

## Market Potential and Consumer Preferences for Cream Cheese Diversification: A Case Study in East Kalimantan Province

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### Abstract

This study explores the market potential and consumer preferences for cream cheese diversification in East Kalimantan, Indonesia. With the region experiencing economic growth, urbanization, and shifting dietary patterns, dairy consumption has seen a notable increase, especially in urban centers like Balikpapan and Samarinda. This research aims to analyze consumer preferences and identify opportunities for introducing innovative cream cheese variants. Using a mixed-method approach, surveys and interviews were conducted with 300 respondents from various socio-economic backgrounds. The findings indicate that 65% of respondents prefer healthier, low-fat dairy options, while 60% express interest in new cream cheese flavors, particularly those combining local ingredients. The growing demand for premium and diverse dairy products is driven by rising health awareness, convenience, and the evolving food service industry in urban areas. However, challenges such as supply chain inefficiencies and limited local production remain. Despite these obstacles, improvements in infrastructure and digital platforms present opportunities for expanding market access. This study concludes that there is significant potential for cream cheese diversification in East Kalimantan, provided producers focus on product innovation, consumer preferences, and distribution strategies to capture this emerging market.

**Keywords :** Market potential, consumer preferences, cream cheese, dairy products diversification.

### INTRODUCTION

The dairy industry in East Kalimantan holds substantial potential for economic growth, particularly through the diversification of dairy products like cream cheese. Cream cheese is a very versatile product and popular among consumers, from those interested in cuisine to those with health concerns. Its increasing presence in different recipes, starting with bagels and finishing with desserts, shows the adaptability of this product and its growing market demand. Ali et al. (2020) established that the demand for new and value-added dairy products emanates from the shift in consumer preference for healthy dietary options. This hence infers that market dynamics and trends in consumer behavior play an important factor in the development of the East Kalimantan dairy sector. Despite such opportunities, the local dairy producers of East Kalimantan face various challenges in product diversification. Hartono et al. (2021), mention that most SMEs possess limited knowledge about the market or consumer preference expertise, which stands as an obstacle to pursuing effective diversification strategies. Without comprehensive information about their needs on the types of flavors, packaging, and health benefits, producers cannot provide products matching the requirements of their target market. Besides, Prabowo and Wijaya (2019) emphasize innovation in the dairy business; it is indicated that a diversification strategy meets not only consumer demand but also increases resilience to economic fluctuations and competitive pressures.

Indonesia's dairy industry faces an increasingly competitive landscape, and there is an increasing need to focus on differentiating products. Consumers are slowly becoming more eclectic, and they seek an experience from their food choices. This is found in the demand for gourmet and artisanal foods, including an array of cream cheeses with local flavor and ingredients.

Research by Sari and Nugroho (2021) indicates that flavor innovation has a significant impact on attracting consumer interest and increasing marketability. Using local spices or traditional flavors in various cream cheese products could tempt regional tastes to eat more of the product. Besides, technological improvements in dairy processing also can make much difference in quality and production variants of cream cheese. Widiastuti and Rachmawati (2020) depict how enhanced processing methods elongate the shelf life of such dairy products and enhance their qualities, which in turn increase market acceptance. At the same time, such developments provide manufacturers with an opportunity to work on different formulations and create cream cheese for any type of diet, be it low-fat or lactose-free. All these make the products more unique and, at the same time, support local agriculture; hence, a more sustainable supply chain develops as expressed in Putri et al. (2023).

The socio-economic environment has started to become relevant for understanding consumer preferences in East Kalimantan. Sudrajat et al. (2021) noted that regional economic conditions, such as income level and urbanization rate, significantly impact consumers' purchasing power and preference for premium dairy products. Consumers would be more open to paying a higher price for a high-value, unique product in an urban setting, whereas affordable products would be the main concern for rural consumers. Such dynamics, if understood, help producers frame their marketing strategies in the right direction and design product portfolios accordingly. Additionally, cultural aspects will play a decisive role in consumer preferences for the selection of dairy products. Rahman et al. (2022) state that dietary choices in East Kalimantan are influenced more by taste and cultural consumption. Traditional dishes with the inclusion of dairy enhance acceptance and popularity among local consumers. This can be used to one's advantage by working on cream cheese products, where the tradition of regional cuisines would be reflected to enhance one's relationship with consumers.

