A study on consumer purchase intention towards ready-to-eat food in Ahmedabad

Asma Hawa, Harsh Kanani , Mansi Patel , Neha Taneja, Priya Maru, Sarfaraz Kaliwala, Saloni Gopani, Shatak Sharma, Shivam Sharm , Siddhi Patel

UG students in Business administration department, B. K. Majumdar Institute of Business Administration, Ahmedabad University, Ahmedabad.

harsh.k14@bkmiba.edu.in

ABSTRACT

Food has always been an integral part of the society. Over the period, India has been witnessed to be influenced by the Western Culture and so does creeps in Ready-to-Eat (RTE); Food Packages which provide any person an ability to wear an apron to be a master chef in no time. With the changing style of food consumption and the benefits availed through the use of Ready-to-Eat food has resulted in a subsequent rise in the RTE market. The research focused on finding the reasons for purchase and non-purchase of Ready-to-Eat food as a substitute to a daily meal (i.e. Indian breads, Rice and curries) taking into consideration the changes in socio-economic conditions prevalent today. It thus focuses on knowing the perception of the consumers towards Ready-to-Eat food and the impact of factors on their purchase intention. There existed an ambiguity of what Ready-to-Food is, as different sources provided with different meanings. Various secondary sources were referred and primary pilot test was conducted to narrow on the operational definition of Ready-To-Eat food. In order to derive a niche expertise of derived findings, the research was restricted to only branded Ready-to-Eat products and to Consumers who were aware about RTE food products. To further narrow down the scope of research and retain the accuracy of the results, the research focused on respondents belonging to West and New West Zone.

Quota sampling method was used so as to get appropriate representation from different Age, Gender, Occupation and Marital Status, Education and Income. Various Intrinsic factors, Extrinsic factors and Socio-economic factors were studied to understand consumer perception and purchase intention. In order to analyze and interpret the data, various quantitative techniques including Chi-Square test were applied. Findings suggest that 'Ease of Use' and 'Saving of Time' were the two most important factors that affect buyers and potential buyers of RTE food. The research further states as to how people look for the value they pay for when it comes to RTE food unlike any other food related purchase. And so comes with it a strong favorability to Health, Quality, Brand Image and Availability. Purchase intention was found to be dependent on Age, Income, Marital status, Education status. Research findings where recommended and verified by the prominent market players such Vadilal Food and canteens of various colleges and corporations. The research spouts out the purchase intention of consumers towards RTE food and the reason hidden underneath; in the city of Ahmadabad. The relevance of the results may turn out to be of utmost important and useful for the upcoming and existing players in Ready to Eat food industry.

Keywords: Ready-to-eat food, purchase intension, Ahmedabad.

1. Introduction

Over the centuries there has been witnessed change in the pattern of consumption, from raw to cook to Ready-to-Eat food; emergence of it at the Global Food Industry and now to the Indian markets. The consumers are getting more aware about food products and so their intention and perception towards Ready-to-Eat is changing over in Food Retail Industry. (Food Science). Ready-to-Eat dates back to 1970's and gained popularity since then. In 1975, when the state of emergency was declared, MTR had to shut down its business unit as it was running into losses. However at that time, the son of the owner of MTR employed his former employees to work for packaged food products. The total value of Indian food processing industry is expected to touch US$ 194 billion by 2015, according to Mr. Swapan Dutta, Deputy Director General, and Indian Council of Agricultural Research (ICAR). The food processing industry is one of the largest industries in India and it is ranked fifth in terms of Production, Consumption, Export and Expected growth. Demand for Ready-to-Eat meals has captured a large amount of the food retail market in India. Thus, the emerging change in consumer's perception, socio-economic-political factors has led to change in consumers purchase intention toward Ready-To-Eat Food Products and thus providing a huge business opportunity against some of the major established players in the market like MTR, Amul, Vadilal Kitchen Express and many more. (Foundation, Indian Brand Loyalty, 2013), RTE is highly growing industry with the changing lifestyle of the people but not much has been researched on it in India. The paper therefore attempts to understand the perception and purchase intention of people towards RTE food products.

2. Literature review

Ready-to-Eat food is food that is offered or exposed for sale without additional cooking or preparation, which is packaged on the premises where they are being sold and are ready for consumption. Canned foods, convenience foods, fast foods, frozen foods, instant products, dried foods, preserved foods, etc. all come under Ready-to-Eat foods. (P. Selvarajn, 2012).

Demographic variables and socio-economic characteristics of the consumers are also important variables, which decide the consumption pattern of food products in the family. Factors influencing the consumers choice of RTE food are flavour, texture, appearance, advertising, a reduction in traditional cooking, fragmentation of family Other factors positively influencing Ready to Eat food demand are rising income level, influence of western countries, more global trade, travelling, convenience in preparation due to lack of time and cost effectiveness. (P. Selvarajn, 2012).

