



SERVICES MARKETING IN HOTEL INDUSTRY -CONSUMER BEHAVIOUR TOWARDS READY-TO-EAT FOOD PRODUCTS

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Abstract

This report examines the different aspects of consumer behavior in relation to the marketing strategies adopted by companies in the context of the present-day society in order to get a better perspective of the new-age customer. And it also examines issues such as consumer motivation, personality and consumer behavior, decision making processes, purchase behavior, post purchase behavior, customer loyalty, negative post purchase behavior, emerging trends and segmentation, and multiple sub-cultural consumers.

Keywords-Consumer Motivation, Consumer Behavior, Purchase Behavior, Customer Loyalty.

INTRODUCTION

There is nobody in the world who is left out of the class of consumers. The consumer hood continues till one's last breath in the world. Consumer purchases are likely to be influenced by physiological, psychological and sociological factors. The commodities and services are brought by the consumer to satisfy his basic needs, for comfort, pleasure, recreation and happiness. People bear certain beliefs and attitudes towards certain types of goods, brands of commodities and retail outlets based on their previous experience. The selection of a particular commodity becomes important for consumer since there are wide varieties of consumer goods in the market. Again selection of a particular commodity depends on income of the consumer and necessity of the product to the individual. Before the selection of the commodity purchased, an individual requires information regarding the various sources of supply of the commodity, its brands, relative merits and demerits, uses and value of their characteristic features and services offered. The common sources through which individual gathers information are from advertising media (television, radio and newspapers), friends, retailers in the locality, displays in shops and food labels. India is one of the largest food producers of the world with the organized sector accounting for food output worth US \$34827 million , only a small percentage of its farm produce is processed into value-added products.

Problem Focus

- Several firms had been engaging in production and marketing of ready-to-eat food products.
- Hence, the consumers had a greater option to choose from. In this context, a study on consumer behavior was seemed to be important to understand the buying behavior and preferences of different consumers.
- Understanding the consumer behavior would help the firms in formulating strategies to cater to the needs of the consumer and thereby increase their market share.
- Consumer's taste and preference were found to change rapidly, especially in a dynamic environment. Keeping in view the importance of consumer behavior and consumption pattern, the present study was under taken with the following objectives.

OBJECTIVES OF THE STUDY

The specific objectives of the study were:

1. To ascertain the awareness of consumers towards branded ready-to-eat food products.
2. To study the purchase behavior of ready-to-eat food products.
3. To evaluate brand preference of the consumers.
4. To study the factors influencing brand preference.
5. To evaluate alternative purchase plans of the consumers.

LIMITATION OF THE STUDY

- This study was based on primary data collected from sample consumers by survey method.
- As many of the consumers furnished the required information from their memory and experience, the collected data would be subjected to recall bias.
- The study area was limited to Madurai & its surroundings and the findings may not be applicable to other markets, as vast difference exists among the consumers with regard to demographic and psychographic characteristics.
- Hence, the findings of the study may be considered appropriate for the situations similar to study area and extra care should be taken while generalizing the results.

METHODOLOGY

The present study was undertaken to know the awareness of consumers towards branded ready-to-eat food products, purchase behaviour of ready-to-eat food products, brand preference of the consumers, factors influencing brand preference and to study the alternative purchase plans of the consumers.

This chapter covers the following aspects

- 3.1 Description of study area
- 3.2 Sampling design and data collection
- 3.3 Analytical tools employed in the study

Description of Study Area

- Madurai and its surroundings are the fastest growing cities in the state next to Chennai.
- The population is heterogeneous with diverse cultural, religious and economic background.
- This urban conglomeration covers an area of 190 square kilometers with a population of 7.86 lakhs (2009 census). Because of the existence of various linguistic, religious and ethnic groups, it has been a very good marketing centre for launching new products.
- Since, the temple city and its surroundings provide an ideal setting to study the behavior of consumers towards ready-to-eat food products, the present study was undertaken.

Sampling Design and Data Collection

Selection of ready- to- eat food products

- Preliminary discussions were held with the local consumers and the marketers about the consumption of ready- to- eat food products as well as about the brands available and preferred in the study area to gather information on the products to be selected for the study.
- Based on the discussions, the most commonly available and used products in the study area were selected. The particular products were selected in such a way as to represent one product from each food group like cereals, fruits, vegetables and milk and milk products.
- The products selected for the study were as follows:
 - Cereal based – Biscuits
 - Fruit based – Fruit juices
 - Vegetable based – Chips
 - Milk & milk products based – Ice creams

Sample Selection

- The total samples selected for the study was 100 respondents.
- In the phase 100 sample consumers each from Madurai and surrounding city were selected randomly irrespective of age, education and income level.
- The Respondents Were Classified Into Different Categories Based On Age And Income.