Consumer behavior literature suggests that health is of growing concern for people when making purchase decisions in the context of the dairy industry. In this line, the study conducted by Hasan et al. (2021) depicted that there is a greater tendency among people to consume dairy products perceived as healthy because of their low-fat content or probiotic enrichment. This means that, in the future, cream cheese products that emphasize health benefits, such as a low-calorie or high-protein value, will find wider acceptance. Second, increasing interest in the nutritional values of cream cheese could be supported by marketing strategies. The role of sustainability also became one of the main concerns for contemporary buyers. With increased awareness of the environment, there has been an increased call by consumers to seek products that are sourced and produced sustainably. Research by Kartika et al. (2022) indicates that consumers are ready to pay more for dairy products that align with their values about sustainability and ethics of production. This is a trend that producers in the East Kalimantan Province may also exploit by being visibly able to show consumers that their production methods are sustainable and follow all ethical production standards. The only way to penetrate such a complex market in East Kalimantan Province for any producer would be to obtain proper information about the emerging trends in the market and consumer preferences through extensive market research studies. They could identify it through surveys or focus groups. Besides, working together with local chefs and other food experts can help in developing novelty recipes and flavor mixes that can provide any catch with an appealing taste to the local tongue.

This research into the diversification potentials of cream cheese in East Kalimantan will establish the market potential and analyze consumer preferences. It also seeks to provide actionable insights to inform product development and marketing strategies by local dairy processors from both qualitative and quantitative data analysis. Understanding the specific needs and desires of this market will allow producers to develop cream cheese products that answer the demands of the market, which will make more sense with local cultural and culinary practices. Diversification of cream cheese products is considered a major opportunity for East Kalimantan milk producers. Through market intelligence, technological capability, and cultural insight, a

producer can develop an innovative and attractive cream cheese product that captures the interest of the consumer and may provide opportunities for growth in the dairy sector. In support, this research will add to the understanding of the landscape and lay a foundation to develop strategies that enhance the competitiveness and sustainability of the dairy industry in East Kalimantan.

## **MATERIALS AND METHODS**

This study aims to analyze the market potential and consumer preferences for cream cheese diversification in East Kalimantan. In this context, the materials used include a comprehensive analysis of various cream cheese product variants available in the market, as well as data collection related to consumer preferences and the factors influencing purchasing decisions.

### **Materials of the Study**

The materials of the research consist of two main components: the cream cheese products analyzed and the consumer context in East Kalimantan. The cream cheese products evaluated include variations in flavor (such as original, herbs, and fruit), packaging (e.g., plastic, glass, and bottles), and health attributes (such as low-fat and high-protein). This research assumes that selecting flavors and packaging that align with local preferences is key to attracting consumers. According to Ali et al. (2020), innovation in flavor and packaging can enhance product appeal in a competitive market.

The consumer context in East Kalimantan is also a primary focus of this study. The demographic factors considered in the study are age, gender, level of education, and income. Additionally, cultural factors and local eating habits are some of the major elements that determine consumer preference. In light of this view, Rahman et al. (2022) established that an understanding of the cultural factors will help the producers develop products that meet the needs of the locals.

### **Research Methods**

The research methodology consists of two main phases: primary data collection and secondary data analysis. Primary data collection is conducted through surveys involving cream cheese consumers in East Kalimantan. The survey is designed using a questionnaire that contains questions related to flavor preferences, packaging, health attributes, and factors influencing purchasing decisions. This questionnaire employs a Likert scale to measure consumer satisfaction and preferences. According to Hasan et al. (2021), survey methods are effective tools for gathering data on consumer behavior and preferences, especially in emerging markets.

Secondary data is obtained from various sources, including industry reports, journal articles, and government publications related to the dairy processing industry. Secondary data analysis will be required in terms of understanding related to market trends, industry growth, and competitive analyses. According to Hartono et al. (2021), secondary data analysis complements the findings of primary data analysis. Hence, the study desires to integrate both sources of information into its approach to develop a comprehensive model of the cream cheese market in East Kalimantan.

Data analysis through statistical tools is done after the collection. Descriptive analysis will be used to depict a demographic description of the respondents and their cream cheese product preferences. In addition, this research also used an inferential analysis to test the relationship of variables analyzed, such as flavor preference with purchasing decisions. According to Prabowo and Wijaya (2019), using proper analysis methods enables researchers to generate valid and reliable conclusions.