Demographic variables and socio-economic characteristics of the consumers are also important variables, which decide the consumption pattern of food products in the family. Factors influencing the consumers choice of RTE food are flavour, texture, appearance, advertising, a reduction in traditional cooking, fragmentation of family Other factors positively influencing Ready to Eat food demand are rising income level, influence of western countries, more global trade, travelling, convenience in preparation due to lack of time and cost effectiveness. (P. Selvarajn, 2012).

Development of the metropolitan cities due to increase in population, emergence of industries, evolution of various new factors, time factor, etc., created the need for Ready-to-Eat foods in the market. Due to industrialization, the labor category is getting attracted to it because of better emoluments and hence there is shortage of home maid-servants. Due to this, the

housewives, in order to save time started using Ready-to-Eat foods. Earlier times, a single family consisted of many people i.e., a group of several nuclear families were living in a single place. Hence, larger quantities of the food were used to be prepared. But as these joint families started disappearing due to various reasons, each single family started using these Ready-to Eat foods in order to save time and energy. (P. Selvarajn, 2012) Ready-to-Eat meal offerings have developed to meet the need for ease of use and convenience, consumers focus on fresh, healthier eating options due to which they might not want to consume Ready-to-Eat food. Ready-to-Eat food products are the delicacy of lower age groups as compared to the old age people. (Nielsen, 2006) Non-preference for Ready-to-Eat food was due to various reasons like low cost of home preparation, differences in taste, non-preference of Ready-to-Eat food by other family members, higher prices, lack of awareness of the products that are available in the market and non-availability of Ready-to-Eat food. (Dr. C. Arjunan, 2012) Difference in taste between homemade food and purchased Ready-to-Eat product was found to be one of the most important reasons for not using Ready-to-Eat food. Whereas, the reasons for not purchasing Ready-to-Eat food products were the lack of awareness of the products, disliking towards the products, relatively high price and health consciousness of the people. (P. Selvarajn, 2012).

2.1 Research objectives

1. To identify the reasons for purchase and non-purchase of ready-to-eat food.
2. To know the perception of the consumers towards ready-to-eat food and the impact of intrinsic, extrinsic and socio-economic factors on their purchase intention.

2.2 Scope of research

The scope of the research is limited to west and new west regions of Ahmedabad, India. These two regions includes 26 areas of Ahmedabad which includes the places like 16 branches of reliance fresh, d-mart, hyper city etc., where the availability of ready-to-eat products like curries, Indian breads and rice, which are narrowed down for the research because of its importance in the Indian meal is more as compare to other regions. There were 2 category in ready-to-eat shelf stable and frozen food. Each category would show different consumer purchase intention and so we narrow down our products to normal meals which is curries which include dal and vegetables, rice and Indian breads.

3. Methodology

3.1 Conceptual framework

"For the base of the research model for consumer purchase intention was taken into consideration where the factors like intrinsic factors (perception), Extrinsic factor and socio economic factor were taken into consideration for the research base"

