

CONSUMER BEHAVIOUR : CURRENT TRENDS IN PROCESSED FOOD PRODUCTS IN BANGALORE

Dr. R. Sarvamangala

Associate professor, Dept of Commerce, P G Centre ,Kolar

Abstract

Food processing sector is one of the largest sectors in India in terms of production, growth, consumption, and export and growth prospects. India is the world's second largest producer of food next to China and has the potential of being biggest industry with food and agricultural sector contributing 26 percent to Indian GDP. It has the capacity of producing over 600 million tons of food products every year; it is likely to be doubled in next ten years. Growing population, rapid urbanization, changing consumer preferences etc are expected to keep the demand increasing in future too for processed food. With a well-integrated supply chain and a good marketing strategy, a tremendous opportunity lies for snack food industry in India. India's food processing industry is expected to benefit from this and grow to around \$260-billion from the present USD 200-billion in the next 6-years, according to industry expert. It is estimated that potential for processed foods is estimated to reach from Rs 8,200-billion in 2009-10 to Rs13, 500-billion by 2014-15. The Indian food production is estimated at 500 million tones and food processing industry has immense potential. India is a large and growing market for food products as it is growing at about 1.6%annum. The Indian government has formulated a Vision 2015, to triple the size of the food processing industry, from the current \$ 70 b to around \$ 210 b, enhancing her global share to 3%, increasing value addition to 35%, from the current 20% and raising the level of processing of perishables to 20%.The most promising sub-sectors includes -Soft-drink bottling, Confectionery manufacture, Fishing, aquaculture, Grain-milling and grain-based products, Meat and poultry processing, Alcoholic beverages, Milk processing, Tomato paste, Fast-food, Ready-to-eat breakfast cereals, Food additives, flavors etc.

Introduction

A processed food can be defined as any food that has been gone through chemical, mechanical or physical processing in the processing industries or at home and which has been altered from its natural state to a new state. These foods include frozen, pasteurized, fried, condensed, dried, dehydrated, canned and homogenized food.

The United States Federal Food, Drug and Cosmetic Act, Section 201, Chapter II, (gg) defines processed food as "any food other than a raw agricultural commodity and includes any raw agricultural commodity that has been subject to processing, such as canning, cooking, freezing, dehydration, or milling."

Food processing mainly involves any type of value addition to agricultural or horticultural produce and also includes processes such as grading, sorting, and packaging which enhance shelf life of food products. The food processing industry provides vital linkages and synergies between industry and agriculture.

One of the first forms of food processing, dating back to BC, was the salting of meats as a means of preservation. In the early 19th century a new technology was introduced to vacuum bottles of food for French troops. It would lead to the use of tin cans a decade later and thus the canning industry was born.

Pasteurization, another French invention from the mid 19th century, greatly improved the safety of

milk and milk products, as well as increasing their shelf life. In the industrialized 20th century, and more prominently after World War II, that a third and crucial factor became the driving force behind food processing – convenience. With legions of moms joining the work force, there was less time to toil in the kitchen, and a demand for quick, easy to prepare foods skyrocketed.

Food processing sector is one of the largest sectors in India in terms of production, growth, consumption, and export and growth prospects. India is the world's second largest producer of food next to China and has the potential of being biggest industry with food and agricultural sector contributing 26 percent to Indian GDP. It has the capacity of producing over 600 million tons of food products every year; it is likely to be doubled in next ten years.

The Indian food processing industry is primarily export orient. India's relatively inexpensive but skilled workforce can be effectively utilized to set up large, low cost production bases for domestic and export markets. The national policy aims to increase the level of food processing from the present 2% to 10% by 2010 and 25% by 2025. The global processed food market is estimated at \$3.2 trillion. The Indian food market is estimated at \$182 billion. Food processing industry in India is growing at 14% annum. The total food production in India is likely to double in the next ten years and there is an opportunity for large investments in food and food processing technologies especially in areas of canning, dairy and food processing, specialty processing, packaging, frozen food or refrigeration and thermo Processing. Fruits & vegetables, fisheries, milk & milk products, meat & poultry, packaged or convenience foods, alcoholic beverages & soft drinks and grains are important sub-sectors of the food processing industry.