This final phase of the study now presents the result of analysis in tabular and graphical forms to clearly and easily comprehend it. It is expected that the findings will give practical recommendations for cream cheese producers, in particular those located in East Kalimantan, to formulate marketing strategies along with product development appropriate to the characteristics favored by consumers.

## RESULTS AND DISCUSSION

The study titled "Market Potential and Consumer Preferences for Cream Cheese Diversification: A Case Study in East Kalimantan" yielded significant insights into consumer behavior and market dynamics specific to the cream cheese segment within the dairy industry. A total of 300 consumers participated in the survey, providing a comprehensive dataset that reflects the preferences and purchasing habits of cream cheese consumers in East Kalimantan.

### Characteristics of the respondents

The characteristics of respondents in this study provide important insights into the profile of cream cheese consumers in East Kalimantan. Out of a total of 300 respondents participating in the survey, demographic analysis revealed significant variation in age, gender, education level, and income.

The age distribution of respondents indicates that a significant portion of the consumer base falls within the younger demographic (18-34 years) (table 1). This age group is typically more experimental and open to trying new flavors and product types, suggesting that marketing strategies should focus on innovative flavors and health-oriented products. Engaging younger consumers through social media and digital marketing can enhance product visibility and appeal. According to Smith (2021), younger consumers often seek unique flavors and healthier options, making them key targets for innovative dairy products. Thus, marketing strategies should focus on introducing diverse flavors and health-oriented cream cheese variants to attract this age group.

Table 1. Identity of farmers based on age

Characteristics	Quantity (person)	Percentage (%)
Age (years)		
18 - 24	90	30
25-34	120	40
35-44	60	20
> 45	30	10
Total	300	100
Gender		
Male	135	45
Female	165	55
Total	300	100
Education level		
Elementary/Junior High	45	15
High School	105	35
Diploma/Bachelo	120	40
> Master	30	10
Total	300	100
Residence Status		
Urban	180	60
Rural	120	40
Total	300	100

Source: Primary data analysis, 2024

The gender breakdown shows a slightly higher representation of females. This may imply that women are more likely to influence household purchasing decisions, especially regarding

food products. Marketing efforts could be tailored to emphasize family-oriented benefits and health aspects of cream cheese, potentially leveraging female consumer groups in advertising campaigns. As noted by Johnson and Lee (2020), women are often the primary decision-makers for food purchases, especially in families. Therefore, marketing campaigns should emphasize the nutritional benefits of cream cheese and its versatility in family meals, appealing to female consumers who prioritize health for their families.

With the majority of respondents holding at least a Diploma or Bachelor's degree, there is an implication that these consumers may have higher awareness and understanding of food quality, nutritional content, and health benefits. This educated demographic may seek detailed product information and transparent labeling, suggesting that producers should emphasize quality, sourcing, and health benefits in their marketing materials. Research by Miller (2022) indicates that educated consumers are more inclined to seek out products with transparent labeling and nutritional information. Producers should highlight the quality of ingredients and health benefits in their marketing to meet the expectations of this informed consumer base.

The higher proportion of urban respondents highlights the importance of accessibility to products. Urban consumers typically have better access to diverse food products, including specialty dairy items like cream cheese. This suggests that distribution strategies should focus on urban markets initially, while considering future expansion into rural areas as awareness and demand grow. As highlighted by Thompson (2021), urban consumers typically have more exposure to diverse food options and trends, making them more open to trying new products. This insight suggests that marketing efforts should initially focus on urban areas, leveraging local retail and online platforms to maximize reach.

The characteristics of respondents provide essential insights for effectively positioning cream cheese products in the market. By understanding demographic trends and consumer behavior, producers can tailor their offerings to meet specific needs. The integration of expert opinions reinforces the importance of targeted marketing, product diversification, and clear communication regarding health benefits. Such strategies will enhance consumer engagement and drive loyalty in the growing cream cheese market in East Kalimantan.

#### Fresh Milk

Cow's milk is the best source of animal-derived amino acids and is a secretion from the udder of cows. It has ideal nutritional value (Hasria et al. 2019). Table 2 below displays the study's findings on the nutritional content of fresh cow's milk.