Collection of Data

- To study the objectives, required data were collected from primary as well as secondary sources.

Primary data

- The data required for the study were collected from the respondents by personal interview method with the help of pre-structured questionnaire. The respondents were interviewed at retail outlets, departmental stores, bakeries and even at the homes.

The questionnaire consisted of

- Part I : General information like name, age, education, sex, occupation, food habit, family income and family type. Monthly expenditure on food items in general and ready- to- eat food products in particular.
- Part II : Specific information included the information regarding purchase behavior ,factors influencing the purchase of ready- to- eat food products, brand awareness, sources of information for brand awareness, frequency of purchase, nature of purchase decision, place of purchase, influencers of purchase decision, brand preference, factors influencing to prefer particular brand and alternative purchase plans of the consumers.

Secondary Data

- The secondary data on location, demography and regarding population of the study

Analytical Tools Used

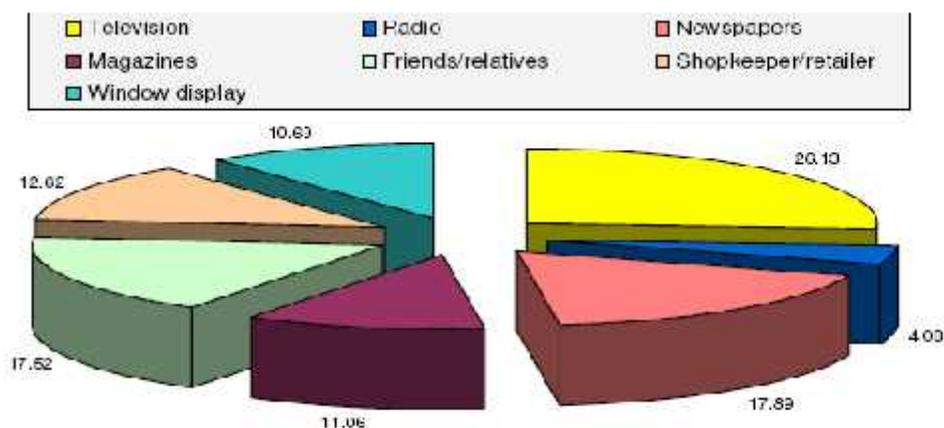
- The data collected for the study was processed and analyzed by using suitable statistical techniques.
- Frequency, percentage, mean, standard deviation and Garret’s ranking techniques were used to present the collected data.
- A detailed description of the analytical tools employed in the study is presented below.

Results

The results of the study are presented under the following headings.

- Awareness of consumers towards branded ready-to-eat food products.
- Purchase behavior of consumers towards ready-to-eat food products.
- Brand preference of the consumers.
- Factors influencing brand preference.
- Alternative purchase plans of the consumers.

Influence of media to create awareness about the juice brands



Purchase Behaviour of Consumers Buyers and non-buyers of ready-to-eat food products

(N= 200)

Products	Age group	Buyers	Non-buyers
Biscuits	AG1 (n= 64)	64 (100.00)	-
	AG2 (n= 110)	110 (100.00)	-
	AG3 (n= 18)	18 (100.00)	-
	AG4 (n= 8)	8 (100.00)	-
	Total (N = 200)	200 (100.00)	-
Chips	AG1 (n= 64)	64 (100.00)	-
	AG2 (n= 110)	108 (98.18)	2 (1.81)
	AG3 (n= 18)	12 (66.66)	6 (33.33)
	AG4 (n= 8)	-	8 (100.00)
	Total (N = 200)	184 (92.00)	16 (8.00)
Fruit juice	AG1 (n= 64)	64 (100.00)	-
	AG2 (n= 110)	106 (96.36)	4 (3.63)
	AG3 (n= 18)	10 (55.55)	2 (11.11)
	AG4 (n= 8)	-	8 (100.00)
	Total (N = 200)	186 (93.00)	14 (7.00)
Ice creams	AG1 (n= 64)	62 (96.87)	2 (3.12)
	AG2 (n= 110)	108 (98.18)	2 (1.81)
	AG3 (n= 18)	18 (100.00)	-
	AG4 (n= 8)	-	8 (100.00)
	Total (N = 200)	188 (94.00)	12 (6.00)

Reasons for purchasing ready-to-eat food products

Reasons	Products			
	Biscuits (n=200)	Chips (n=184)	Fruit juice (n= 186)	Ice creams (n=188)
Readily available	106 (53.00)	86 (46.73)	104 (55.91)	64 (34.04)
Taste	92 (46.00)	148 (80.43)	110 (59.13)	116 (61.70)
Liked by the family members	120 (60.00)	58 (31.52)	68 (36.55)	74 (39.36)
Influence of friends or relatives	30 (15.00)	68 (36.95)	82 (44.08)	84 (44.68)
Easily available in the shops	70 (35.00)	40 (21.74)	20 (10.75)	40 (21.28)
Convenient to use for snacks	130 (65.00)	118 (64.13)	50 (26.88)	28 (14.89)
Satisfaction	86 (43.00)	96 (52.17)	88 (47.31)	104 (55.31)
Save time of preparation	46 (23.00)	72 (39.13)	92 (49.46)	52 (27.65)
Any other	-	2 (1.08)	18 (9.67)	-