Growing population, rapid urbanization, changing consumer preferences etc are expected to keep the demand increasing in future too for processed food. With a well-integrated supply chain and a good marketing strategy, a tremendous opportunity lies for snack food industry in India. India's food processing industry is expected to benefit from this and grow to around \$260-billion from the present USD 200-billion in the next 6-years, according to industry expert. It is estimated that potential for processed foods is estimated to reach from Rs 8,200-billion in 2009-10 to Rs13, 500-billion by 2014-15. The Indian food production is estimated at 500 million tones and food processing industry has immense potential. India is a large and growing market for food products as it is growing at about 1.6% annum. The Indian government has formulated a Vision 2015, to triple the size of the food processing industry, from the current \$ 70 b to around \$ 210 b, enhancing her global share to 3%, increasing value addition to 35%, from the current 20% and raising the level of processing of perishables to 20%. The most promising sub-sectors includes -Soft-drink bottling, Confectionery manufacture, Fishing, aquaculture, Grain-milling and grain-based products, Meat and poultry processing, Alcoholic beverages, Milk processing, Tomato paste, Fast-food, Ready-to-eat breakfast cereals, Food additives, flavors etc.

Benefits of Processed Food

1. Making the perishable & seasonal food available throughout the year.
2. Saves time and reduce energy most of the processed food needs little or no cooking so it's easy to eat it.
3. Stabilize prices of food, as there is less scope of shortage of supply to demand.
4. Reduce wastage of food by preventing decay or spoilage of food.

5. Preserved foods help people to bring a variety in the diet, thereby decreasing nutritional inadequacies.
6. Milk is pasteurized to kill bacteria which make it germs free. Drinking pasteurized milk is better than drinking fresh milk.
7. Sometimes processed food is much easier to preserve than natural food spoilage occurs late in processed food.

Disadvantages of Processed Food

1. Canned foods with large amounts of sodium or fat.
2. Pasta meals made with refined white flour instead of whole grains.
3. Processed food can lead to various kind of diseases.
4. The biggest bottleneck in expanding the food processing sector, in terms of both investment and exports, is lack of adequate infrastructure.
5. Cold chain facilities are miserably inadequate to meet the increasing production of various perishable products like milk, fruits, vegetables, poultry, fisheries etc.
6. Prevention of Food Adulteration laws is not only stringent one but time consuming also. It substantial varies from Codex standard. Harmonization of multiple food laws is an urgent necessity.

The Risk Associated with Consumption of Processed Food

1. **Cancer**
2. Due to carcinogenic properties, sodium nitrate, milling process & extremely toxic additive, included in processed food which leads to nutritional deficiencies, brain tumors, leukemia, & cancers of the digestive tract.
3. **Obesity**
Processed foods are most often high in fat, sugar and salt. If counting food calories, these are the perfect ingredients to cause excessive weight gain.
4. **High carbon content**
Most processed foods include an overabundance of carbohydrates and not nearly enough protein. It does not promote mastication or chewing.
5. **Heart disease**
The trans-fat in many processed foods will spike the cholesterol level and lower the HDL. Sodium nitrate is strongly correlated with Hydrogenated vegetable oil which is a dangerous form of dietary fat that promotes nervous system disorders and aggressively attacks cardiovascular health in humans.
6. **Hypertension**
7. **Blood** pressure is elevated by the high salt and fat content in foods, like salty breakfast in cereals. The high sugar products and fast acting carbohydrates will raise the glucose to unhealthy levels, where it leads to diabetes.

Statement of the Problem

This is also evident from the presence of several global foods giants and leading Indian industrial enterprises in the country's food processing sector, such as MTR Foods Ltd, Mothers Foods Ltd,

Everest Foods Ltd, Nestle India Ltd, Nandini Foods Ltd, Knorr Foods Ltd, Maiyas Foods Ltd, Kwaliti Foods Ltd, Haldirams ,Amul,Maggi,: Besides, in the current trends surplus food production, as well as the increasing preference for Indian foods (in several regions of the world) need to be leveraged to achieve economic, and strategic objectives through exports. The satisfaction of the consumer is very important for any industry (or) a company to survive in the market. It is mainly concerned with the desire consumers regarding the specialization and improvement of the product wanted by them. The study is mainly made on the factors yielding (or) affecting optimum level of satisfaction to the consumers for the betterment of processed food products sales in BANGALORE. The study is mainly concentrated to know the BANGALORE consumers satisfaction and their perception towards processed food products.

Objectives of the Study

1. To study the consumer satisfaction towards processed food products.
2. To study the pros and cons of the consumer towards processed food products.
3. To study whether there should be any improvement in the quality of the product
4. To study whether the consumers are benefited through processed food products.
5. To indentify the consumers brand preferences.
6. To analyze factors influencing the buying behavior of processed Food Products.