Table 2. The content of fresh milk

Component	Percentage (%)
Protein	2.97
Fat	3.32
Lactose	3.91

Cow's milk has a nutritional value of 86.7% water content, 2.97% protein, 3.32% fat, and 3.91% lactose, according to the research results (Table 2). These outcomes are comparable to those of Hariono et al. (2021), who reported a 9.34% fat content, a 2.875% protein content, and a 4.14% lactose content. The body can benefit greatly from protein. One macronutrient is protein; in contrast to other macronutrients like fats and carbohydrates, protein is more crucial for the synthesis of biomolecules than it is for other purposes like energy production or serving as a building block for bodily structure (Jauhari et al. 2019).

By boosting muscle mass, high-protein milk or amino acids can improve nutritional status while also raising protein consumption and energy levels. Lowering the risk of hypertension is another advantage of the protein in milk. Potassium, which is found in milk, helps keep blood pressure steady and eliminates pollutants. Milk contains vitamin B12, which can strengthen the nervous system, promote heart health, improve vision, and increase resistance to tiredness. The magnesium found in milk helps to keep the heart healthy, shield the neurological system from

weariness, strengthen bones, enhance cognitive function, encourage the production of happy hormones, and keep skin healthy (Okarini and Suartningsih 2017).

Milk's lactose, often known as milk sugar, is good for growth. Blooming is an energy source that promotes the growth of beneficial bacteria, enhances calcium and iron absorption, and stimulates the development of the brain and nerve system (Audihani et al. 2020).

After milk is non-thermally pasteurized with HPEH (Hariono et al. 2021), its fat content can drop by 3.77%. This is advantageous because eating a lot of fat also implies eating a lot of calories. Consuming excessive amounts of calories might result in obesity (Al Rahmad et al., 2020), as well as a higher chance of metabolic disorders, cancer, cardiovascular diseases, and other conditions (Iskandar et al., 2017).

### Cream Cheese

Cream cheese is a common ingredient in numerous culinary applications as well as a spread. An unfavorable textural flaw in cream cheese is a gritty or grainy mouthfeel. The results of the research on the content of cream cheese can be seen in Table 3.

Table 3. The content of cream cheese

Component	Percentage (%)
Protein	3.97
Fat	3.82

Unripened cream cheese is created by acidifying cream or a combination of cream and milk, using rennet as a coagulant and a mesophilic culture (Ningtyas et al. 2017). The study's findings indicate that cream cheese has 3.97% protein, 3.82% fat, and 3.91% lactose according to its composition. This is in line with research by Yahya et al. (2024), which reports that cream cheese enriched with rennet and bromelain enzymes has a protein content of 4.38%. When rennet and bromelain are used together, as opposed to when they are used separately, the rise in protein levels is impacted. Purwaningsih (2017) claims that proteins can be changed into amino acids by the bromelain enzymes found in pineapple fruit extract. However, studies conducted in 2013 by Permainy & Widayaka demonstrate that higher protein levels are obtained when a microbial rennet enzyme dosage of 0.01% or 10 mg/liter is used.

Meanwhile, the research by Tologana et al. (2023) found that cream cheese supplemented with a mixture of cultures, *L. plantarum Dad-13*, and *L. plantarum Kita-3* resulted in fat content of 35.67%, 33.82%, and 33.49%. When cream cheese was made with mixed cultures instead of single cultures, the fat level of the finished product was higher. Shorter coagulation times may be related to the high fat content of cream cheese with mixed cultures. More fat globules are trapped in the solid curd the faster the coagulation process proceeds. Furthermore, according to Brighenti et al. (2018), the generated cream cheese had a fat content of 33.59% and 33.68%. This finding suggested that probiotic cream cheese might be produced from cream cheese produced with a single culture.

### Consumer Preferences

Understanding consumer preferences is crucial for the successful diversification of cream cheese products in East Kalimantan. Based on the survey results, several key trends and insights emerged regarding what consumers look for in cream cheese, which can guide producers in developing and marketing their products.

Table 4. Identity of consumer preferences based on flavor

Flavor	Quantity (person)	Percentage (%)
Plain	96	32
herb-flavored	114	38
fruit-flavored	90	30
Total	300	100

Source: Primary data analysis, 2024

A significant 68% of respondents indicated a preference for flavored cream cheese over plain varieties. Among the flavored options, herb-flavored cream cheese was the most popular, favored by 38% of participants, while fruit-flavored options garnered 30% support. This preference for diverse flavors aligns with research by Ali et al. (2020), which emphasizes that innovative flavors significantly attract consumers in the dairy sector. The demand for unique flavors suggests that producers should focus on developing a range of cream cheese varieties that cater to different taste preferences, including exotic or gourmet flavors.

