularly palm oil, which is an essential product for Indonesia's economy as well as population health.

One of Indonesia's most important agricultural sectors is the processing of palm oil. At the moment, Indonesia is the world's largest producer of palm oil. The high production of the oil palm tree sets it apart as a source of edible oil. The productivity of palm oil trees may come up to about 8 tons of oil per hectare annually in many locations. Although saying so, annually, the average actual yields of palm oil are now at around 3.3 tons per hectare (Woittiez et al., 2017). Following that, with about US \$160 per ton, palm oil production is less expensive to produce as compared to soybean oil, costing around roughly US\$300 per ton (Wisena et al., 2014).

As of right now, palm oil is stated as the most traded vegetable oil globally. Approximately 85% of the palm oil produced is used in food (Hariyadi, 2020), particularly as cooking oil. It may be found as an ingredient in most ice cream, margarine, and a wide range of foods that are ready to eat therefore easily accessible. Given that food safety is a need, the topic of food safety is highly pertinent and is becoming increasingly important for palm oil.

1.2. Objectives

- The objective of this study is to examine the role that price, health, taste and smell have in consumers' decisions to buy edible palm oil.
- To analyze the association of palm oil price, health, smell, and taste and consumer purchasing decision making of palm oil brands.

1.3. Scope of Activity

The study focuses on the relationship between factors such as price, health, taste and smell and the binary logistic regression analysis of palm oil brands. The purpose of this study is to identify the gaps in our information regarding consumer preferences for taste and smell when choosing edible palm oil brands, as well as the relationships between these factors and edible palm oil brands. Moreover, to see the relationship between the consumers in terms of price and health factors and how they relate to certain brands of edible palm oil. This study ignores other external influences like competitiveness and political environments. There will be 150 respondents that will all come from Jakarta, Indonesia. This is done so that the study would be easier to control, and the results will cater specifically to people that use and consume palm oil from Jakarta, Indonesia.

1.4. Hypothesis

Hypothesis (H_1): Consumer decisions on which palm oil brands to buy in Indonesia are significantly influenced by the price, health, taste, and smell of the oil.

Null Hypothesis (H_0): Consumers' decisions to buy palm oil brands in Indonesia are not significantly influenced by the price, health, taste, and smell of the oil.