3.2 Sample selection

A sample of 550 respondents was taken for the purpose of research. The sample was collected on the basis of various demographic factors like working nonworking, age gender. Further they were classified on the basis of ratios and decision makers No responses were found to have any deficiencies, hence all 550 responses were considered for further analysis.
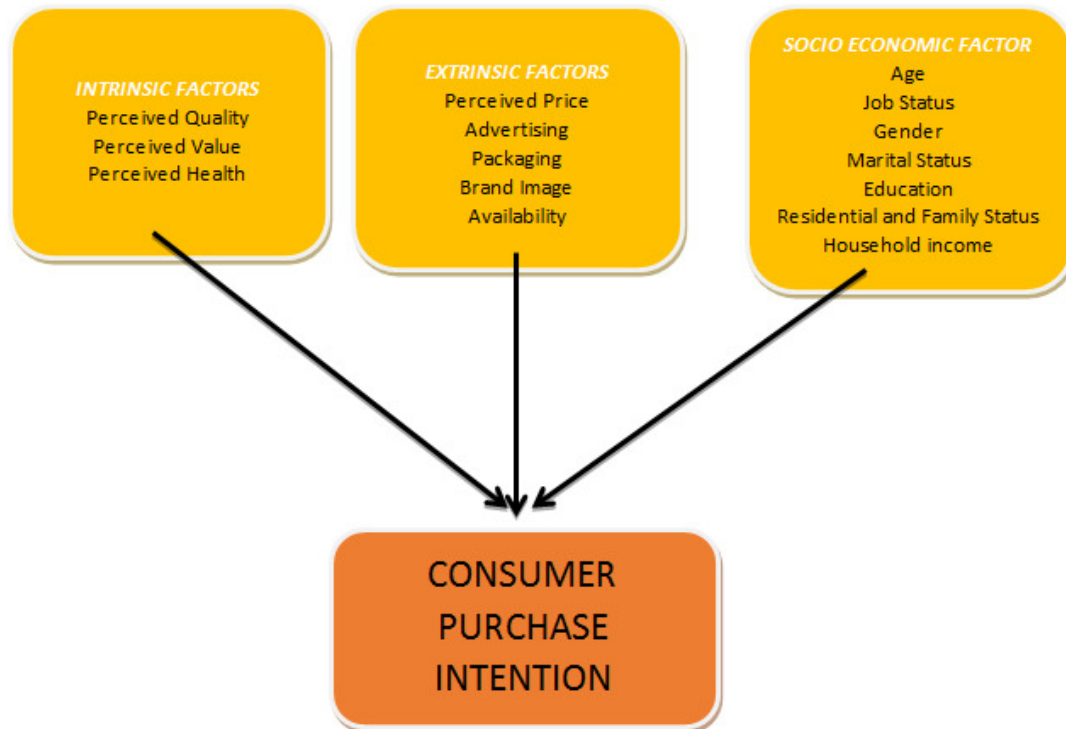
Figure 1: Conceptual framework edited and adopted from SitiNurafifahJaafar, Pan EinLalp, Mohaini Mohamed Naba'Consumers' perceptions, Attitudes and purchase intention towards private label food products in Malaysia' (Vol. 2. No. 8)

Table 1: Research Sampling

Sampling							
15-24		**25-44**		**45-64**		**65+**	
165 Respondents		**237 Respondents**		**110 Respondents**		**38 Respondents**	
12 Male		17 Male		8 Male		3 Male	
Working	**Non-Working**	**Working**	**Non-Working**	**Working**	**Non-Working**	**Working**	**Non-Working**
4 Male	8 Male	16 Male	1 Male	7 Male	1 Male	2 Male	1 Male
153 Female		220 Female		102 Female		35 Female	
Working	**Non-Working**	**Working**	**Non-Working**	**Working**	**Non-Working**	**Working**	**Non-Working**
12 Female	141 Female	38 Female	182 Female	17 Female	85 Female	2 Female	33 Female

(PGA Group , 2012) (Government of India, 2011)

3.3 Research instrument

A close ended questionnaire was filled by the respondents on the basis of 3 criteria which were respondents who purchase Ready-To-Eat, respondents who have neither purchase but intent to purchase Ready-To-Eat and respondents have neither purchase nor intent to purchase Ready-To-Eat. The respondents comprise the people who are the decision makers with respect to food products. The purchase intention, attitude and preferences were

measured in terms of likert scale from (1) for strongly disagree to (5) for strongly agree. . Some statements are reverse scored and intermingled with other statements so as to reduce the bias. The secondary data was collected with the help of research papers, journals, online articles and from reports of WHO and FSSI.

3.4 Statistical methods

Descriptive statistics (Mean, standard deviation, cross tabulation and graphs) was used to measure the purchase intention and consumer attitude towards the Ready-To-Eat food. Chi-square test of independence was conducted to verify the independence between the socio economic factors and there purchase intention.

4. Analysis and Interpretation

The data analysis was carried out with the help of different statistical tools like graphs, mean, standard deviation, chi square and correlation. The first objective was to identify the reasons for purchase and non-purchase of Ready-to-Eat food. For that different questions were asked like, when does the consumer prefer to buy the Ready-to-Eat food, out of total respondents 34% of respondents purchase because they don't have time to cook, followed by 20% of respondents use because they travel outside the country and other factors were, when guests are home and when they don't know how to cook.

After knowing the preference respondents were asked why do they buy the Ready-to-Eat food, out of total respondents 32% of them say that its saves time, 15% buy because they find it is tasty, followed by 14% freely available is the factor other factors were like less expensive, satisfactory, buy it as last option, quality, health and buy it as last option. The respondents were also asked the attributes that affect their purchase decision the attributes were like availability, packaging, price, health, brand image and quality. Respondents choose health as the high factor affecting their purchase followed by brand image and then packaging. Also to know the reason for non-purchase respondents were asked the reason for the non-preference of the Ready-to-Eat food, out all the respondents 24% give preference to home food, 16% find the Ready-to-Eat food less nutritious, 14% finds it to be low quality and not fresh other factors for non-purchase were less variety, expensive, unhygienic and preference to restaurants.