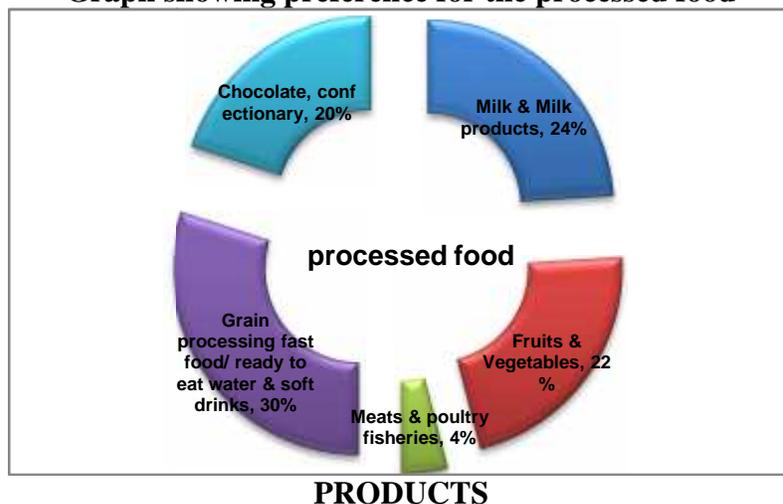
Sampling Size

50 consumers and 50 Retailers were considered for my study. The data was collected by using questionnaires. The Top most leading brands in processed Food products in Bangalore are MTR, Mother’s choice, Nestle, Amul, Knorr, Kwaliti, Nandini, Haldirams, Maiyas etc., a detail information is provided for the selective brands.

The Major Findings of the Study are

Among 50 respondents none of the respondents prefer beverage product alcoholics and 100 percent respondents prefer non alcoholics (juice, cold drinks)

Graph showing preference for the processed food



Interpretation

Out of 50 respondents, 24 percent prefer Milk & Milk products, 22 percent prefer fruits & Vegetables, 4 percent meats & poultry fisheries, 30 percent prefer Grain processing fast food/ ready to eat water & soft drinks, 20 percent prefer chocolate & confectionary.

From the above it is found that the most of the respondents prefer ready to eat product others like chocolate, confectionary product.

Table Showing Brands Preferred by User’s of Processed Food Products.

Sl. no	Brands Preferred	No of respondents	Percentage
1	MTR	20	40
2	Mother’s choice	12	24
3	Nestle	9	18
4	Amul	6	12
5	Knorr	3	6
	Total	50	100

(Source: Primary Data)

- 56 percent of the Female respondents are the major users of processed food products.
- 60 percent of the Married respondents are flexible in using processed food products.
- 44 percent of the respondents’ falls under the age group of 31-40 are the main users of the processed food products.
- 56 percent of the respondents are Post Graduates. 30 percent of the respondents come under the monthly income level of 5,000-15,000 are the users of the processed food products.
- 36 percent of the House wife’s are the major users of the processed food products.
- 48 percent of the respondents prefer Both Veg & Non-Vegetarian Food habits.
- 84percent of the respondents are the major users of the processed food products.
- 28 percent of the consumers are satisfied with the Ready available products.
- 48 percent of the respondents buy the processed food products when necessities arise.
- 54 percent of the respondents buy the processed food products from retail outlets.
- 100 percent of the respondents prefer non alcoholic Beverage product.
- 30 percent of the respondents prefer ready to eat product others like chocolate, confectionary product.
- 40 percent of the respondents are bound/favored to the MTR brands
- 32 percent of the respondents prefer processed food product brand through Television.
- 48 percent of the respondents prefer to go to other shops.
- From the above table, it is clear that, majority of the female using processed food product i.e., 60%.
- 52 percent of the respondents are satisfied with the quality of the products offered by the producer of processed food.
- 60 percent of the respondents are satisfied with the price quoted for processed food products.

- 90 percent of the respondents have not noticed adulteration in processed food products.
- 48 percent of the retailers rendered a service of Below 5 years.
- 64 percent of the retailers sell both Veg & Non-Vegetarian products in there outlets shelves.
- It is proved that there is no retail stores without the processed food products
- 32 percent of the retailers are accepted that MTR brands needs more sales promotion

Conclusion

In the present changing scenario the processed food industries should be aware of the changing mind set of the consumers' requirement. This can be done with the help of Research & Development department, which also leads an effective production & with a targeted margin of profit. Hence it is advised to the processed food industries to come out with a better offer's which will be useful to all age groups. As per this survey it is clear that the both consumers & retailers are 100 percent satisfied with the consumption of processed food products in the day- to- day life which represents effective utilization of the processed food products in the modern world. An effective & healthy advertisement should be given to attract the consumers. An attractive and quality packing should be used for the processed food items so that it attracts the consumers & maintains the quality of the processed food products for a long period.