Table 5. Identity of consumer preferences based on health consciousness

Variant	Quantity (person)	Percentage (%)
Normal	84	28
low-fat and high-protein	216	72
Total	300	100

Source: Primary data analysis, 2024

Table 6. Identity of consumer preferences based on sustainability and packaging

Variant	Quantity (person)	Percentage (%)
Normal	120	40
eco-friendly	180	60
Total	300	100

Source: Primary data analysis, 2024

Consumer interest in health attributes was evident, with 72% of respondents expressing a willingness to pay a premium for low-fat and high-protein cream cheese variants (table 3). This finding reflects a growing trend towards health-conscious eating, as noted by Rahman et al. (2022). The inclination towards healthier options indicates that producers should highlight nutritional benefits in their marketing strategies, such as reduced fat content or added protein, to attract health-conscious consumers.

The study found that 60% of respondents prioritize products with sustainable packaging (table 4). This preference for eco-friendly options is consistent with Hartono et al. (2021), who noted that consumers increasingly consider the environmental impact of their food choices. Producers can differentiate themselves by adopting sustainable packaging solutions and effectively communicating these practices in their marketing materials.

Table 7. Identity of consumer preferences based on interest in new variants

Variant	Quantity (person)	Percentage (%)
Normal	105	35
organic cream cheese	195	65
Total	300	100

Source: Primary data analysis, 2024

The survey revealed a significant interest in new product variants, with 65% of participants enthusiastic about organic cream cheese and products made from locally sourced ingredients. This interest suggests that there is a market opportunity for producers to innovate by developing organic and locally sourced cream cheese options. As indicated by Prabowo and Wijaya (2019), catering to these preferences can enhance brand loyalty and attract consumers who are increasingly interested in supporting local producers and sustainable practices.

The preferences of consumers in East Kalimantan reveal valuable insights that can guide the diversification and marketing of cream cheese products. By focusing on flavor innovation, health benefits, sustainable packaging, and the introduction of new variants, producers can effectively meet consumer demand and enhance market appeal. Additionally, emphasizing the versatility of cream cheese in various culinary applications can further drive consumer engagement and encourage broader adoption of these products.

## Market Potential

The market potential for cream cheese products in East Kalimantan is highly promising, particularly given several factors that support growth and demand in this segment. This analysis will provide a comprehensive overview of the market potential for cream cheese, covering various critical aspects.

### a. Growth in Dairy Product Demand

Dairy product consumption in Indonesia has been on a very upward trend for the last couple of years. By the Central Statistics Agency, it is estimated that dairy consumption has surged 10% over the last five years, reflecting a shift in dietary patterns among the populace, who are increasingly aware of the health benefits of dairy products. This growth is brought about by increased knowledge concerning the nutritional value and the significance of calcium and proteins in daily diets. Since it is a dairy product, there is considerable opportunity for this cream cheese to appeal to more consumers, especially among younger populations who would more likely be in envy of new and health-related products.

### b. Increasing Health Awareness

People are opting for healthier food due to increased health awareness. In this respect, a survey conducted by Sari and Yuniarti (2021) showed that almost 70% of the consumers in East Kalimantan prefer low-fat and high-protein varieties of dairy products. This presents an opportunity for cream cheese manufacturers to introduce healthier versions of their products, such as low-fat cream cheese or cream cheese fortified with additional nutrients. Products with probiotics, for instance, may attract customers concerned about health. This can be included in the marketing strategy to raise the desirability of the product for producers.

### c. Diverse Market Segmentation

The segments characterize the cream cheese market in East Kalimantan, from household consumers to the culinary industry. A study by Prasetyo (2023) noted that 60% of respondents reported using cream cheese in the context of culinary activities, whether for bread, as a dip, or for baking and cooking. This opens up an opportunity for producers to make a variety of cream cheese products to satisfy the varied needs of consumers. For example, complementing the product lines can be done by offering restaurant or café products to aid in capturing a bigger share of the market.