Before moving towards second objective respondents were asked about their purchase intention towards Ready-to-Eat food to be rated among the options like very low, low, average, high and very high. Majority of respondents were falling in category of average.
Now moving towards the second objective, that was to known the perception of the consumers towards the Ready-to-Eat food and the impact of intrinsic, extrinsic and socio-economic factors on their purchase intention. Taking the base of the consumer purchase intention model (refer to Research Methodology), For the intrinsic factor mean and standard deviation was carried out and respondents find the quality as factor to be good with mean of 3.55 for users and 3.49 for potential user.

For making the research more reliable correlation for the intrinsic factor was done factors like quality, value and health were correlated with the purchase intention of the respondents. From the below correlation values we found out that health, quality and value are positively correlated to purchase intention, but health is comparatively more correlated then other two factors.

Table 2: Weighted and standard mean all respondents

Factors	Weighted mean		Standard deviation	
	Users	Potential users	Users	Potential users
Perceived quality	3.55	3.49	1.0294	1.0327
Perceived value	3.17	3.06	0.9248	0.9222
Perceived health	3.20	2.90	1.0121	1.0348

Table 3: Co-relation between Ready-To-Eat users and potential users

Factors	Users		Potential Users	
	r	r^2	r	r^2
Health	0.338	0.114	0.146	0.021
Quality	0.118	0.014	0.236	0.056
Value	0.150	0.022	0.102	0.010

For the extrinsic factor average of the respondents were taken on different factor like price, advertisement, brand image, packaging and availability were taken into consideration from the consumer purchase intention model (refer to research methodology) from this data that price and advertisement have no impact while brand image, packaging and availability as extrinsic factor has impact on purchase intention.

Table 4: Average of extrinsic factor

Factors	User	Potential User
Price	2.992	3.060
Advertisement	2.627	2.546
Brand Image	3.683	3.795
Packaging	3.324	3.177
Availability	3.201	3.247

For the socio economic factor chi-square was done to compare the factors like age, education, employment status, gender, currently staying, income status and marital status with the purchase intention of the respondents. The factors that were affecting the purchase intention of the respondents were age, income, education and marital status. The different values of chi-square are shown below.

Table 5: Chi-square of socio economic factor

Variables	P value	Accepted
Age and purchase intention	0.006	H_1
Income status and purchase intention	0.048	H_1

Education and purchase intention	0.045	H_1
Marital status and purchase intention	0.004	H_1
Employment status and purchase intention	0.08	H_0
Gender and purchase intention	0.603	H_0
Currently staying and purchase intention	0.498	H_0

*H_0 – There is no significant relationship between given variables.
  H_1 – There is significant relationship between given variables.

5. Findings

1. Perception towards RTE - Health, Value and Quality are positively related to purchase intention and Price and Advertisement have no effect on it. Brand Image, Packaging and Availability also have positive impact on purchase intention.
2. Major reasons of purchase- It saves time, preferred while travelling aboard and also when guest at home.
3. Major reasons of non-purchase - Preference towards homemade food and lacks nutrients
4. Impact of socio-economic factors on purchase - Socio-economic factors such as Age, Income level, Marital Status and Educational Status has impact on Purchase whereas factors such as job status and gender have no impact on purchase intention
5. Relation between Perception and Purchase Intention- Purchase intention towards Ready-to-Eat food is average while Perceived Quality is good, Perceived Value is below average and Perceived health is very important.

5.1 Recommendation

1. RTE can be served in Trains, Airlines and Canteens, as respondents have readily opted for RTE in place of normal meal
2. Respondents feel that perceived Health is below average so manufacturers should focus more on the Health part of the product.
3. Manufacturers should also try to add on the food consumed regularly by people in their daily meals like simple Dals, Khichdi etc. as most of the vegetable and Dals available in RTE currently are the one's which are consumed occasionally.

6. References

1. Arjunan C., M. A. (2012, December). A Study on consumers' buying behaviour towards instant food products in Coimbatore. Namex international journal of management research.

2. Government of India. (2011). Ministry of home affairs. Retrieved October 24, 2013, from census india: http://censusindia.gov.in/Tables_Published/B-Series/b_series_tables_2001.aspx

3. IBEF. (2013, SEPTEMBER). Retrieved from Foundation, Indian Brand Loyalty: http://www.ibef.org/industry/indian-food-industry.aspx

4. Nielsen, A. C. (2006). Consumers and Ready-To-Eat Meals : a Global ACNielsen Report. United States: A. C. Nielsen.

5. Selvarajn P, R. M. (2012). Consumer attitudes towards Ready-To-Eat Packed food items. The Seventh international research conference on management and finance, pp. 322-332.

6. PGA Group . (2012). Standardized Survey Classification . Retrieved November 22, 2013, from PGA group: www.pgagroup.com/standardized-survey-classification.html