Reasons for not purchasing ready-to-eat food products

Reasons	Products			
	Biscuits (n=0)	Chips (n=16)	Fruit juice (n=14)	Ice cream (n=12)
Lack of awareness of products available in the market	-	-	-	-
Dislike the product	-	6 (50.00)	6 (42.85)	12 (100.00)
High price	-	8 (50.00)	10 (71.42)	2 (16.66)
Low quality	-	10 (62.50)	4 (28.57)	2 (16.66)
Not available in the shops	-	-	-	-
Health conscious	-	16 (100.00)	-	8 (66.66)
Any other	-	-	12 (85.71)	4 (33.33)

Brand Preference of the Consumers towards Ready to Eat Food(Juice).

Type of fruit juice	Age group				
	AG1 (n = 64)	AG2 (n = 103)	AG3 (n=16)	AG4 (n = 0)	Overall (n=186)
Mango	30 (46.87)	74 (69.81)	10 (62.50)	-	144 (61.29)
Apple	36 (56.25)	32 (30.18)	18 (100.00)	-	86 (46.23)
Orange	32 (50.00)	48 (43.39)	8 (50.00)	-	88 (46.23)
Strawberry	10 (15.62)	14 (13.20)	2 (12.50)	-	26 (13.97)
Pineapple	16 (25.00)	38 (35.84)	4 (25.00)	-	58 (31.18)

Ranking Factors influencing brand preference.

Factors	Biscuits		Chips		Fruit juice		Ice creams	
	Ranking	Mean score	Ranking	Mean score	Ranking	Mean score	Ranking	Mean score
Reasonable price	III	64.60	III	62.46	III	62.29	III	64.21
Taste	II	74.79	I	80.35	I	77.29	I	79.05
Quality	I	75.74	II	71.22	II	75.23	II	74.18
Quantity	IV	59.08	IV	59.92	IV	66.04	IV	57.43
Brand image	VI	54.73	V	54.57	V	56.15	V	55.70
Availability	V	56.70	VI	54.38	VI	53.43	VI	51.57
Advertisements	VII	50.76	IX	45.72	VII	50.21	VII	49.37
Packaging design	X	42.65	X	42.18	X	43.79	X	42.25
Friends	XII	37.62	XI	41.42	XII	39.30	XII	38.51
Labeling	XIII	32.76	XIII	36.14	XIII	35.23	XIII	36.70
Offers	XIV	32.13	XIV	33.04	XIV	31.27	XIV	33.94
Freshness	VII	52.30	VII	50.46	VIII	49.60	VIII	47.60
Retailers influence	XV	27.91	XV	30.32	XV	28.53	XV	31.45
Long shelf-life of the products	IX	48.89	VIII	47.32	IX	47.26	XI	42.20
Availability of range products	XI	39.34	XII	40.42	XI	40.32	IX	45.78

Alternative purchase plans of ready-to-eat food products

Findings of the study

- Maximum number of respondents belonged to age group two (21 years to 40 years).
- More than half of the respondents were females.
- Most of the respondents were degree holders (44.00%). A very few percentage (2.00%) of them had finished primary school.
- It was found that among the selected respondents none of them were illiterates.
- Maximum number of respondents (44.00%) belonged to the medium family size of 5-7 members and most of them belonged to nuclear families (89.00%).
- The data on food habits revealed that most of them were vegetarians (73.00%).
- Most of the respondents (40.00%) belonged to low income group (<Rs.8615.70/month). As per the occupation classification, 68.00 per cent of them were students.
- Brand awareness of consumers about fruit juice among different age groups showed that, Frooti brand was very popular *i.e.* 96.00 per cent of respondents were aware, followed by Maaza brand (93.00%) and Slice (87.00%). Tropicana twister brand was less familiar (44.00%), among the respondents.
- In case of fruit juice, majority of the respondents (85.71%) were not purchasing this product because they preferred home made products.



CONCLUSION

- Ready-to-eat food products are impulse purchase products and generally fun eat foods.
- Consumer buys such products only if it catches his eye at the outlet. So players/manufacturers need to stress on attractive packaging and sales promotion.
- Further, study also indicated that those firms which resorted to advertisements through mass media, particularly television and newspapers could get better share in the market.
- This calls for the attention of other competing firms in the business to improve their sales promotion activities by making use of such mass media to improve their business.

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