### d. Interest in Innovation and New Flavors

Consumer interest in innovative flavors and packaging is also a crucial factor in the market potential for cream cheese. According to a survey by Lestari and Rahayu (2022), approximately 65% of respondents expressed interest in trying new flavors, including cream cheese variants combined with local ingredients. Offering unique flavors—for instance, cream cheese laced with local spices or tropical fruits—can easily draw the attention of consumers and assure a competitive advantage. Using attractive and sustainable packaging might turn the level of appeal to a product even higher because 60% of the questioned prefer products that have environmentally friendly packaging.

### e. Improved Market Access

Improved infrastructure and distribution networks within East Kalimantan create new opportunities for the products under discussion. More and more supermarkets, modern markets, and e-commerce platforms bring a greater chance to effectively reach consumers by the producer. According to a report from the Ministry of Trade, e-commerce in the food and beverage sector increased by 25% last year, showing that digital platforms serve as one of the most important channels for the distribution of dairy products. The use of such distribution channels would help producers reach a wider audience and increase sales.

### f. Challenges and Marketing Strategies

Though the market potential is great, the challenges producers face increased competition from both imported and local products. It would be appropriate for products to capture a good share of the market because of an appropriate marketing strategy. Based on raw material quality,



novelty in flavor, and health benefits, among other aspects, product differentiation would thus be one of the key emphases for a producer in gaining an advantage over competitors in the marketplace. Moreover, it would be relevant that partnerships with local distributors are built while leveraging social media influencers to better promote the product and build visibility and desirability.

In general, the diverse cream cheese products have great market potential in East Kalimantan. On the one hand, with positive growth in demand, better awareness of health amongst people, and better access to markets, there is sufficient scope for producers in the development and marketing of various innovative cream cheese variants. With an appropriate strategy concerning flavor, quality, and attractive packaging, cream cheese can be positioned as a primary choice for consumers within this region.

### Regional Insights

Understanding the regional context is crucial when analyzing the market potential for cream cheese in East Kalimantan. The province offers a unique blend of socio-economic factors, consumer behaviors, and market conditions that collectively shape the opportunities and challenges for dairy product diversification, particularly cream cheese.

#### a. Economic Growth and Urbanization

East Kalimantan has enjoyed high economic growth, heavily based on mining, forestry, and palm oil industries. However, with the development of a new Indonesian capital called Nusantara inside the province, the region is foreseen to have more diversified economic activities, especially in the service, trade, and retail sectors. This is supported by economic growth in the form of rising disposable incomes within the middle and upper classes, which in turn supports increased purchasing power for higher-value consumer goods, including dairy products like cream cheese. A second high-impact driver is urbanization. The increasing urban population in major cities such as Balikpapan and Samarinda in turn propels changes in consumption toward increasingly processed and convenient foodstuffs. A study by Hidayat and Yusuf (2022) underlines that consumers in urban East Kalimantan are more open to new and premium foodstuffs compared to rural ones. This trend is an indicator that diversification of cream cheese would be appropriate for the urban center settings in East Kalimantan, hence allowing for a target consumer segment in search of healthy, convenient, and innovative products made from dairy.

#### b. Local Culinary Trends and Preferences

East Kalimantan's diverse culinary culture provides another opportunity for cream cheese products to integrate with local tastes. Traditional dishes are often rich in flavors, and there has been a rising interest in fusing local cuisines with Western influences, especially in urban dining scenes. According to research by Mahendra and Pramudya (2021), the growth of cafes, bakeries, and fast-food outlets in Balikpapan and Samarinda has fueled demand for cheese and other dairy ingredients used in pastries, desserts, and fusion foods. This growing food service industry could serve as a key market for cream cheese, particularly for usage in bakery and café applications. Cream cheese's versatility as a spread, filling and topping positions it as a valuable ingredient for chefs and restaurateurs looking to offer creative and premium menu items that cater to evolving consumer tastes.

#### c. Regional Supply Chain and Distribution Networks

East Kalimantan's geographical characteristics and its relatively underdeveloped agricultural sector pose challenges to the dairy supply chain. Dairy products in the region are largely imported from other parts of Indonesia, or even internationally, due to limited local production capacity. According to the Ministry of Agriculture (2022), East Kalimantan imports more than 80% of its dairy needs, including cheese products, from outside regions such as Java and Sumatra. The improving infrastructure, especially the transport networks linking rural and urban areas, steadily increases the opportunities for a more efficient distribution network of dairy products. Equally, the new capital development now translates into investment in

logistics and cold chain technologies, thus facilitating the ability of local businesses to store and sell such perishable items as cream cheese. At the moment, producers are well-positioned to enter an emerging market with a taste for more premium and varied products by partnering with distributors in main urban hubs such as Balikpapan city.

d. Consumer Preferences and Awareness

The studies of consumer behavior in East Kalimantan showed that the growth of awareness related to health and wellness has been increasing, similar to the national trend. In this regard, food consumers in the region are also increasingly being attentive to what they consume, with a trend towards healthier choices of food. According to a survey conducted by Setiawan et al. in 2023, the demand for dairy products among urban consumers in East Kalimantan showed that almost 65% linked functional health benefits to the product, including low fat, high protein, or probiotic enhancement. Additionally, a product opportunity exists within the niche of increasing interest in premium and imported food items. As Nugroho and Wiryawan (2022) suggested, a higher-income consumer in Balikpapan will be willing to pay more money for an imported or local dairy product of higher quality, as long as this product meets their expectations regarding taste, nutrition, and packaging. This can be utilized by manufacturers of cream cheese through the creation of new types of this product, with a focus on health benefits and high quality.

e. Cultural and Social Considerations

While there is a growing demand for dairy products, producers must also be aware of local cultural and social dynamics when promoting cream cheese in East Kalimantan. The province is home to various ethnic groups, including Dayak, Banjar, and Kutai communities, each with distinct culinary traditions. Although urban centers are more likely to embrace Western-style foods, rural areas may require more targeted marketing approaches to build awareness of cream cheese and its uses. Building consumer education campaigns that emphasize how cream cheese can complement traditional dishes or serve as a versatile ingredient for daily cooking may help producers overcome initial resistance in these areas. Collaboration with local influencers, chefs, and food bloggers could further raise awareness and create a connection between cream cheese and East Kalimantan's evolving food culture.

The market potential for cream cheese diversification in East Kalimantan is supported by several regional factors, including economic growth, urbanization, evolving culinary trends, and improving distribution networks. The combination of growing consumer demand for health-oriented and innovative dairy products, coupled with expanding retail and food service sectors, positions cream cheese as a product with significant market opportunities. However, successful market penetration will depend on understanding local preferences, addressing supply chain challenges, and effectively communicating the product's benefits to a diverse consumer base.

## CONCLUSION

The study on Market Potential and Consumer Preferences for Cream Cheese Diversification in East Kalimantan demonstrates significant opportunities for market expansion. Economic growth, urbanization, and increasing health awareness have contributed to a rising demand for premium and diverse dairy products, particularly in urban areas like Balikpapan and Samarinda. The potential for introducing innovative cream cheese variants, particularly those aligned with local culinary trends and health-conscious preferences, is evident. Furthermore, improvements in infrastructure and digital platforms offer new avenues for efficient product distribution. In summary, cream cheese diversification in East Kalimantan has strong market potential. By focusing on product innovation, understanding consumer preferences, and optimizing distribution strategies, producers can successfully capitalize on this emerging market.

## SUGGESTION

Cream cheese providers in East Kalimantan have significant opportunities to enhance their market share and expand their product offerings by implementing several strategic recommendations. First, it is crucial for these providers to diversify their product range by introducing local flavor variants that reflect the unique tastes of the region, such as sambal, shrimp, or traditional spices. This innovation can attract consumers who are looking for products with a local touch, thereby increasing the appeal of cream cheese in an increasingly competitive market. Second, improving distribution channels is essential; providers should leverage the rapidly growing e-commerce platforms, such as Tokopedia and Shopee, to reach a wider audience. Forming partnerships with local culinary businesses like restaurants, cafes, and bakeries can further enhance market reach and make cream cheese products more accessible to consumers. Additionally, implementing educational marketing strategies is vital for raising awareness about cream cheese and its uses. Promotional campaigns that highlight the benefits and versatility of cream cheese in various dishes can be particularly effective. For instance, hosting cooking demonstrations in stores or utilizing social media platforms to share engaging recipes can create interest and educate consumers on how to incorporate cream cheese into their meals. By adopting these strategies, cream cheese providers can boost consumer interest, increase sales, and ultimately strengthen their position in the East Kalimantan market, fostering a greater appreciation for cream cheese as a versatile and flavorful ingredient in both traditional and modern cuisine.

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